

Stock Index Performance

Index	Week	YTD	12-mo.	2021	5-yr.
Dow Jones Industrial Avg. (31,083)	4.93%	-13.04%	-10.89%	20.95%	8.24%
S&P 500 (3,7,53)	4.75%	-20.27%	-16.25%	28.68%	9.72%
NASDAQ 100 (11,310)	5.78%	-30.24%	-26.40%	27.51%	14.14%
S&P 500 Growth	5.46%	-28.06%	-23.24%	32.00%	11.57%
S&P 500 Value	4.11%	-11.55%	-8.82%	24.86%	6.97%
S&P MidCap 400 Growth	2.90%	-22.29%	-20.94%	18.89%	5.98%
S&P MidCap 400 Value	3.07%	-12.86%	-10.93%	30.61%	6.34%
S&P SmallCap 600 Growth	2.84%	-23.10%	-20.37%	22.56%	6.07%
S&P SmallCap 600 Value	3.80%	-14.08%	-13.88%	30.85%	5.19%
Russell 2000	3.57%	-21.59%	-23.15%	14.78%	4.22%
MSCI EAFE	0.55%	-26.28%	-25.91%	11.26%	-0.86%
MSCI World (ex US)	0.73%	-26.09%	-26.93%	7.82%	-1.05%
MSCI World	3.62%	-22.76%	-20.65%	21.82%	5.66%
MSCI Emerging Markets	0.21%	-28.03%	-31.19%	-2.54%	-2.72%
S&P GSCI	-0.93%	27.53%	22.86%	40.35%	8.61%

Source: Bloomberg. Returns are total returns. 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/21/22. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

S&P Sector Performance

Index	Week	YTD	12-mo.	2021	5-yr.
Communication Services	5.03%	-36.09%	-38.04%	21.57%	3.67%
Consumer Discretionary	5.66%	-29.74%	-26.19%	24.43%	10.23%
Consumer Staples	2.28%	-8.84%	0.27%	18.63%	8.28%
Energy	8.08%	62.48%	59.27%	54.39%	10.24%
Financials	3.93%	-16.38%	-18.16%	34.87%	6.03%
Health Care	2.30%	-9.11%	-1.99%	26.13%	10.58%
Industrials	4.68%	-15.10%	-13.67%	21.10%	5.74%
Information Technology	6.49%	-28.16%	-21.23%	34.52%	16.90%
Materials	6.15%	-18.86%	-13.01%	27.28%	6.50%
Real Estate	2.79%	-31.55%	-24.47%	46.14%	4.65%
Utilities	1.95%	-9.59%	-2.54%	17.67%	6.37%

Source: Bloomberg. Returns are total returns. 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/21/22. An index cannot be purchased directly by investors. Past performance is no guarantee of future results. On 9/28/18, the Global Industry Classification Standard (GICS) was reconstituted and the Telecommunications Services sector was renamed Communication Services. GICS sector information for periods prior to 9/28/18 may not necessarily be comparable to the reconstituted sectors.

Bond Index Performance

Index	Week	YTD	12-mo.	2021	5-yr.
U.S. Treasury: Intermediate	-0.21%	-9.55%	-9.40%	-1.72%	0.03%
GNMA 30 Year	-0.80%	-14.64%	-14.56%	-1.46%	-1.33%
U.S. Aggregate	-1.07%	-16.74%	-16.11%	-1.54%	-0.75%
U.S. Corporate High Yield	0.28%	-14.25%	-13.52%	5.28%	1.59%
U.S. Corporate Investment Grade	-1.22%	-20.89%	-20.02%	-1.04%	-0.60%
Municipal Bond: Long Bond (22+)	-2.48%	-20.69%	-18.98%	3.17%	-0.50%
Global Aggregate	-0.69%	-21.88%	-22.10%	-4.71%	-2.75%

Source: Bloomberg. Returns are total returns. 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/21/22. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

Fed Funds	3.00% - 3.25%	2-yr T-Note	4.47%
LIBOR (1-month)	3.49%	5-yr T-Note	4.34%
CPI - Headline	8.20%	10-yr T-Note	4.22%
CPI - Core	6.60%	30-yr T-Bond	4.33%
Money Market Accts.	1.10%	30-yr Fixed Mortgage	7.20%
1-yr CD	3.14%	Prime Rate	6.25%
3-yr CD	3.16%	Bond Buyer 40	5.17%
5-yr CD	3.13%		

Sources: Bankrate.com, Federal Reserve Bank NY, & US Bureau of Labor Statistics. Prime Rate as of 10/18/2022, LIBOR as of 10/19/22, all other data as of 10/21/22.

Market Indicators

TED Spread	33 bps
Investment Grade Spread (A2)	211 bps
ICE BofA US High Yield Constrained Index Spread	501 bps

Source: Bloomberg. As of 10/21/22.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 10/12/22

	Current Week	Previous
Domestic Equity	-\$7.715 Billion	-\$8.727 Billion
Foreign Equity	-\$4.067 Billion	-\$1.675 Billion
Taxable Bond	-\$7.872 Billion	-\$20.696 Billion
Municipal Bond	-\$4.532 Billion	-\$5.128 Billion

Change in Money Market Fund Assets for the Week Ended 10/19/22

	Current Week	Previous
Retail	\$15.77 Billion	\$11.75 Billion
Institutional	-\$19.42 Billion	-\$1.46 Billion

Source: Investment Company Institute.

Factoids for the Week of October 17, 2022

Monday, October 17, 2022

Due to weaker spending on PCs, Gartner Inc. estimates that worldwide IT spending will grow by 3% year-over-year in 2022, down from an increase of more than 10% in 2021, according to *The Wall Street Journal*. Companies and institutions recently refreshed their infrastructure to facilitate remote work during the COVID-19 pandemic. Market research firm Canalis reported global shipments of laptop and desktop computers fell by a record 18% year-over-year in Q3'22. Business spending on PCs is expected to pick up again in 2023.

Tuesday, October 18, 2022

A Bloomberg survey of 22 equity strategists found that their average 2022 year-end price target for the S&P 500 Index was 4,054 as of 10/17/22, down from 4,346 on 9/15/22 (23 strategists surveyed), according to its own release. Heading into 2022 (12/16/21), strategists had an average target of 4,950. The highest and lowest estimates on 10/17/22 were 5,100 (no change) and 3,200 (down from 3,400), respectively. On 10/17/22, the S&P 500 Index closed at 3,677.95, which was 23.32% below its all-time closing high of 4,796.56 on 1/3/22.

Wednesday, October 19, 2022

The Internal Revenue Service (IRS) just announced a 7% increase to the standard deduction for the 2023 tax year as well as dozens of other changes, according to *The Wall Street Journal*. The standard deduction will increase to \$27,700 for married couples and \$13,850 for individuals. This is the largest automatic increase since 1985, when it was first indexed to inflation. Upward adjustments will also be made to income tax brackets and the Social Security payroll tax, which will be levied on earnings up to \$160,200 in 2023, up from \$147,000 this year.

Thursday, October 20, 2022

Moody's reported that its global speculative-grade default rate stood at 2.3% in September, according to its own release. Moody's puts the historical average default rate at 4.1%. Its baseline scenario sees the default rate increasing to 2.9% in December 2022, and then rising to 4.3% in September 2023. Moody's recorded 63 defaults over the first nine months of 2022, up from 43 defaults a year ago. The U.S. speculative-grade default rate stood at 1.5% in September. Its baseline scenario sees the U.S. default rate increasing to 2.3% in December 2022, and then rising to 4.8% in September 2023. The default rate on senior loans stood at 0.85% at the close of September, according to Leveraged Commentary & Data (LCD).

Friday, October 21, 2022

Equifax is forecasting that Buy Now Pay Later (BNPL) adoption will expand at an estimated compound annual growth rate of 32.5% from 2022-2028, according to its own release. Despite rapid growth, none of the three largest BNPL firms are currently profitable, according to the *Financial Times*. Profitability could be pinched in the near-term as rising interest rates increase the cost of capital for lenders. Consumer repayment risk remains high, with Equifax reporting that nearly 70% of BNPL users have less-than-prime credit scores, compared to 25% of general credit holders.

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