

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2016 | 5-yr. |
|------------------------------------|--------|--------|--------|--------|---------|
| Dow Jones Industrial Avg. (22,774) | 1.70% | 17.42% | 27.78% | 16.50% | 13.63% |
| S&P 500 (2,549) | 1.25% | 15.67% | 20.42% | 11.95% | 14.15% |
| NASDAQ 100 (6,065) | 1.46% | 25.80% | 25.89% | 7.27% | 18.11% |
| S&P 500 Growth | 1.32% | 20.90% | 21.98% | 6.89% | 15.02% |
| S&P 500 Value | 1.16% | 9.75% | 17.99% | 17.39% | 13.02% |
| S&P MidCap 400 Growth | 1.63% | 13.81% | 19.98% | 14.76% | 14.25% |
| S&P MidCap 400 Value | 0.88% | 7.54% | 18.49% | 26.52% | 14.53% |
| S&P SmallCap 600 Growth | 1.32% | 11.92% | 22.82% | 22.07% | 16.07% |
| S&P SmallCap 600 Value | 1.17% | 8.43% | 22.42% | 31.21% | 15.29% |
| MSCI EAFE | -0.06% | 19.89% | 19.50% | 1.00% | 7.87% |
| MSCI World (ex US) | 0.46% | 21.69% | 20.15% | 4.50% | 6.67% |
| MSCI World | 0.71% | 16.83% | 19.46% | 7.51% | 10.74% |
| MSCI Emerging Markets | 1.99% | 30.33% | 23.01% | 11.19% | 4.25% |
| S&P GSCI | -1.90% | -5.59% | -2.40% | 11.37% | -14.54% |

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 10/6/17. 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. | 2016 | 5-yr. |
|------------------------|--------|--------|--------|--------|--------|
| Consumer Discretionary | 1.85% | 14.00% | 16.51% | 6.03% | 15.92% |
| Consumer Staples | -0.26% | 6.29% | 5.76% | 5.38% | 10.98% |
| Energy | -0.58% | -7.17% | -0.86% | 27.36% | 0.83% |
| Financials | 1.98% | 14.71% | 36.75% | 22.75% | 17.30% |
| Health Care | 1.43% | 22.03% | 17.53% | -2.69% | 17.00% |
| Industrials | 1.33% | 15.65% | 24.22% | 18.85% | 16.08% |
| Information Technology | 1.54% | 29.32% | 30.66% | 13.85% | 17.81% |
| Materials | 1.98% | 18.11% | 23.66% | 16.69% | 11.49% |
| Telecom Services | 0.04% | -4.65% | 2.30% | 23.49% | 5.18% |
| Utilities | 0.71% | 12.67% | 17.21% | 16.29% | 11.85% |

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 10/6/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2016 | 5-yr. |
|---------------------------------|--------|-------|--------|--------|-------|
| U.S. Treasury: Intermediate | -0.13% | 1.43% | -0.38% | 1.06% | 1.02% |
| GNMA 30 Year | -0.11% | 1.73% | 0.13% | 1.57% | 1.66% |
| U.S. Aggregate | -0.15% | 2.98% | 0.45% | 2.65% | 2.08% |
| U.S. Corporate High Yield | 0.16% | 7.17% | 8.62% | 17.13% | 6.29% |
| U.S. Corporate Investment Grade | -0.03% | 5.16% | 2.75% | 6.11% | 3.45% |
| Municipal Bond: Long Bond (22+) | 0.11% | 5.95% | 1.52% | 0.88% | 4.14% |
| Global Aggregate | -0.50% | 5.72% | -0.37% | 2.09% | 0.36% |

Source: Barclays. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/6/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 10/6/17

| | | | |
|---------------------|------------|--------------------------|-------|
| Fed Funds | 1.00-1.25% | 5-yr CD | 2.12% |
| LIBOR (1-month) | 1.24% | 2-yr T-Note | 1.50% |
| CPI - Headline | 1.90% | 5-yr T-Note | 1.96% |
| CPI - Core | 1.70% | 10-yr T-Note | 2.36% |
| Money Market Accts. | 0.72% | 30-yr T-Bond | 2.89% |
| Money Market Funds | 0.26% | 30-yr Mortgage Refinance | 3.83% |
| 6-mo CD | 0.91% | Prime Rate | 4.25% |
| 1-yr CD | 1.46% | Bond Buyer 40 | 4.02% |

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

Market Indicators

As of 10/6/17

| | |
|--------------------------------------|---------|
| TED Spread | 29 bps |
| Investment Grade Spread (A2) | 115 bps |
| ML High Yield Master II Index Spread | 352 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 9/27/17

| | Current Week | Previous |
|-----------------|------------------|------------------|
| Domestic Equity | -\$7.085 Billion | -\$4.533 Billion |
| Foreign Equity | \$346 Million | \$648 Million |
| Taxable Bond | \$4.328 Billion | \$7.172 Billion |
| Municipal Bond | \$643 Million | \$878 Million |

Change in Money Market Fund Assets for the Week Ended 10/4/17

| | Current Week | Previous |
|---------------|-----------------|-----------------|
| Retail | \$1.22 Billion | \$11.28 Billion |
| Institutional | -\$0.83 Billion | \$4.82 Billion |

Source: Investment Company Institute.

Factoids for the week of October 2, 2017

Monday, October 2, 2017

In September, the dividend-payers (417) in the S&P 500 Index (equal weight) posted a total return of 3.24%, vs. 1.19% for the non-payers (88), according to S&P Dow Jones Indices. There are currently 505 stocks in the index. Year-to-date, payers were up 11.45%, vs. a gain of 10.44% for the non-payers. For the 12-month period ended September 2017, payers were up 13.04%, vs. a gain of 9.27% for the non-payers. The number of dividend increases in September totaled 16, matching the 16 increases a year ago. Year-to-date, increases totaled 262, up from 255 over the same period a year ago. No dividends were decreased in September, compared to one cut a year ago.

Tuesday, October 3, 2017

For the first time in over three years, all three major Dow stock market averages (Dow Jones Industrial Average, Dow Jones Transportation Average and Dow Jones Utility Average) reached new all-time highs in the same month (September), according to Mark Hulbert at MarketWatch. This is a fairly rare event. It has happened in fewer than 4% of months since 1970. Hulbert noted that none of these prior events occurred at a bull market top. In each of those prior occasions the stock market continued rising for between six to 12 months.

Wednesday, October 4, 2017

S&P Dow Jones Indices announced that total dividend distributions for U.S. common stocks increased by a net (increases less decreases) \$15.0 billion in Q3'17, up 150% from the \$6.0 billion increase in Q3'16, according to its own release. For the 12-month period ended 9/30/17, net dividend increases totaled \$41.5 billion, up 99.5% from an increase of \$20.8 billion for the 12-month period ended 9/30/16. In Q3'17, there were 438 dividend increases, up from the 427 dividend increases in Q3'16. The number of dividends cut or suspended totaled 93, down from the 115 cut or suspended in Q3'16. Currently, 82.6% of the companies in the S&P 500 Index pay a dividend, compared to 69.3% of the companies in the S&P MidCap 400 Index and 51.6% of the companies in the S&P SmallCap 600 Index.

Thursday, October 5, 2017

CoreLogic reported that U.S. home prices rose 6.9% year-over-year in August, according to CNBC. On a per capita basis, the number of existing homes for sale is at a record low, and buyers are therefore having to up their offers in order to secure a home, according to Matthew Pointon, property economist at Capital Economics. The rise in prices has made it more challenging for some buyers to afford a home. As a result, borrowers have been opting for lower-rate mortgages. Inside Mortgage Finance reported that the number of adjustable-rate mortgage originations spiked by approximately 40% from Q1'17 to Q2'17.

Friday, October 6, 2017

The Consumer Financial Protection Bureau (CFPB) just issued new rules overseeing payday lending practices in the U.S., according to MarketWatch. One of the goals is to put a stop to payday debt traps, which occur when borrowers in need of quick cash end up trapped in loans they can't afford. There are close to 16,000 payday lending stores in 35 states, according to the CFPB. Pew Charitable Trusts reported that around 12 million Americans take out payday loans each year and spend \$9 billion on loan fees. Nearly 70% of payday loan borrowers take out a second loan within a month of their last one.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.