First Trust

Market Watch

Week of September 19th

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (11,510)	4.78%	1.33%	11.50%	14.06%	2.66%
S&P 500 (1,216)	5.42%	-1.90%	10.30%	15.06%	0.50%
NASDAQ 100 (2,306)	6.59%	4.62%	19.40%	20.15%	7.86%
S&P 500 Growth	5.58%	1.75%	15.44%	15.09%	3.15%
S&P 500 Value	5.24%	-5.68%	5.18%	15.13%	-2.24%
S&P MidCap 400 Growth	5.79%	-0.08%	18.26%	30.65%	6.87%
S&P MidCap 400 Value	4.68%	-7.07%	7.46%	22.80%	2.02%
S&P SmallCap 600 Growth	5.38%	-2.07%	19.06%	28.43%	4.07%
S&P SmallCap 600 Value	5.77%	-8.81%	9.89%	25.01%	0.22%
MSCI EAFE	2.21%	-11.28%	-3.05%	7.75%	-2.32%
MSCI World (ex US)	1.11%	-11.49%	-2.40%	11.15%	-0.04%
MSCI World	3.68%	-6.61%	3.81%	11.76%	-0.73%
MSCI Emerging Markets	-1.50%	-13.38%	-2.97%	18.88%	7.24%

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 09/16/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	6.97%	2.00%	17.81%	27.85%	3.54%
Consumer Staples	3.56%	7.47%	15.17%	14.12%	6.97%
Energy	4.05%	-0.24%	25.12%	20.46%	6.68%
Financials	6.01%	-18.16%	-10.65%	12.18%	-15.67%
Health Care	3.78%	6.52%	12.47%	2.90%	1.98%
Industrials	6.52%	-6.78%	7.06%	26.74%	0.75%
Information Technology	7.07%	0.25%	13.50%	10.22%	4.89%
Materials	4.52%	-7.96%	9.93%	22.34%	4.75%
Telecom Services	4.47%	0.43%	10.86%	18.97%	2.26%
Utilities	4.64%	11.91%	14.94%	5.46%	4.23%

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 09/16/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	-0.42%	5.72%	4.74%	5.29%	6.19%
GNMA 30 Year	-0.13%	6.97%	7.34%	6.71%	7.21%
U.S. Aggregate	-0.51%	6.34%	5.80%	6.54%	6.65%
U.S. Corporate High Yield	-0.16%	1.79%	6.00%	15.12%	7.88%
U.S. Corporate Investment Grade	-1.08%	6.05%	6.00%	9.00%	6.93%
Municipal Bond: Long Bond (22+)	-0.09%	11.15%	3.70%	1.12%	4.03%
Global Aggregate	-0.07%	6.63%	7.89%	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 09/16/11.

Key Rates

As of 09/16/11

Fed Funds	0.00-0.25%	5-yr CD	1.69%
LIBOR (1-month)	0.23%	2-yr T-Note	0.17%
CPI - Headline	3.80%	5-yr T-Note	0.91%
CPI - Core	2.00%	10-yr T-Note	2.05%
Money Market Accts.	0.56%	30-yr T-Bond	3.31%
Money Market Funds	0.02%	30-yr Mortgage	4.18%
6-mo CD	0.53%	Prime Rate	3.25%
1-yr CD	0.83%	Bond Buyer 40	5.01%

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

Market Indicators

As of 09/16/11

TED Spread	35 bps
Investment Grade Spread (A2)	248 bps
ML High Yield Master II Index Spread	747 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 9/7/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-$1.131 Billion	-$748 Million
Foreign Equity	$1.843 Billion	$617 Million
Taxable Bond	$4.436 Billion	-$303 Million
Municipal Bond	$424 Million	$227 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-$4.84 Billion	-$1.23 Billion
Institutional	-$11.61 Billion	$8.10 Billion

Source: Investment Company Institute

Factoids for the week of September 12th – 16th

Monday, September 12, 2011

Bespoke Investment Group reviewed the performance of some of the primary asset classes since 9/11/01 to see how they fared over the decade. The top three performers were silver (+900.3%), gold (+567.8%) and oil (+224.8%). The U.S. dollar declined 34.21%. The yield on the 10-year T-Note fell from 4.84% to 2.04%. The S&P 500 gained 9.71%. The 10 major sectors performed as follows: Energy (+127.99%); Materials (+70.85%); Consumer Staples (+43.39%); Consumer Discretionary (+34.51%); Technology (+27.73%); Industrials (+9.02%); Health Care (+1.28%); Utilities (-0.43%); Telecommunication Services (-31.62%); and Financials (-48.20%).

Tuesday, September 13, 2011

A study of high net worth individuals ($3 million or more in investable assets) by U.S. Trust (*Insights on Wealth and Worth*) noted that just 49% of those surveyed believe that leaving a financial inheritance is important. Twenty percent of parents fear their children would squander the money, while 25% fear it would make them lazy. Here are the primary sources of their wealth: earned income (77%); investments (59%); employer equity/stock options (35%); and real estate transaction (28%). Only 27% of respondents said they acquired their wealth through inheritance. Respondents attributed their success to focus and hard work more than any other contributing factors.

Wednesday, September 14, 2011

Data just released by CardHub.com revealed that consumers are starting to tap their credit cards again, according to SmartMoney.com. Consumers charged $18.4 billion in Q2'11, 66% more than in Q2'10 and more than four times the amount in Q2'09. It is theorized that consumers may have ramped up their spending because they were becoming more optimistic about the economy and their financial outlook. Some of the boost, however, could also be coming from the needs of the long-term unemployed and others impacted by the slowdown in economic activity. Credit card issuers are looking for ways to boost revenues due to new regulations. Nearly one out of three card offers mailed in Q2'11 involved a premium card (higher fees), up from one in four in Q2'10. Issuers are now targeting credit scores in the 600s for premium cards rather than the 760-plus category.

Thursday, September 15, 2011

A total of 389 companies in the S&P 500 pay a dividend. As of this morning, the dividend yield on the S&P 500 is 2.18%, higher than the 10-year T-Note at 2.07%. Bespoke Investment Group reported that 233 of the stocks that pay a dividend sport a higher yield than the 10-year T-Note, and more than 60 yield over twice the 10-year. There have been 228 dividend increases so far this year, with only four cuts.

Friday, September 16, 2011

Citigroup Global Markets reported that investors have funneled $3.7 billion into REIT funds so far this year, the largest inflow since 2006, according to Bloomberg. Total assets in these funds, including ETFs, just hit an all-time high of $96 billion.