First Trust

Market Watch

Week of April 5th

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,927)	0.83%	5.50%	47.73%	22.68%	3.47%
S&P 500 (1,178)	1.10%	6.17%	50.71%	26.47%	2.07%
NASDAQ 100 (1,960)	0.53%	5.51%	59.25%	54.63%	6.29%
S&P 500 Growth	1.16%	4.40%	46.26%	31.58%	2.80%
S&P 500 Value	1.04%	7.98%	55.77%	21.17%	1.24%
S&P MidCap 400 Growth	1.40%	10.56%	64.31%	41.23%	5.90%
S&P MidCap 400 Value	1.13%	9.71%	66.76%	33.77%	4.89%
S&P SmallCap 600 Growth	0.59%	8.15%	62.80%	28.34%	3.90%
S&P SmallCap 600 Value	0.46%	10.97%	67.61%	22.86%	3.49%
MSCI EAFE	2.50%	2.06%	56.26%	31.78%	3.99%
MSCI World (ex US)	2.81%	2.92%	63.05%	41.45%	6.39%
MSCI World	1.83%	4.25%	53.86%	29.99%	3.09%
MSCI Emerging Markets	3.82%	4.15%	84.16%	78.51%	16.04%

Source: Bloomberg. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 04/01/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	0.52%	11.28%	70.87%	41.33%	1.35%
Consumer Staples	0.78%	6.35%	36.47%	14.89%	6.85%
Energy	4.03%	2.27%	31.58%	13.86%	7.18%
Financials	0.70%	12.20%	84.43%	17.24%	-8.25%
Health Care	0.54%	3.98%	35.17%	19.70%	3.49%
Industrials	1.41%	13.74%	73.57%	20.93%	1.75%
Information Technology	-0.15%	2.00%	57.95%	61.72%	5.20%
Materials	3.31%	4.73%	58.65%	48.57%	4.85%
Telecom Services	1.13%	-3.40%	13.26%	8.93%	2.81%
Utilities	2.36%	-2.28%	22.51%	11.91%	4.45%

Source: Bloomberg. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 04/01/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.24%	0.72%	-0.13%	-1.41%	4.93%
GNMA 30 Year	-0.59%	1.37%	4.55%	5.37%	5.83%
U.S. Aggregate	-0.39%	1.28%	7.20%	5.93%	5.29%
U.S. Corporate High Yield	0.19%	4.70%	55.00%	58.21%	7.76%
U.S. Corporate Investment Grade	-0.14%	1.74%	23.18%	18.68%	5.13%
Municipal Bond: Long Bond (22+)	0.15%	2.05%	17.04%	23.43%	3.93%
Global Aggregate	0.32%	-0.40%	9.80%	6.93%	4.92%

Source: Barclays Capital. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 04/01/10.

Key Rates

As of 04/01

Fed Funds	0.00-0.25%	5-yr CD	2.85%
LIBOR (1-month)	0.25%	2-yr T-Note	1.09%
CPI - Headline	2.10%	5-yr T-Note	2.66%
CPI - Core	1.30%	10-yr T-Note	3.94%
Money Market Accts.	0.79%	30-yr T-Bond	4.80%
Money Market Funds	0.02%	30-yr Mortgage	5.23%
6-mo. CD	0.95%	Prime Rate	3.25%
1-yr CD	1.36%	Bond Buyer 40	5.21%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 04/01

TED Spread	12 bps
Investment Grade Spread (A2)	169 bps
ML High Yield Master II Index Spread	583 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 03/24/10

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	-$926	Million	$1.551	Billion
Foreign Equity	$1.220	Billion	$1.675	Billion
Taxable Bond	$7.754	Billion	$8.163	Billion
Municipal Bond	$989	Million	$1.075	Billion

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$8.11	Billion	-$4.57	Billion
Institutional	-$22.26	Billion	$0.33	Billion

Source: Investment Company Institute

Factoids for the week of March 29th – April 2nd

Monday, March 29, 2010

The residential real estate market is losing some support at the end of this month and next. The Federal Reserve is set to end its $1.4 trillion program to buy mortgage-backed securities and housing-agency debt at the end of March. The first-time home buyer and move-up/repeat buyer tax credits ($8,000 & $6,500) are due to expire at the end of April. This should not be too disruptive since the credits will only account for 180,000 additional sales from December 2009 through April 2010, according to David Crowe, chief economist at the National Association of Home Builders. The silver lining for the housing sector includes the following (Source: *BusinessWeek* & CNNMoney.com): median price of a home was $165,100 in February (lowest since May 2002); a net 13.2% of banks surveyed by the Fed in January tightened lending standards on prime mortgages (lowest in three years); employment growth beginning in March (as many as 300,000 new jobs forecasted); and more banks are opting for short sales over foreclosures.

Tuesday, March 30, 2010

S&P 500 stock buybacks totaled $47.82 billion in Q4'09, down 0.63% from the $48.12 billion executed in Q4'08, but 37.2% higher than the $34.85 billion repurchased in Q3'09, according to Standard & Poor's. For all of 2009, buybacks totaled $137.64 billion, down 59.5% from the $339.65 billion posted in 2008. The peak in buybacks was $589.11 billion (2007). Information Technology now accounts for 31.9% of all buybacks, followed by Consumer Staples at 20.7%.

Wednesday, March 31, 2010

The Q1'10 edition of the *Investment Manager Outlook* (released March 24), a survey of investment managers conducted by Russell Investment Group, found that 60% of those money managers polled believe U.S. equities are fairly valued. Managers are most bullish on the following asset classes: Emerging Market Equities (66%); U.S. Large-Cap Growth (64%); U.S. Small-Cap Growth (55%); U.S. Mid-Cap Growth (54%); and U.S. Large-Cap Value (53%). The asset classes managers are least bullish on are Cash (6%) and Treasuries (6%). The sectors managers are most bullish on are Technology (79%), Health Care (63%) and Materials and Processing (49%).

Thursday, April 1, 2010

U.S. prescription drug sales grew 5.1% in 2009 to $300.3 billion, according to IMS Health. Sales were up only 1.8% in 2008. Specialty pharmaceuticals, which target complex/chronic conditions, grew 7.5% and now have a 21% share of the market. Dispensed prescription volume in retail channels was up 2.1%. The rate of growth could have been higher. A recent one-year study of more than 75,000 Massachusetts patients found that 22% of prescriptions written were never filled. The rate jumped to 28% when it involved first-time prescriptions.

Friday, April 2, 2010

Good Friday, Markets Closed