mericans have paid the highest average price for gasoline ever at

High grade bond funds in the U.S.

week, YTD, 12-

Source: Bloomberg.

Money Market Accts.

LIBOR (1-month)

CPI - Headline

CPI - Core

Money Market Accts.

Money Market Funds

6-mo CD

1-yr CD

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

The 2012 edition of the Dogs of the Dow strategy, which entails investing in the ten highest yielding stocks (equal weight) in the Dow Jones Industrial Average (DJIA) at the start of the calendar year and holding them through year-end, has significantly lagged the performance of the other 20 DJIA constituents so far this year, according to Bespoke Investment Group. On a price-only basis, the 2012 Dogs of the Dow returned 7.1% year-to-date through December 20, compared to an average gain of 14.8% for the other 20 DJIA companies. The DJIA itself was up 9.0%. The best performing stock in the DJIA is Bank of America, up 106.2%. It began 2012 with the lowest dividend yield of the 30 companies at 0.72%.

Markets Closed – Christmas.

The CFA Institute’s annual Global Market Sentiment Survey revealed that 50% of the 7,000 financial professionals who responded to the survey are bullish on stocks, with the exception of Europe, in 2013, according to Yahoo! Finance. That percentage is up from 41% in last year’s survey. Their three favorite equities markets are the U.S., China and Brazil. Institutional investors, such as hedge and pension funds, have poured an estimated $272 billion into stocks over the past 35 months, according to data from EPFR Global.

A Bank of America report showed that high grade bond funds in the U.S. experienced net outflows totaling close to $860 million for the week ended December 19, their first weekly outflows since October 2011, according to Barron’s. High grade bond funds have taken in a net $165 billion so far in 2012. Strong demand for yield from investors has helped push corporate bond prices higher and yields to record low levels. The Barclays Capital U.S. Intermediate Credit Index has posted a year-to-date total return of 8.18% (as of 12/27), but currently yields just 1.86%. Bank of America sees overall yields on high-grade bonds in the U.S. staying relatively stable.

The $1.03 trillion in 2011 was the first time OPEC took in over $1 trillion in a calendar year. The average price of a barrel of crude oil year-to-date through December 24 was $94.21, down slightly from last year’s average price of $95.10. In 2012, Americans have paid the highest average price for gasoline ever at $3.63 per gallon, up from the previous record-high of $3.53 per gallon in 2011. Some relief might be on the way, according to the Energy Department. U.S. oil production is expected to rise from 6.4 million barrels per day this year to 7.1 million in 2013. If so, it would be the highest level of oil production in the U.S. since 1992.

Monday, December 24, 2012

Tuesday, December 25, 2012

Wednesday, December 26, 2012

Thursday, December 27, 2012

Friday, December 28, 2012

This information is provided by First Trust Advisors L.P. • 1-800-222-6822 • Approved For Public Use • 12/31/12