

Open-End Net Fund Flows (\$)	2/19	1/19	YTD (Feb)
Equity	-12.51B	9.47B	-3.04B
Taxable Bond	25.01B	6.53B	31.53B
Municipal Bond	10.89B	7.90B	18.79B
Hybrid	-2.61B	-0.99B	-3.59B
Taxable Money Market	43.71B	9.27B	52.98B

Key Interest Rates	3/29/19	12/31/18	3/29/18
Federal Funds Target Rate	2.50%	2.50%	1.75%
ICE LIBOR (3-Month)	2.60%	2.81%	2.31%
2-Year T-Note	2.26%	2.49%	2.27%
10-Year T-Note	2.41%	2.69%	2.74%
Bond Buyer 40	3.86%	4.09%	3.98%

Commodities/U.S. Dollar	3/19	YTD	12 Mo.
U.S. Dollar Index (DXY)	1.16%	1.15%	7.91%
TR/CC CRB Commodity Index	0.55%	8.22%	-5.94%
Crude Oil (Barrel)	5.10%	32.44%	-7.39%
Natural Gas (per million BTUs)	-5.34%	-9.52%	-2.56%
Gold Bullion (Ounce)	-1.76%	0.91%	-2.25%

### Total Return Performance

U.S. Stock Indices	3/19	YTD	12 Mo.
S&P 500	1.94%	13.65%	9.48%
DJIA	0.17%	11.81%	10.03%
NASDAQ 100	4.03%	16.89%	13.36%
S&P MidCap 400	-0.57%	14.49%	2.58%
Russell 2000	-2.09%	14.57%	2.01%
Russell 3000	1.46%	14.04%	8.75%

U.S. Styles/Market Caps	3/19	YTD	12 Mo.
S&P 500 Growth	2.73%	14.95%	12.77%
S&P 500 Value	1.06%	12.19%	5.92%
S&P MidCap 400 Growth	0.61%	14.95%	1.69%
S&P MidCap 400 Value	-1.79%	14.03%	3.57%
Russell 2000 Growth	-1.35%	17.12%	3.81%
Russell 2000 Value	-2.88%	11.92%	0.14%

Foreign Stock Indices (USD)	3/19	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	0.51%	10.45%	-3.14%
MSCI Emerging Markets NET	0.84%	9.91%	-7.41%
MSCI Europe NET	0.61%	10.84%	-3.72%
MSCI BRIC NET	2.51%	13.99%	-3.45%
MSCI EM Latin America NET	-2.53%	7.85%	-6.72%
Nikkei 225	0.39%	6.46%	-3.39%

Barclays Bond Indices	3/19	YTD	12 Mo.
U.S. Treasury: Intermediate	1.23%	1.59%	3.80%
GNMA 30 Year	1.33%	2.09%	4.48%
Municipal Bond (22+)	2.62%	3.85%	5.86%
U.S. Aggregate	1.92%	2.94%	4.48%
Intermediate Corporate	1.62%	3.82%	5.16%
U.S. Corporate High Yield	0.94%	7.26%	5.93%
Global Aggregate	1.25%	2.20%	-0.38%
EM Hard Currency Aggregate	1.12%	4.93%	2.84%

Sources: Bloomberg, Barclays, Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

### Climate

The S&P 500 Index posted a price-only return of 13.07% in Q1'19, the best first quarter showing since the 13.53% gain registered in Q1'98, according to S&P Dow Jones Indices. In fairness, the index was simply recouping the losses sustained in the prior quarter. In Q4'18, the S&P 500 Index plunged 13.97% on a price-only basis, according to Bloomberg. Overall, the index was down 2.73% (price-only) for the 6-month period ended 3/29/19. Federal Reserve Chairman Jerome Powell commented in late March that concerns over slowing global growth and muted inflation would likely translate into zero rate hikes in 2019, according to Bloomberg. On behalf of President Trump, White House economic advisor Larry Kudlow called for a 50 basis point reduction in the federal funds rate on 3/29/19, according to CNBC. A recent semiannual survey conducted by the National Association for Business Economics (NABE) found that 75% of its member panelists expect an economic recession in the U.S. by the end of 2021, according to its own release. While only 10% of those polled believe a recession will occur in 2019, 42% see it happening in 2020 and 25% expect one in 2021. The remaining members either expressed no opinion or said that the next recession will arrive after 2021. The last thing that President Trump wants to confront heading into the 2020 election season is a looming recession.

### Stock Market

The S&P 500 Index ("index") closed at 2,834.40 on 3/29/19, 3.29% below its all-time high of 2,930.75 set on 9/20/18, according to Bloomberg. The index posted a total return of 1.94% in March. Nine of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Real Estate, up 4.92%, while the worst showing came from Financials, down 2.61%. Year-to-date through March, the index posted a total return of 13.65%. All 11 major sectors were up on a total return basis. The top-performer was Information Technology, up 19.86%, while the worst showing came from Health Care, up 6.59%. S&P 500 Index stock buybacks totaled a record \$223.0 billion (preliminary) in Q4'18, up 9.4% from the \$203.8 billion executed in Q3'18 and up 62.8% from the \$137.0 billion spent on buybacks in Q4'17, according to S&P Dow Jones Indices. In 2018, buybacks totaled a record \$806.4 billion, up 55.3% from the \$519.4 billion repurchased in 2017. In Q4'18, Information Technology and Financials were the most active sectors by far accounting for 27.5% and 20.5%, respectively, of all buyback expenditures. There is still a lot of dry powder parked overseas with respect to corporate cash holdings. Data from the Commerce Department indicates that U.S. companies repatriated \$85.9 billion in Q4'18, according to Reuters. In 2018, U.S. companies repatriated a record \$664.9 billion, more than four times the \$155.1 billion brought back in 2017 and more than double the previous record in 2005. Investment banks and think tanks estimate that U.S. companies have offshore cash holdings totaling \$1.5 trillion to \$2.5 trillion, according to Bloomberg.

### Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 3/29/19 at 2.41%, down 31 basis points (bps) from its 2.72% close on 2/28/19, according to Bloomberg. The yield stood 9 bps below its 2.50% average for the 10-year period ended 3/29/19. A 31 bps drop in the yield on the 10-year T-note in a single month will generate some positive returns for investors (see Barclays bond Indices). Retail investors are still buying bonds. They pumped in a net \$50.3 billion into open-end bond mutual funds in the first two months of 2019 (see Open-End Net Fund Flows). There doesn't currently seem to be a catalyst that can push rates/yields higher.

### Takeaway

Stay the course. Be diversified. Don't time the market. Many investors continue to make the same mistake over and over again. Dalbar's 25th edition of its Quantitative Analysis of Investor Behavior study revealed that the average equity fund investor registered a loss of 9.42% in 2018, more than double the 4.38% loss posted by the S&P 500 Index, according to its own release. Dalbar stated that "poor timing" (investors moving money in and out of funds) was behind the dismal showing. It noted that the average equity fund investor underperformed the S&P 500 Index in both good times and bad in 2018. A recent survey by CNBC revealed that 75% of all Americans manage their own finances. Those individuals making more than \$150,000 a year, however, were more likely to consult with a financial professional or use a money management app.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	2930.75	9/20/2018	787.53	3/30/2009	2834.40	-3.29%	13.65%	1.94%
S&P 500 Growth	1785.51	10/1/2018	416.98	3/30/2009	1731.25	-3.04%	14.95%	1.46%
S&P 500 Value	1195.51	1/26/2018	364.58	3/30/2009	1114.38	-6.79%	12.19%	2.49%
S&P MidCap 400	2050.23	8/29/2018	481.41	3/30/2009	1896.27	-7.51%	14.49%	1.70%
S&P MidCap 400 Growth	962.51	9/14/2018	210.07	3/30/2009	888.81	-7.66%	14.95%	1.38%
S&P MidCap 400 Value	680.56	8/29/2018	173.28	3/30/2009	628.01	-7.72%	14.03%	2.03%
S&P 100	1302.80	10/3/2018	372.96	3/30/2009	1251.56	-3.93%	12.97%	2.03%
DJIA	26828.39	10/3/2018	7522.02	3/30/2009	25928.68	-3.35%	11.81%	2.24%
NASDAQ 100	7660.18	8/29/2018	1220.81	3/30/2009	7378.77	-3.67%	16.89%	1.05%
Russell 2000	1740.75	8/31/2018	415.97	3/30/2009	1539.74	-11.55%	14.57%	1.49%
Russell 2000 Growth	1117.18	8/31/2018	228.89	3/30/2009	997.04	-10.75%	17.12%	0.73%
Russell 2000 Value	2049.42	8/22/2018	574.49	3/30/2009	1791.01	-12.61%	11.92%	2.34%
Russell 3000	1737.97	9/20/2018	454.99	3/30/2009	1670.71	-3.87%	14.04%	1.94%
MSCI World Net (ex U.S.) (USD)	6487.64	1/25/2018	2440.98	3/30/2009	5793.29	-10.70%	10.45%	3.50%
MSCI Emerging Markets Net (USD)	573.23	1/26/2018	204.79	3/30/2009	489.66	-14.58%	9.91%	2.71%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	24487.87	-43.86%	7.95%	3.00%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1198.11	-43.58%	12.43%	5.72%
S&P BSE 500/India (USD)	245.12	1/24/2018	67.63	3/30/2009	220.77	-9.93%	6.06%	1.22%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	460.48	-44.66%	27.01%	2.16%
KOSPI/South Korea (USD)	2.42	1/29/2018	0.85	3/30/2009	1.88	-22.37%	2.81%	2.04%
Hang Seng (USD)	4241.01	1/26/2018	1736.26	3/30/2009	3700.86	-12.74%	12.58%	3.46%
MSCI Euro (USD)	1544.35	1/26/2018	784.36	3/30/2009	1276.08	-17.37%	9.67%	3.60%
S&P 500 Consumer Discretionary	939.41	9/27/2018	153.53	3/30/2009	901.20	-4.07%	15.73%	1.27%
S&P 500 Consumer Staples	605.24	1/26/2018	218.77	3/31/2009	580.11	-4.15%	12.01%	2.93%
S&P 500 Energy	737.09	6/23/2014	339.68	3/31/2009	489.45	-33.60%	16.43%	3.27%
S&P 500 Utilities	299.08	3/26/2019	128.26	3/30/2009	295.15	-1.32%	10.84%	3.25%
S&P 500 Financials	501.29	1/26/2018	111.52	3/30/2009	427.19	-14.78%	8.56%	2.13%
S&P 500 Banks	372.05	2/1/2018	71.06	3/30/2009	301.73	-18.90%	9.16%	2.76%
FTSE NAREIT All Equity REITs	731.68	3/28/2019	177.07	3/30/2009	729.97	-0.23%	17.17%	3.84%
S&P 500 Health Care	1107.28	10/1/2018	275.55	4/22/2009	1062.46	-4.05%	6.59%	1.67%
S&P 500 Pharmaceuticals	723.95	11/30/2018	230.94	4/22/2009	702.50	-2.96%	6.06%	2.51%
NYSE Arca Biotechnology	5400.34	9/27/2018	604.39	4/7/2009	5127.71	-5.05%	21.56%	0.30%
S&P 500 Information Technology	1332.87	10/3/2018	236.25	3/30/2009	1299.16	-2.53%	19.86%	1.47%
Philadelphia Semiconductor	1445.90	3/12/2018	229.45	3/30/2009	1395.51	-3.49%	21.35%	1.86%
S&P 500 Telecom Services	183.85	7/1/2016	97.80	7/10/2009	157.68	-14.24%	13.98%	1.45%
S&P 500 Industrials	678.74	1/26/2018	160.38	3/30/2009	632.36	-6.83%	17.20%	1.98%
S&P 500 Materials	401.59	1/26/2018	132.67	3/30/2009	347.27	-13.53%	10.30%	2.16%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	76.36	-66.65%	8.26%	0.82%
TR/CC CRB Commodity	370.56	4/29/2011	155.01	2/11/2016	183.75	-50.41%	8.22%	N/A
ICE BofAML Perpetual Preferred	265.64	3/29/2019	78.63	3/31/2009	265.64	0.00%	8.32%	5.68%
ICE BofAML U.S. High Yield Constrained	438.33	3/29/2019	151.20	4/1/2009	438.33	0.00%	7.38%	6.68%

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