

Stock Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
Dow Jones Industrial Avg. (25,313)	-0.44%	3.82%	18.52%	28.11%	13.12%
S&P 500 (2,833)	-0.18%	7.21%	18.46%	21.82%	13.16%
NASDAQ 100 (7,408)	0.24%	16.56%	29.34%	32.99%	20.31%
S&P 500 Growth	0.09%	12.73%	24.92%	27.43%	15.83%
S&P 500 Value	-0.50%	1.39%	11.49%	15.35%	10.06%
S&P MidCap 400 Growth	-0.15%	7.11%	20.69%	19.91%	12.17%
S&P MidCap 400 Value	-0.18%	4.74%	16.60%	12.30%	11.01%
S&P SmallCap 600 Growth	0.89%	18.14%	33.21%	14.71%	14.97%
S&P SmallCap 600 Value	0.67%	10.47%	25.64%	11.43%	12.66%
MSCI EAFE	-1.46%	-2.98%	3.95%	25.03%	4.76%
MSCI World (ex US)	-1.34%	-3.88%	3.94%	27.19%	4.65%
MSCI World	-0.65%	3.01%	12.36%	22.40%	9.07%
MSCI Emerging Markets	-0.99%	-6.72%	2.93%	37.28%	4.67%
S&P GSCI	-0.76%	5.07%	20.58%	5.77%	-11.08%

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 8/10/18. 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	0.81%	15.06%	27.85%	22.98%	15.22%
Consumer Staples	-1.87%	-5.33%	-0.66%	13.49%	7.92%
Energy	-0.07%	5.78%	20.65%	-1.01%	1.07%
Financials	-0.49%	1.10%	14.67%	22.14%	13.12%
Health Care	-0.20%	9.47%	16.43%	22.08%	13.84%
Industrials	-0.92%	-0.01%	11.21%	21.01%	12.29%
Information Technology	0.44%	16.75%	33.41%	38.83%	21.88%
Materials	-0.85%	-1.85%	11.71%	23.84%	9.42%
Real Estate	-1.80%	1.55%	5.92%	10.85%	7.13%
Telecom Services	0.69%	-4.58%	1.00%	-1.25%	4.75%
Utilities	-0.53%	2.41%	1.50%	12.11%	10.15%

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 8/10/18. 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	1.05%	-0.42%	-1.07%	1.14%	0.36%
GNMA 30 Year	2.21%	-0.36%	0.01%	1.87%	0.40%
U.S. Aggregate	2.34%	-1.08%	-0.62%	3.54%	0.42%
U.S. Corporate High Yield	5.41%	1.54%	3.53%	7.51%	0.12%
U.S. Corporate Investment Grade	3.58%	-2.09%	-0.42%	6.42%	0.27%
Municipal Bond: Long Bond (22+)	5.66%	-0.58%	1.27%	8.19%	0.20%
Global Aggregate	1.13%	-2.00%	-1.23%	7.40%	-0.11%

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 8/10/18. 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	2.60%
LIBOR (1-month)	2.07%	5-yr T-Note	2.75%
CPI - Headline	2.90%	10-yr T-Note	2.87%
CPI - Core	2.40%	30-yr T-Bond	3.03%
Money Market Accts.	1.13%	30-yr Mortgage Refinance	4.40%
1-yr CD	2.45%	Prime Rate	5.00%
3-yr CD	2.48%	Bond Buyer 40	4.02%
5-yr CD	2.81%		

Sources: Bankrate.com and Bloomberg. All other rates are as of 8/10/18.

Market Indicators

As of 8/10/18

TED Spread	27 bps
Investment Grade Spread (A2)	135 bps
ML High Yield Master II Index Spread	350 bps

Source: Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 8/1/18

	Current Week	Previous
Domestic Equity	-\$6.833 Billion	-\$2.963 Billion
Foreign Equity	-\$1.284 Billion	-\$1.491 Billion
Taxable Bond	\$4.514 Billion	\$3.233 Billion
Municipal Bond	\$196 Million	\$472 Million

Change in Money Market Fund Assets for the Week Ended 8/8/18

	Current Week	Previous
Retail	\$5.98 Billion	\$2.49 Billion
Institutional	\$7.00 Billion	\$6.14 Billion

Source: Investment Company Institute.

Factoids for the week of August 6, 2018

Monday, August 6, 2018

Worldwide sales of semiconductors totaled an all-time high of \$39.31 billion in June, up 20.44% from the \$32.64 billion sold in June 2017 and up 1.52% from the \$38.72 billion sold in May 2018, according to the Semiconductor Industry Association (SIA). Global sales have increased year-over-year by more than 20% for 15 consecutive months. On a year-over-year basis, the percent change in region/country semiconductor sales in June were as follows: China (30.7%); the Americas (26.7%); Europe (15.9%); Japan (14.0%); and Asia Pacific/All Other (8.6%). Year-to-date through 8/3/18, the Philadelphia Semiconductor Index posted a total return of 11.37%, compared to 16.24% for the S&P 500 Information Technology Index and 7.40% for the S&P 500 Index, according to Bloomberg.

Tuesday, August 7, 2018

Black Knight Inc. reported that U.S. homeowners are currently sitting on more than \$5.8 trillion worth of equity thanks to strong price appreciation in recent years, more than double the level of equity in 2011, according to Bloomberg. S&P CoreLogic Case-Shiller data indicates that U.S. home prices have increased on average about 7% per year since 2012. Unlike during the previous housing boom, homeowners have been reluctant to tap into their home equity this time around. Home equity lines outstanding currently total \$398 billion, down from a peak of \$674 billion in 2009, according to the Federal Deposit Insurance Corp.

Wednesday, August 8, 2018

Goldman Sachs estimates that U.S. companies are poised to repurchase more than \$1 trillion of stock in 2018, according to CNBC. Companies have already announced share buybacks totaling \$754 billion, with technology firms accounting for 40% of the total, according to David Kostin, chief U.S. equity strategist at Goldman Sachs. August is the busiest month of the year for buybacks, accounting for 13% of annual activity.

Thursday, August 9, 2018

Edmunds reported that automakers are turning to cash incentives over 0% financing to attract buyers, according to Fox Business. Promotional offers of 0% financing accounted for 6.92% of all new vehicle sales in July 2018, down from 11.34% a year ago. Financing loans in a rising interest rate climate is more profitable. In July, the average rate for a new vehicle was 5.74%, up from an average rate of 4.77% a year ago. Currently, the average length of an auto loan is 68.75 months.

Friday, August 10, 2018

Moody's reported that its global speculative-grade default rate stood at 2.8% in July, according to its own release. It sees the rate declining to 2.0% in July 2019. 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 July. There were 49 defaults registered in the first seven months of 2018, down from 57 at this point a year ago. The default rate on senior loans stood at 1.59% in July, according to S&P Global Market Intelligence.

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.