# First Trust — Market Watch

Week of June 29th

## Stock Index Performance

| Index | Week | YTD | 12-mo. | 2025 | 5-yr. |
|---|---|---|---|---|---|
| Dow Jones Industrial Avg (51,876) | 0.60% | 8.82% | 21.57% | 14.92% | 10.63% |
| S&P 500 (7,354) | -1.94% | 8.06% | 21.21% | 17.88% | 13.05% |
| NASDAQ 100 (29,118) | -4.23% | 15.70% | 30.58% | 21.02% | 16.11% |
| S&P 500 Growth | -3.66% | 8.20% | 22.91% | 22.18% | 14.05% |
| S&P 500 Value | 0.18% | 7.85% | 19.23% | 13.19% | 11.16% |
| S&P MidCap 400 Growth | -0.30% | 19.39% | 28.47% | 7.46% | 8.34% |
| S&P MidCap 400 Value | 1.72% | 12.88% | 21.57% | 7.58% | 8.78% |
| S&P SmallCap 600 Growth | 3.39% | 25.63% | 34.51% | 5.37% | 7.07% |
| S&P SmallCap 600 Value | 2.73% | 21.21% | 39.83% | 6.70% | 7.03% |
| Russell 2000 | 1.03% | 21.94% | 40.33% | 12.81% | 6.66% |
| MSCI EAFE | -1.76% | 8.31% | 20.28% | 31.22% | 8.48% |
| MSCI World (ex US) | -2.62% | 12.64% | 27.28% | 32.39% | 8.34% |
| MSCI World | -1.85% | 7.83% | 20.56% | 21.09% | 11.04% |
| MSCI Emerging Markets | -4.64% | 22.61% | 41.70% | 33.57% | 6.92% |
| S&P GSCI | -3.96% | 23.40% | 29.42% | 7.12% | 13.47% |

**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 6/26/26. 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. | 2025 | 5-yr. |
|---|---|---|---|---|---|
| Communication Services | -6.22% | -2.26% | 19.68% | 33.55% | 11.75% |
| Consumer Discretionary | -2.72% | -3.43% | 7.51% | 6.04% | 6.28% |
| Consumer Staples | 1.61% | 10.12% | 8.80% | 3.90% | 8.28% |
| Energy | 0.73% | 21.17% | 29.15% | 8.67% | 18.69% |
| Financials | 0.48% | -1.17% | 5.32% | 15.02% | 9.71% |
| Health Care | 7.92% | 4.65% | 21.86% | 14.60% | 6.82% |
| Industrials | 0.50% | 17.58% | 26.48% | 19.42% | 13.91% |
| Information Technology | -5.38% | 14.84% | 33.26% | 24.04% | 21.55% |
| Materials | -0.12% | 13.45% | 18.44% | 10.54% | 6.64% |
| Real Estate | 3.97% | 14.70% | 15.68% | 3.15% | 4.00% |
| Utilities | 3.96% | 9.83% | 17.25% | 16.04% | 11.01% |

**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 6/26/26. 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. | 2025 | 5-yr. |
|---|---|---|---|---|---|
| U.S. Treasury: Intermediate | 0.43% | 0.44% | 2.95% | 6.51% | 0.97% |
| GNMA 30 Year | 0.53% | 1.70% | 5.59% | 8.07% | 0.78% |
| U.S. Aggregate | 0.49% | 0.98% | 4.31% | 7.30% | 0.24% |
| U.S. Corporate High Yield | -0.06% | 1.75% | 6.03% | 8.62% | 4.18% |
| U.S. Corporate Investment Grade | 0.41% | 1.19% | 5.00% | 7.77% | 0.53% |
| Municipal Bond: Long Bond (22+) | 0.43% | 3.74% | 9.58% | 1.95% | 0.01% |
| Global Aggregate | -0.06% | -0.10% | 0.84% | 8.17% | -1.53% |

**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 6/26/26. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

## Key Rates

| | | | |
|---|---|---|---|
| Fed Funds | 3.50% - 3.75% | 2-yr T-Note | 4.09% |
| CPI - Headline | 4.20% | 5-yr T-Note | 4.13% |
| CPI - Core | 2.90% | 10-yr T-Note | 4.37% |
| Money Market Accts. | 0.45% | 30-yr T-Bond | 4.86% |
| 1-yr CD | 1.98% | 30-yr Fixed Mortgage | 6.57% |
| 3-yr CD | 1.66% | Prime Rate | 6.75% |
| 5-yr CD | 1.71% | Bond Buyer 40 | 4.58% |

**Sources: Bankrate.com, Federal Reserve Bank NY, & US Bureau of Labor Statistics**. Prime rate as of 6/23/26. All other data as of 6/26/26. National average banking rates are displayed for the Money Market Accts, 1-yr CD, 3-yr CD and 5-yr CD.

## Market Indicators

| | |
|---|---|
| Investment Grade Spread (A2) | 94 bps |
| ICE BofA US High Yield Constrained Index Spread | 283 bps |

**Source: Bloomberg.** As of 6/26/26.

## Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 6/17/26

| | Current Week | | Previous | |
|---|---|---|---|---|
| Domestic Equity | $49.600 | Billion | $18.277 | Billion |
| Foreign Equity | $6.148 | Billion | -$1.634 | Billion |
| Taxable Bond | $13.431 | Billion | $15.777 | Billion |
| Municipal Bond | $3.032 | Billion | $2.431 | Billion |

Change in Money Market Fund Assets for the Week Ended 6/24/26

| | Current Week | | Previous | |
|---|---|---|---|---|
| Retail | -$1.90 | Billion | -$9.79 | Billion |
| Institutional | -$17.01 | Billion | $49.46 | Billion |

**Source: Investment Company Institute.**

## Factoids for the Week of June 22nd, 2026

**Monday, June 22, 2026**
Moody's reported that its trailing 12-month global speculative-grade default rate stood at 4.3% at the end of May 2026 (preliminary results), up from 4.1% in December 2025. Its baseline scenario sees the global default rate declining to 3.1% in December 2026. For comparison, Moody's puts the global historical average default rate at 4.2%. The U.S. speculative-grade default rate stood at 5.0% in May. Moody's baseline scenario sees the U.S. default rate falling to 3.5% in December 2026.

**Tuesday, June 23, 2026**
PwC reported that U.S. merger and acquisition (M&A) deal value reached $1.2 trillion over the first five months of 2026, an increase of 99% from $603 billion over the same period last year. Deal volume declined over the period. There were 4,653 M&A deals in the first five months of 2026, down from 4,851 deals announced over the period a year earlier. Thirty-nine transactions valued at $5 billion or higher have been announced so far in 2026.

**Wednesday, June 24, 2026**
SIFMA Research reported that the value of outstanding U.S. fixed income securities (Treasuries, corporate bonds, municipal bonds, agency securities, and commercial paper) totaled $50.5 trillion in Q1'26, an increase of 6.4% year-over-year. U.S. Treasuries were the largest asset class by amount outstanding, increasing by 7.9% year-over-year to $30.8 trillion. Corporate bonds outstanding totaled $11.7 trillion, up 3.0% year-over-year.

**Thursday, June 25, 2026**
The U.S. Energy Information Administration (EIA) reported that net exports of U.S. crude oil and petroleum products averaged a record 5.8 million barrels per day (b/d) in April 2026. Distillate fuels, including jet fuel and diesel, were cited as key drivers of the increase in net exports. The EIA forecasts that U.S. net exports of distillate fuels will average 1.5 million b/d in Q2'26, an increase of 27% year-over-year.

**Friday, June 26, 2026**
The Board of Governors of the Federal Reserve System reported that each of the 32 U.S. banks that participated in its annual stress test has sufficient capital to absorb nearly $708 billion in losses and continue lending to households and businesses under stressful conditions. Under the "severely adverse" scenario, which included a 10% peak in U.S. unemployment, a 58% drop in equity prices, and a 39% decline in commercial real estate prices, the average common equity tier 1 capital ratio of these banks would bottom out at 11.2%, well above the minimum requirement of 4.5%.