First Trust

Market Watch

Week of May 2nd

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
Dow Jones Industrial Avg. (12,811)	2.47%	11.49%	19.49%	14.06%	5.19%
S&P 500 (1,364)	1.99%	9.06%	17.22%	15.06%	2.95%
NASDAQ 100 (2,404)	1.14%	8.59%	21.07%	20.15%	7.83%
S&P 500 Growth	1.84%	8.63%	19.03%	15.09%	4.81%
S&P 500 Value	2.14%	9.51%	15.56%	15.13%	1.02%
S&P MidCap 400 Growth	2.08%	13.67%	30.74%	30.65%	8.02%
S&P MidCap 400 Value	2.01%	11.04%	19.70%	22.80%	4.74%
S&P SmallCap 600 Growth	2.74%	13.64%	29.49%	28.43%	5.73%
S&P SmallCap 600 Value	1.99%	7.55%	14.65%	25.01%	2.91%
MSCI EAFE	2.45%	9.54%	19.18%	7.75%	1.53%
MSCI World (ex US)	1.64%	8.46%	19.73%	11.15%	3.55%
MSCI World	2.09%	9.25%	18.25%	11.76%	2.32%
MSCI Emerging Markets	-0.10%	5.21%	20.67%	18.88%	9.84%

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 04/29/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr
Consumer Discretionary	1.58%	8.85%	18.74%	27.85%	5.24%
Consumer Staples	1.89%	7.90%	18.00%	14.12%	8.89%
Energy	1.93%	18.53%	35.85%	20.46%	9.04%
Financials	1.69%	3.07%	2.63%	12.18%	-11.36%
Health Care	2.89%	12.50%	16.42%	2.90%	4.70%
Industrials	2.80%	11.75%	20.27%	26.74%	3.64%
Information Technology	1.55%	6.52%	13.18%	10.22%	5.73%
Materials	1.04%	6.80%	26.40%	22.34%	6.65%
Telecom Services	2.10%	6.69%	32.80%	18.97%	5.59%
Utilities	2.82%	6.92%	13.89%	5.46%	5.20%

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 04/29/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
U.S. Treasury: Intermediate	0.58%	1.01%	4.33%	5.29%	5.73%
GNMA 30 Year	0.68%	1.90%	5.97%	6.71%	6.80%
U.S. Aggregate	0.63%	1.70%	5.36%	6.54%	6.33%
U.S. Corporate High Yield	0.46%	5.49%	13.42%	15.12%	9.32%
U.S. Corporate Investment Grade	0.75%	2.59%	7.36%	9.00%	6.92%
Municipal Bond: Long Bond (22+)	1.24%	1.90%	-0.94%	1.12%	2.96%
Global Aggregate	1.19%	4.38%	10.45%	5.55%	7.20%

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 04/29/11.

Key Rates

As of 04/29

Fed Funds	0.00-0.25%	5-yr CD	1.98%
LIBOR (1-month)	0.21%	2-yr T-Note	0.60%
CPI - Headline	2.70%	5-yr T-Note	1.97%
CPI - Core	1.20%	10-yr T-Note	3.28%
Money Market Accts.	0.65%	30-yr T-Bond	4.40%
Money Market Funds	0.02%	30-yr Mortgage	4.70%
6-mo CD	0.56%	Prime Rate	3.25%
1-yr CD	0.88%	Bond Buyer 40	5.54%

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

Market Indicators

As of 04/29

TED Spread	23 bps
Investment Grade Spread (A2)	160 bps
ML High Yield Master II Index Spread	476 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 4/20/11

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	$1.930	Billion	$495	Million
Foreign Equity	$1.150	Billion	$340	Million
Taxable Bond	$3.320	Billion	$3.581	Billion
Municipal Bond	-$1.151	Billion	-$1.167	Billion

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$10.02	Billion	-$1.87	Billion
Institutional	$26.83	Billion	-$34.31	Billion

Source: Investment Company Institute

Factoids for the week of April 25th – 29th

Monday, April 25, 2011

Silver futures are trading above $46 per ounce this morning, a level not seen since the Hunt brothers attempted to corner the market, illegally, back in 1981, according to SmartMoney.com. Like most commodities, the 6.25% drop in the dollar so far in 2011 is fueling some of the demand. The last time silver was this high it collapsed. As of last Thursday, a $100 investment in silver 10 years ago would have grown to $1,037, compared to $569 for gold, according to Bespoke Investment Group. A $100 investment in the stock market (S&P 500) would have been worth $107.

Tuesday, April 26, 2011

A report ("Tourism Outlook USA") released yesterday revealed a sharp increase in travel spending by Visa card holders in 2010, according to *USA TODAY*. U.S. Visa card holders traveling abroad spent $31 billion in 2010, up 6% from 2009. Foreign card holders traveling to the U.S. spent $34 billion, up about 17.2% from 2009. Spending increased the most for U.S. card holders visiting China. They spent $741 million, up 18%. While foreign card holders spent more in 48 out of 50 states, the most popular destinations were Florida, New York, California, Texas and Nevada. Tourists increased spending by more than 15% in each of these states.

Wednesday, April 27, 2011

Prior to this one, there had been 25 bull markets in the U.S. stock market (S&P 500) since 1928, according to Bespoke Investment Group. The average bull has lasted 886 days with an average gain of 101% (price-only). The longest bull lasted 4,494 days (12/4/87-3/24/00). It followed the "Crash of '87." The S&P 500 appreciated 582% over that span. The current bull market is 778 days old. The S&P 500 is up 99% (price-only) since the market bottomed on 3/9/09.

Thursday, April 28, 2011

Despite a jump in deposits, loan balances at four of largest banks in the U.S. shrank in Q1'11 as institutions continued to write down losses on bad loans, according to CNNMoney.com. Average loans outstanding at Bank of America, Citigroup, JPMorgan Chase and Wells Fargo declined 7% ($210 billion) year-over-year in Q1. Deposits at these institutions rose 5% ($154 billion). These banks now have at least $1.06 in deposits for every dollar in loans outstanding. A year ago, only JPMorgan Chase had deposits that exceeded loans outstanding. Bank of America's deposits just topped $1 trillion for the first time. JPMorgan Chase's deposit base was just $4 billion shy of that mark. The banks believe that loan demand will rise as the economic recovery picks up steam.

Friday, April 29, 2011

Year-to-date, the net S&P 500 Indicated Dividend Rate (increases less decreases) totaled $20.985 billion, according to Howard Silverblatt, senior index analyst at Standard & Poor's. The nearly four-month total already tops the $20.650 billion in dividend increases for all of 2010. Investors are currently receiving 10.66% less in dividend distributions than in June 2008. Distributions declined by $21.506 billion in 2008 and another $37.302 billion in 2009. Silverblatt believes it will likely take until early 2013 to get back to the June 2008 level.