

Open-End Net Fund Flows (\$)	5/20	4/20	YTD (May)
Equity	-38.74B	-31.83B	-171.72B
Taxable Bond	38.01B	-4.04B	-130.02B
Municipal Bond	5.15B	-3.17B	-19.41B
Hybrid	-2.73B	1.78B	-54.00B
Taxable Money Market	32.87B	390.86B	1.13T

Key Interest Rates	6/30/20	12/31/19	6/28/19
Federal Funds Target Rate	0.25%	1.75%	2.50%
ICE LIBOR (3-Month)	0.30%	1.91%	2.32%
2-Year T-Note	0.15%	1.57%	1.76%
10-Year T-Note	0.66%	1.92%	2.01%
Bond Buyer 40	3.63%	3.63%	3.70%

Commodities/U.S. Dollar	6/20	YTD	12 Mo.
U.S. Dollar Index (DXY)	-0.97%	1.04%	1.31%
TR/CC CRB Commodity Index	4.33%	-25.74%	-23.79%
Crude Oil/WTI (per Barrel)	10.65%	-35.69%	-32.84%
Natural Gas (per million BTUs)	-5.41%	-20.09%	-24.24%
Gold Bullion (Ounce)	3.66%	18.21%	27.36%

Total Return Performance

U.S. Stock Indices	6/20	YTD	12 Mo.
S&P 500	1.99%	-3.09%	7.49%
DJIA	1.82%	-8.43%	-0.54%
NASDAQ 100	6.37%	16.89%	33.78%
S&P MidCap 400	1.26%	-12.78%	-6.71%
Russell 2000	3.53%	-12.99%	-6.65%
Russell 3000	2.29%	-3.48%	6.52%

U.S. Styles/Market Caps	6/20	YTD	12 Mo.
S&P 500 Growth	4.10%	7.92%	17.74%
S&P 500 Value	-0.95%	-15.52%	-4.51%
S&P MidCap 400 Growth	1.37%	-5.21%	0.55%
S&P MidCap 400 Value	1.13%	-20.98%	-14.78%
Russell 2000 Growth	3.84%	-3.07%	3.45%
Russell 2000 Value	2.90%	-23.51%	-17.50%

Foreign Stock Indices (USD)	6/20	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	3.42%	-11.49%	-5.42%
MSCI Emerging Markets NET	7.35%	-9.78%	-3.39%
MSCI Europe NET	4.07%	-12.78%	-6.78%
MSCI BRIC NET	7.85%	-7.55%	-0.18%
MSCI EM Latin America NET	5.26%	-35.23%	-32.46%
Nikkei 225	1.97%	-3.80%	7.03%

Bloomberg Barclays Bond Ind.	6/20	YTD	12 Mo.
U.S. Treasury: Intermediate	0.08%	5.82%	7.07%
GNMA 30 Year	-0.13%	3.65%	5.38%
Municipal Bond (22+)	1.49%	1.70%	4.95%
U.S. Aggregate	0.63%	6.14%	8.74%
Intermediate Corporate	1.63%	4.23%	7.21%
U.S. Corporate High Yield	0.98%	-3.80%	0.03%
Global Aggregate	0.89%	2.98%	4.22%
EM Hard Currency Aggregate	2.49%	-0.85%	2.14%

Sources: Bloomberg, 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

June's employment report indicated that nonfarm payrolls increased by 4.80 million, topping the consensus estimate of 3.23 million, according to the Bureau of Economic Analysis. While a full recovery remains a long way off, there should be no doubt at this point that a recovery has commenced, according to Brian Wesbury, Chief Economist at First Trust Advisors L.P. Keep in mind, however, even some of the largest companies in the S&P 500 Index are taking steps to preserve capital. As of 6/30/20, a total of 41 companies in the index had suspended their dividend payouts and another 21 had cut their dividend distributions, according to S&P Dow Jones Indices. There is still a good deal of uncertainty surrounding the potential fallout from the COVID-19 pandemic, including its duration.

Stock Market

The S&P 500 Index ("index") closed at 3,100.29 on 6/30/20, 8.44% below its all-time closing high of 3,386.15 on 2/19/20, according to Bloomberg. The S&P 500 Index posted a total return of 1.99% in June. Five of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Information Technology, up 7.14%, while the worst showing came from Utilities, down 4.66%. Year-to-date through June, the S&P 500 Index posted a total return of -3.09%. Only two of the 11 major sectors were up on a total return basis. The top-performer was Information Technology, up 14.95%, while the worst showing came from Energy, down 35.34%. The S&P 500 Index posted a total return of 20.54% in Q2'20. SunTrust Advisory chief marketing strategist Keith Lerner said in a note that it ranks as the fourth-best quarter since 1950, according to MarketWatch. Lerner said that in those previous 10 best quarters since 1950, the S&P 500 Index went on to post a gain the following quarter in all 10 instances. The average gain over the 10 quarters was 8%. The index was higher a year later in nine of the 10 cases. The only exception was the 1987 stock market crash. While S&P 500 Index earnings have been adjusted much lower for 2020 since the start of the year, 2021 projections are up significantly. As of 12/30/19, Bloomberg's 2020 and 2021 consensus earnings estimates for the S&P 500 Index stood at 9.02% and 10.72%, respectively. As of 6/30/20, those same two estimates were -22.07% and 26.13%, respectively. S&P 500 Index stock buybacks totaled \$198.72 billion (preliminary) in Q1'20, up 9.44% from the \$181.58 billion executed in Q4'19, but down 3.44% from the \$205.81 billion registered in Q1'19, according to S&P Dow Jones Indices. S&P 500 Index companies distributed \$126.98 billion in dividend payments in the quarter, an all-time high, but up just 0.50% from the \$126.35 billion paid out in Q4'19. Buybacks and dividends are expected to fall beginning in Q2'20 due to the fallout from COVID-19.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 6/30/20 at 0.66%, up one basis point (bps) from its 0.65% close on 5/29/20, according to Bloomberg. The yield stood 161 bps below its 2.27% average for the 10-year period ended 6/30/20. With U.S. government and investment-grade bond yields at such low levels, it is understandable that the search for higher returns might lead some income-oriented investors to riskier bonds, such as speculative-grade debt. In fact, that is what transpired in June. Dealogic reported that U.S. issuance of speculative-grade bonds totaled \$51.5 billion, the most ever for a single month, and well above the previous all-time high of \$40.8 billion in September 2012, according to MarketWatch. Investors could also be motivated to reach for yield in the current climate in light of the Fed's announcement that it intends to purchase up to \$750 billion worth of individual corporate bonds as well as investment-grade and speculative-grade exchange-traded funds, according to CNBC. Some pundits worry the Fed may end up creating a bubble in corporates. Stay tuned.

Takeaway

Despite how hard the COVID-19 pandemic has hit the U.S. relative to the rest of the globe the U.S. stock market has held up rather well. Total U.S. equity market capitalization (cap) stood at \$32.80 trillion at the close of trading on 6/30/20, down 9.19% from its all-time high of \$36.12 trillion on 2/20/20, according to Bloomberg. Total world equity market cap stood at \$80.72 trillion at the close of trading on 6/30/20, down 9.47% from its all-time high of \$89.16 trillion on 1/20/20. Total U.S. equity market cap accounted for 40.63% of total world equity market cap as of 6/30/20, up from 30.57% a decade ago.

Data as of 6/30/20

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	3386.15	2/19/2020	1022.58	7/2/2010	3100.29	-8.44%	-3.09%	1.95%
S&P 500 Growth	2120.38	2/19/2020	528.55	7/2/2010	2094.22	-1.23%	7.92%	1.19%
S&P 500 Value	1301.02	1/17/2020	486.55	7/2/2010	1070.38	-17.73%	-15.52%	3.07%
S&P MidCap 400	2106.12	2/20/2020	700.16	7/6/2010	1783.21	-15.33%	-12.78%	2.00%
S&P MidCap 400 Growth	1004.45	2/20/2020	306.64	7/6/2010	910.35	-9.37%	-5.21%	1.18%
S&P MidCap 400 Value	692.20	1/16/2020	251.27	7/6/2010	533.30	-22.96%	-20.98%	3.03%
S&P 100	1518.94	2/19/2020	463.84	7/2/2010	1427.23	-6.04%	-0.03%	1.92%
DJIA	29551.42	2/12/2020	9686.48	7/2/2010	25812.88	-12.65%	-8.43%	2.54%
NASDAQ 100	10209.82	6/23/2020	1728.34	7/2/2010	10156.85	-0.52%	16.89%	0.85%
Russell 2000	1740.75	8/31/2018	590.03	7/6/2010	1441.37	-17.20%	-12.99%	1.83%
Russell 2000 Growth	1142.13	2/19/2020	324.00	7/6/2010	1050.30	-8.04%	-3.07%	0.65%
Russell 2000 Value	2049.42	8/22/2018	804.33	10/3/2011	1456.75	-28.92%	-23.51%	3.07%
Russell 3000	1984.26	2/19/2020	602.36	7/2/2010	1809.25	-8.82%	-3.48%	1.87%
MSCI World Net (ex U.S.) (USD)	6499.50	1/17/2020	3326.91	7/1/2010	5686.88	-12.50%	-11.49%	3.01%
MSCI Emerging Markets Net (USD)	573.23	1/26/2018	296.25	1/21/2016	475.94	-16.97%	-9.78%	2.66%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	17359.57	-60.20%	-39.50%	3.40%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1212.63	-42.90%	-20.57%	7.04%
S&P BSE 500/India (USD)	245.12	1/24/2018	95.89	9/3/2013	177.86	-27.44%	-18.61%	1.55%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	422.44	-49.23%	-2.43%	2.31%
KOSPI/South Korea (USD)	2.42	1/29/2018	1.16	3/19/2020	1.76	-27.56%	-7.32%	1.97%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3151.69	-25.69%	-11.43%	3.93%
MSCI Euro (USD)	1544.35	1/26/2018	814.62	6/1/2012	1205.39	-21.95%	-12.22%	2.62%
S&P 500 Consumer Discretionary	1065.86	6/8/2020	228.84	7/6/2010	1051.42	-1.36%	7.23%	1.10%
S&P 500 Consumer Staples	665.35	2/14/2020	262.40	7/2/2010	601.33	-9.62%	-5.66%	2.94%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	287.46	-61.00%	-35.34%	6.06%
S&P 500 Utilities	359.13	2/18/2020	142.97	7/1/2010	286.96	-20.10%	-11.14%	3.59%
S&P 500 Financials	516.21	1/2/2020	151.85	10/3/2011	385.49	-25.32%	-23.65%	2.77%
S&P 500 Banks	383.30	1/2/2020	105.73	8/22/2011	242.64	-36.70%	-34.93%	4.25%
FTSE NAREIT All Equity REITs	835.20	2/14/2020	342.95	7/6/2010	663.15	-20.60%	-13.30%	4.08%
S&P 500 Health Care	1219.65	1/22/2020	324.13	7/1/2010	1167.81	-4.25%	-0.81%	1.74%
S&P 500 Pharmaceuticals	768.14	1/21/2020	271.60	7/1/2010	704.42	-8.30%	-4.32%	2.83%
NYSE Arca Biotechnology	5862.27	6/23/2020	995.18	7/6/2010	5718.34	-2.46%	12.98%	0.25%
S&P 500 Information Technology	1841.13	6/23/2020	328.07	7/2/2010	1840.10	-0.06%	14.95%	1.22%
Philadelphia Semiconductor	2004.66	6/10/2020	307.49	8/31/2010	1996.44	-0.41%	8.93%	1.64%
S&P 500 Telecom Services	192.97	2/19/2020	102.04	6/30/2010	179.88	-6.78%	-0.31%	1.27%
S&P 500 Industrials	718.21	2/12/2020	234.50	7/2/2010	581.00	-19.10%	-14.64%	2.35%
S&P 500 Materials	401.59	1/26/2018	170.73	7/2/2010	354.83	-11.64%	-6.92%	2.28%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	129.16	-43.59%	21.33%	0.62%
TR/CC CRB Commodity	370.56	4/29/2011	106.29	4/21/2020	137.97	-62.77%	-25.74%	N/A
ICE BofA Perpetual Preferred	293.45	2/17/2020	139.94	6/30/2010	281.24	-4.16%	-2.33%	4.95%
ICE BofA U.S. High Yield Constrained	472.87	2/20/2020	237.31	7/1/2010	444.40	-6.02%	-4.84%	6.99%

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