

Stock Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
Dow Jones Industrial Avg. (25,090)	-0.84%	2.62%	20.17%	28.11%	13.45%
S&P 500 (2,780)	0.07%	4.92%	16.51%	21.82%	13.62%
NASDAQ 100 (7,256)	1.45%	14.01%	28.63%	32.99%	21.22%
S&P 500 Growth	0.56%	10.38%	23.59%	27.43%	16.29%
S&P 500 Value	-0.50%	-0.83%	8.87%	15.35%	10.53%
S&P MidCap 400 Growth	0.00%	7.83%	18.54%	19.91%	13.51%
S&P MidCap 400 Value	-0.75%	3.21%	12.14%	12.30%	12.01%
S&P SmallCap 600 Growth	0.77%	14.40%	25.53%	14.71%	16.00%
S&P SmallCap 600 Value	-0.46%	8.95%	20.21%	11.43%	13.93%
MSCI EAFE	-0.49%	-0.77%	9.45%	25.03%	6.23%
MSCI World (ex US)	-0.87%	-1.53%	10.54%	27.19%	5.92%
MSCI World	-0.13%	2.53%	13.47%	22.40%	9.94%
MSCI Emerging Markets	-1.85%	-3.07%	13.51%	37.28%	5.55%
S&P GSCI	-2.62%	4.89%	27.24%	5.77%	-10.89%

**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 6/15/18. 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.	2017	5-yr.
Consumer Discretionary	2.27%	14.42%	26.13%	22.98%	16.65%
Consumer Staples	2.11%	-8.49%	-6.57%	13.49%	7.77%
Energy	-3.08%	4.14%	17.28%	-1.01%	1.43%
Financials	-1.87%	-0.82%	14.95%	22.14%	13.78%
Health Care	0.86%	4.35%	12.18%	22.08%	13.94%
Industrials	-1.34%	-0.04%	9.71%	21.01%	13.47%
Information Technology	0.51%	14.83%	34.83%	38.83%	22.17%
Materials	-1.34%	-0.30%	13.10%	23.84%	10.64%
Real Estate	-0.97%	-2.89%	0.34%	10.85%	5.56%
Telecom Services	-1.97%	-8.95%	-3.17%	-1.25%	3.27%
Utilities	2.63%	-4.34%	-4.88%	12.11%	9.55%

**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 6/15/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
U.S. Treasury: Intermediate	-0.04%	-1.05%	-1.42%	1.14%	0.77%
GNMA 30 Year	0.24%	-1.24%	-0.66%	1.87%	1.75%
U.S. Aggregate	0.13%	-1.94%	-1.08%	3.54%	1.90%
U.S. Corporate High Yield	0.45%	0.73%	3.09%	7.51%	5.34%
U.S. Corporate Investment Grade	0.15%	-3.20%	-1.00%	6.42%	3.06%
Municipal Bond: Long Bond (22+)	-0.10%	-1.08%	1.84%	8.19%	4.43%
Global Aggregate	-0.30%	-1.71%	1.01%	7.40%	0.80%

**Source: Bloomberg Barclays.** Returns are total returns. *5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 6/15/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

Fed Funds	1.75-2.00%	5-yr CD	2.76%
LIBOR (1-month)	2.06%	2-yr T-Note	2.55%
CPI - Headline	2.80%	5-yr T-Note	2.80%
CPI - Core	2.20%	10-yr T-Note	2.92%
Money Market Accts.	1.27%	30-yr T-Bond	3.05%
Prime Money Funds	1.42%	30-yr Mortgage Refinance	4.43%
1-yr CD	2.30%	Prime Rate	4.75%
3-yr CD	2.46%	Bond Buyer 40	4.00%

**Sources: Bankrate.com, Barron's and Bloomberg.** The rate shown for Prime Money Funds is as of 6/13/18. All other rates are as of 6/15/18.

Market Indicators

As of 6/15/18

TED Spread	39 bps
Investment Grade Spread (A2)	137 bps
ML High Yield Master II Index Spread	333 bps

**Source: Bloomberg.**

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 6/6/18

	Current Week	Previous
Domestic Equity	-\$4.741 Billion	-\$2.023 Billion
Foreign Equity	\$2.146 Billion	\$1.727 Billion
Taxable Bond	\$1.064 Billion	\$304 Million
Municipal Bond	\$327 Million	\$316 Million

Change in Money Market Fund Assets for the Week Ended 6/13/18

	Current Week	Previous
Retail	\$0.18 Billion	\$4.64 Billion
Institutional	-\$22.98 Billion	\$32.85 Billion

**Source: Investment Company Institute.**

Factoids for the week of June 11, 2018

**Monday, June 11, 2018**

Moody's reported that its global speculative-grade default rate stood at 3.1% in May, according to its own release. Moody's sees the rate falling to 1.7% by May 2019. Moody's puts the historical average default rate at 4.2% since 1983. The U.S. speculative-grade default rate stood at 3.7% in May. There have been 43 defaults registered so far this year, up from 39 at this point last year. Retail has produced 10 defaults, the most of any sector/subsector. The default rate on senior loans stood at 1.72% in May, according to S&P Global Market Intelligence.

**Tuesday, June 12, 2018**

Over the past 43 months, the European Central Bank (ECB) has purchased debt valued at €2.4 trillion through its asset purchase program (quantitative easing), according to the *Financial Times*. The ECB cut its original €60 billion per month target to €30 billion at the start of 2018. The initiative is tentatively scheduled to end in September 2018.

**Wednesday, June 13, 2018**

Leveraged buyout (LBO) deal volume is on pace for its best year since 2007, according to *The Wall Street Journal*. Dealogic reported that LBO deal activity has totaled \$156 billion so far in 2018, up about 44% from this point a year ago. The \$156 billion, however, is well below the \$378 billion in deal volume at this point in 2007. Thomson Reuters LPC reported that the average leverage level for 2018 deals is 6.36 times earnings before interest, taxes, depreciation and amortization, roughly in line with the 6.49 times earnings level reached in 2007.

**Thursday, June 14, 2018**

A report just released by the National Low Income Housing Coalition states that there is nowhere in the U.S. that a person working fulltime at a minimum wage job can afford to rent a two-bedroom apartment, according to *Fortune*. The report revealed that someone working at the federal minimum wage of \$7.25 an hour would need to work approximately 122 hours per week for all 52 weeks of the year (equals three full-time jobs) in order to afford a two-bedroom apartment at the national average.

**Friday, June 15, 2018**

IHS Markit estimates that crude oil production in the Permian Basin (west Texas and southeastern New Mexico) will more than double to 5.4 million barrels per day by 2023, according to *Forbes*. It also expects natural gas production to double to 15 billion cubic feet per day. Permian operators have invested \$150 billion into the region over the past five years. IHS Markit expects another \$300 billion to be invested through 2023, resulting in 41,000 new wells. Currently, the biggest constraint on growth is the lack of sufficient pipeline capacity to get the oil to market.

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