First Trust

Market Watch

Week of April 4th

Stock Index Performance

Index	Week	YTD	12-mo.	2015	5-yr.
Dow Jones Industrial Avg. (17,793)	1.58%	2.82%	3.14%	0.21%	10.29%
S&P 500 (2,073)	1.84%	1.99%	2.81%	1.37%	11.59%
NASDAQ 100 (4,532)	2.88%	-1.00%	6.42%	9.75%	15.59%
S&P 500 Growth	2.45%	1.46%	4.97%	5.51%	13.15%
S&P 500 Value	1.22%	2.54%	0.29%	-3.14%	9.91%
S&P MidCap 400 Growth	3.21%	1.95%	-2.85%	2.01%	9.30%
S&P MidCap 400 Value	2.27%	6.58%	-3.05%	-6.66%	9.47%
S&P SmallCap 600 Growth	3.87%	0.77%	-2.61%	2.74%	10.69%
S&P SmallCap 600 Value	2.74%	5.09%	-3.09%	-6.70%	10.02%
MSCI EAFE	-0.21%	-5.08%	-10.36%	-0.81%	1.77%
MSCI World (ex US)	0.34%	-2.28%	-11.20%	-5.66%	-0.21%
MSCI World	1.12%	-0.82%	-3.77%	-0.87%	6.30%
MSCI Emerging Markets	1.74%	4.38%	-13.88%	-14.92%	-4.60%
S&P GSCI	-3.50%	-4.61%	-31.94%	-32.86%	-17.91%

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 4/1/16.

S&P Sector Performance

Index	Week	YTD	12-mo.	2015	5-yr.
Consumer Discretionary	2.52%	2.11%	7.77%	10.11%	17.06%
Consumer Staples	2.65%	6.89%	12.77%	6.60%	15.32%
Energy	-1.26%	2.58%	-16.86%	-21.12%	-2.71%
Financials	1.74%	-4.28%	-3.68%	-1.56%	8.62%
Health Care	1.90%	-4.30%	-2.79%	6.89%	17.78%
Industrials	0.96%	5.16%	4.20%	-2.56%	10.56%
Information Technology	2.73%	3.48%	9.47%	5.92%	13.96%
Materials	1.31%	4.32%	-5.47%	-8.38%	4.88%
Telecom Services	0.83%	16.38%	17.53%	3.40%	10.64%
Utilities	1.80%	16.01%	16.29%	-4.84%	13.59%

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 4/1/16.

Bond Index Performance

Index	Week	YTD	12-mo.	2015	5-yr.
U.S. Treasury: Intermediate	0.51%	2.26%	1.98%	1.18%	2.58%
GNMA 30 Year	0.51%	1.79%	2.25%	1.41%	3.32%
U.S. Aggregate	0.58%	2.99%	1.61%	0.55%	3.77%
U.S. Corporate High Yield	0.34%	3.34%	-3.72%	-4.47%	4.88%
U.S. Corporate Investment Grade	0.72%	3.92%	0.41%	-0.68%	5.14%
Municipal Bond: Long Bond (22+)	0.63%	2.31%	5.20%	4.52%	8.31%
Global Aggregate	1.03%	5.73%	4.11%	-3.15%	1.86%

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 4/1/16.

Key Rates

As of 4/1/16

Fed Funds	0.25-0.50%	5-yr CD	1.73%
LIBOR (1-month)	0.43%	2-yr T-Note	0.72%
CPI - Headline	1.00%	5-yr T-Note	1.22%
CPI - Core	2.30%	10-yr T-Note	1.77%
Money Market Accts.	0.53%	30-yr T-Bond	2.60%
Money Market Funds	0.11%	30-yr Mortgage Refinance	3.63%
6-mo CD	0.35%	Prime Rate	3.50%
1-yr CD	1.11%	Bond Buyer 40	4.00%

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

Market Indicators

As of 4/1/16

TED Spread	42 bps
Investment Grade Spread (A2)	187 bps
ML High Yield Master II Index Spread	705 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 3/23/16

	Current Week		Previous	
Domestic Equity	-$2.035	Billion	-$1.528	Billion
Foreign Equity	-$108	Million	-$558	Million
Taxable Bond	$3.087	Billion	$3.860	Billion
Municipal Bond	$1.586	Billion	$1.063	Billion

Change in Money Market Fund Assets for the Week Ended 3/30/16

	Current Week		Previous	
Retail	-$2.45	Billion	-$6.18	Billion
Institutional	$16.30	Billion	-$8.58	Billion

Source: Investment Company Institute.

Factoids for the week of March 28 – April 1, 2016

Monday, March 28, 2016

Equifax, a credit-reporting agency, is expected to announce soon that lenders originated home equity lines of credit with limits of $146.1 billion in 2015, up around 20% from 2014, according to *USA TODAY*. The $146.1 billion is double the $73.2 billion posted in 2011, but still well below the more than $350 billion originated in 2005. S&P/Case-Shiller reported that U.S. home prices are up an average of 35% since the housing market bottomed in 2012.

Tuesday, March 29, 2016

S&P 500 Index stock buybacks totaled $145.9 billion in Q4'15, up 10.0% from the $132.6 billion executed in Q4'14, but down 3.1% from the $150.6 billion spent in Q3'15, according to S&P Dow Jones Indices. In Q4'15, over 20% of the companies executing buybacks reduced their year-over-year diluted share count by at least 4.0%, therefore boosting their EPS by at least 4.0%. Information Technology, Financials and Industrials were the most active sectors accounting for 24.3%, 17.1% and 13.6%, respectively, of all buyback expenditures. In Q4'15, S&P 500 Index companies distributed a record $99.4 billion in dividends, up 7.1% from the $92.8 billion paid out in Q4'14 and up 4.5% from the $95.1 billion paid out in Q3'15. S&P 500 Industrials (Old), defined as the S&P 500 minus Financials, Utilities and Transportation companies, had cash and equivalent holdings totaling $1.326 trillion in Q4'15, down slightly from the all-time high of $1.333 trillion set in Q4'14.

Wednesday, March 30, 2016

A new Blue Cross Blue Shield Association report revealed that patients enrolled in "Obamacare" are sicker and need significantly more medical care than those in employer-sponsored plans, according to CNNMoney. In 2015, their average cost of care was 22% higher than for individuals in work-based health plans. One of the largest insurers reported that it expects to lose nearly $1 billion on Obamacare in 2015 and 2016 and may not participate in 2017.

Thursday, March 31, 2016

Year-to-date, the number of bank failures in the U.S. totaled just one, according to the Federal Deposit Insurance Corporation (FDIC). It was announced on 3/11 and the FDIC estimates that it will cost the Deposit Insurance Fund (DIF) about $9.6 million. In 2015, there were 8 bank failures costing the DIF $89.4 million. In 2014, 18 banks failed at a cost of $398.8 million. The pace of bank failures has dropped off dramatically from the 157 registered in 2010. The number of institutions on the FDIC's list of "problem banks" stood at 183 in Q4'15, down from 203 in Q3'15. The post-crisis high for the list was 888 in Q1'11.

Friday, April 1, 2016

In March, the dividend-payers (417) in the S&P 500 (equal weight) posted a total return of 8.17%, vs. 7.08% for the non-payers (87), according to S&P Dow Jones Indices. There are currently 504 stocks in the index. Year-to-date, the payers were up 5.24%, vs. a decline of 1.28% for the non-payers. For the 12-month period ended March 2016, payers were up 0.84%, vs. a decline of 8.47% for the non-payers. The number of dividend increases in March totaled 20, down from 24 in March 2015. Year-to-date, there were 114 increases, down from 130 a year ago. Year-to-date, there were 10 dividend cuts, up from four cuts at this point a year ago.