

Stock Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
Dow Jones Industrial Avg. (25,669)	1.48%	5.36%	20.71%	28.11%	13.94%
S&P 500 (2,850)	0.66%	7.92%	19.56%	21.82%	13.77%
NASDAQ 100 (7,378)	-0.35%	16.15%	28.61%	32.99%	20.55%
S&P 500 Growth	0.36%	13.13%	25.19%	27.43%	16.37%
S&P 500 Value	1.02%	2.43%	13.52%	15.35%	10.77%
S&P MidCap 400 Growth	0.65%	7.81%	21.81%	19.91%	12.93%
S&P MidCap 400 Value	0.87%	5.66%	18.83%	12.30%	11.74%
S&P SmallCap 600 Growth	1.08%	19.41%	35.97%	14.71%	15.63%
S&P SmallCap 600 Value	1.06%	11.64%	29.20%	11.43%	13.39%
MSCI EAFE	-1.10%	-4.05%	2.80%	25.03%	4.54%
MSCI World (ex US)	-1.66%	-5.47%	2.03%	27.19%	4.26%
MSCI World	-0.02%	2.99%	12.51%	22.40%	9.32%
MSCI Emerging Markets	-3.69%	-10.16%	-1.56%	37.28%	3.73%
S&P GSCI	-1.38%	3.61%	21.18%	5.77%	-11.78%

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 8/17/18. 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	-0.20%	14.83%	28.63%	22.98%	15.94%
Consumer Staples	3.31%	-2.20%	2.07%	13.49%	9.33%
Energy	-3.42%	2.17%	20.95%	-1.01%	0.71%
Financials	0.62%	1.73%	16.46%	22.14%	13.72%
Health Care	1.65%	11.28%	18.39%	22.08%	14.92%
Industrials	1.51%	1.50%	13.60%	21.01%	12.89%
Information Technology	-0.11%	16.63%	32.08%	38.83%	21.90%
Materials	-0.44%	-2.28%	11.00%	23.84%	9.65%
Real Estate	3.04%	4.64%	8.67%	10.85%	9.21%
Telecom Services	3.65%	-1.10%	6.16%	-1.25%	6.00%
Utilities	2.85%	5.33%	4.13%	12.11%	11.71%

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 8/17/18. 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%	-0.44%	-1.19%	1.14%	1.16%
GNMA 30 Year	-0.12%	-0.48%	-0.22%	1.87%	2.42%
U.S. Aggregate	-0.02%	-1.10%	-0.78%	3.54%	2.55%
U.S. Corporate High Yield	0.02%	1.56%	3.51%	7.51%	5.52%
U.S. Corporate Investment Grade	0.07%	-2.02%	-0.56%	6.42%	3.92%
Municipal Bond: Long Bond (22+)	0.21%	-0.37%	1.71%	8.19%	6.04%
Global Aggregate	-0.07%	-2.07%	-1.22%	7.40%	1.15%

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 8/17/18. 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	2.61%
LIBOR (1-month)	2.06%	5-yr T-Note	2.74%
CPI - Headline	2.90%	10-yr T-Note	2.86%
CPI - Core	2.40%	30-yr T-Bond	3.02%
Money Market Accts.	1.16%	30-yr Mortgage Refinance	4.39%
1-yr CD	2.46%	Prime Rate	5.00%
3-yr CD	2.45%	Bond Buyer 40	4.01%
5-yr CD	2.79%		

Sources: Bankrate.com and Bloomberg. All other rates are as of 8/17/18.

Market Indicators

As of 8/17/18

TED Spread	27 bps
Investment Grade Spread (A2)	134 bps
ML High Yield Master II Index Spread	349 bps

Source: Bloomberg.

Weekly Fund Flows

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

	Current Week	Previous
Domestic Equity	-\$4.855 Billion	-\$6.833 Billion
Foreign Equity	\$17 Million	-\$1.284 Billion
Taxable Bond	\$3.482 Billion	\$4.514 Billion
Municipal Bond	\$629 Million	\$196 Million

Change in Money Market Fund Assets for the Week Ended 8/15/18

	Current Week	Previous
Retail	-\$0.53 Billion	\$5.98 Billion
Institutional	-\$3.20 Billion	\$7.00 Billion

Source: Investment Company Institute.

Factoids for the week of August 13, 2018

Monday, August 13, 2018

U.S. drug companies invest nearly 20% of their revenues into research and development (R&D), more than any other industry, according in *Fortune*. On average, it takes more than a decade and \$2.87 billion to develop a new drug. A 2018 report from the Council of Economic Advisers revealed that the U.S. funds nearly 50% of the world's medical R&D.

Tuesday, August 14, 2018

A new report from the Urban Institute states that more than 1 million people default on their student loans each year, according to CNBC. After default, a student loan borrower will see their balance increase by around 10% and their credit score drop by about 60 points, to an average of around 550, which is considered "very poor" by Experian. Nearly 40% of borrowers are expected to default on their student loans by 2023. Outstanding education debt in the U.S. has tripled over the past decade to more than \$1.5 trillion.

Wednesday, August 15, 2018

With more than 2,000 listed companies having reported Q2'18 earnings results, 65.6% of said companies beat their consensus earnings per share (EPS) estimates, according to Bespoke Investment Group. The 65.6% EPS beat rate is down from the previous two quarters, but still well above the average beat rate of just over 60% since 1999.

Thursday, August 16, 2018

S&P 500 companies reported that 43.6% of their sales came from outside the U.S. in 2017, up slightly from 43.2% in 2016, but well below the 47.8% mark hit in 2014, according to S&P Dow Jones Indices. Asia and Europe were the two biggest regions accounting for 8.3% and 8.1%, respectively, of total S&P 500 sales. The only sectors that generated higher foreign sales than domestic sales were information technology (56.9%), energy (54.1%) and materials (52.7%).

Friday, August 17, 2018

U.S. multinationals have offshore cash and equivalent holdings totaling an estimated \$3 trillion, according to Reuters. The passage of the Tax Cuts and Jobs Act last December reduced the tax rate on repatriated foreign profits to 15.5% for cash holdings and 8% for more illiquid assets. U.S. balance of payments data indicates that \$300 billion was repatriated in Q1'18, according to Reuters.

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