

Stock Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
Dow Jones Industrial Avg. (25,019)	2.32%	2.41%	18.75%	28.11%	12.80%
S&P 500 (2,801)	1.55%	5.86%	16.67%	21.82%	13.06%
NASDAQ 100 (7,376)	2.34%	15.95%	28.68%	32.99%	20.53%
S&P 500 Growth	2.09%	11.62%	23.52%	27.43%	15.74%
S&P 500 Value	0.90%	-0.21%	9.29%	15.35%	9.94%
S&P MidCap 400 Growth	0.67%	7.46%	17.67%	19.91%	12.51%
S&P MidCap 400 Value	0.05%	4.22%	12.68%	12.30%	11.26%
S&P SmallCap 600 Growth	0.04%	15.37%	25.91%	14.71%	14.88%
S&P SmallCap 600 Value	-0.75%	9.60%	20.38%	11.43%	12.70%
MSCI EAFE	0.16%	-2.05%	6.38%	25.03%	5.67%
MSCI World (ex US)	0.58%	-2.95%	6.35%	27.19%	5.42%
MSCI World	1.01%	2.65%	12.30%	22.40%	9.43%
MSCI Emerging Markets	1.67%	-5.77%	5.74%	37.28%	5.07%
S&P GSCI	-2.63%	6.03%	25.31%	5.77%	-11.14%

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 7/13/18. 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	2.11%	14.95%	27.00%	22.98%	15.31%
Consumer Staples	0.98%	-6.33%	-0.42%	13.49%	7.73%
Energy	0.79%	7.29%	21.20%	-1.01%	1.41%
Financials	1.15%	-2.60%	9.75%	22.14%	12.37%
Health Care	1.66%	6.77%	11.82%	22.08%	13.74%
Industrials	2.25%	-1.84%	7.02%	21.01%	12.37%
Information Technology	2.32%	16.10%	32.90%	38.83%	21.85%
Materials	0.30%	-2.17%	8.59%	23.84%	10.07%
Real Estate	-0.79%	1.79%	7.13%	10.85%	6.19%
Telecom Services	-0.29%	-6.63%	5.64%	-1.25%	3.65%
Utilities	-1.18%	1.55%	5.31%	12.11%	10.26%

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 7/13/18. 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	0.02%	-0.61%	-0.70%	1.14%	1.08%
GNMA 30 Year	0.19%	-0.57%	0.30%	1.87%	2.30%
U.S. Aggregate	0.18%	-1.20%	0.05%	3.54%	2.41%
U.S. Corporate High Yield	0.50%	0.67%	3.02%	7.51%	5.36%
U.S. Corporate Investment Grade	0.43%	-2.37%	0.06%	6.42%	3.65%
Municipal Bond: Long Bond (22+)	0.09%	-0.33%	3.00%	8.19%	5.35%
Global Aggregate	-0.43%	-1.41%	1.67%	7.40%	1.44%

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 7/13/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

Fed Funds	1.75-2.00%	2-yr T-Note	2.58%
LIBOR (1-month)	2.07%	5-yr T-Note	2.73%
CPI - Headline	2.90%	10-yr T-Note	2.83%
CPI - Core	2.30%	30-yr T-Bond	2.93%
Money Market Accts.	1.13%	30-yr Mortgage Refinance	4.38%
1-yr CD	2.38%	Prime Rate	5.00%
3-yr CD	2.47%	Bond Buyer 40	3.96%
5-yr CD	2.72%		

Sources: Bankrate.com and Bloomberg. All other rates are as of 7/13/18.

Market Indicators

As of 7/13/18

TED Spread	35 bps
Investment Grade Spread (A2)	138 bps
ML High Yield Master II Index Spread	362 bps

Source: Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Six-day Period Ended 7/3/18

	Current Week	Previous
Domestic Equity	-\$11.206 Billion	-\$8.895 Billion
Foreign Equity	\$2.409 Billion	-\$529 Million
Taxable Bond	\$2.443 Billion	-\$1.045 Billion
Municipal Bond	\$320 Million	\$266 Million

Change in Money Market Fund Assets for the Eight-day Period Ended 7/11/18

	Current Week	Previous
Retail	\$4.96 Billion	\$5.56 Billion
Institutional	\$23.89 Billion	-\$8.83 Billion

Source: Investment Company Institute.

Factoids for the week of July 9, 2018

Monday, July 9, 2018

Global mergers and acquisitions (M&A) activity totaled \$2.5 trillion in the first half of 2018, up 64% from the same period a year ago, according to Thomson Reuters. The first half of 2018 was the strongest showing for announced M&A deals since records began in 1980. The previous high was \$2.3 trillion, set in 2007. The number of U.S. deals rose 82% to \$1.0 trillion from the same period a year ago, the highest on record. Europe also had a strong showing, accounting for \$767 billion of the \$2.5 trillion.

Tuesday, July 10, 2018

Amherst Capital Management LLC, a real estate investment firm, estimates that major investors purchased at least 29,000 homes in 2017, up 60% from 2016, according to *The Wall Street Journal*. Single-family homes are currently more attractive to investors than apartments, where a nationwide glut has driven down rental yields. In 2018, investors have raised billions of dollars to purchase more homes to rent. The rental-home market is attracting capital from sovereign-wealth funds, insurance companies, hedge funds, asset managers and pensions.

Wednesday, July 11, 2018

Moody's reported that its global speculative-grade default rate stood at 2.9% in Q2'18, according to its own release. It sees the rate falling to 2.0% in Q2'19. Moody's puts the historical average default rate at around 4.2% since 1983. The U.S. speculative-grade default rate stood at 3.4% in Q2'18. There were 46 defaults registered in the first half of 2018, down from 50 at this point a year ago. The default rate on senior loans stood at 1.59% in June, according to S&P Global Market Intelligence.

Thursday, July 12, 2018

Realtor.com reported that sales of luxury homes in the U.S. rose 25% year-over-year in April, the biggest sales increase in high-end homes since January 2014, according to Bloomberg. The starting price for the most expensive U.S. residential properties (top 5%) sold in April was at least \$1 million. In April, home prices in the luxury category were up an average of 4.6% from a year ago.

Friday, July 13, 2018

International Data Corporation's (IDC) *Worldwide Quarterly Personal Computing Device Tracker* revealed that preliminary results for Q2'18 shipments of personal computing devices (desktop, notebook and workstation) came in at 62.3 million units, up 2.7% year-over-year, according to its own release. IDC had forecasted a 0.3% bump in growth. The 2.7% growth rate is the best showing since the 4.2% year-over-year increase in Q1'12.

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