

Open-End Net Fund Flows (\$)	10/21	9/21	YTD (Oct)
Equity	-20.63B	-37.08B	-330.72B
Taxable Bond	12.02B	22.82B	303.76B
Municipal Bond	1.79B	5.69B	76.48B
Hybrid	-1.82B	-0.70B	-4.08B
Taxable Money Market	12.12B	8.16B	238.27B

Key Interest Rates	11/30/21	12/31/20	11/30/20
Federal Funds Target Rate	0.25%	0.25%	0.25%
ICE LIBOR (3-Month)	0.17%	0.24%	0.23%
2-Year T-Note	0.57%	0.12%	0.15%
10-Year T-Note	1.45%	0.92%	0.84%
Bond Buyer 40	3.45%	3.46%	3.51%

Commodities/U.S. Dollar	11/21	YTD	12 Mo.
U.S. Dollar Index (DXY)	1.99%	6.73%	4.48%
Refinitiv/CC CRB Excess Ret.	-7.79%	30.63%	36.94%
Crude Oil/WTI (per Barrel)	-20.81%	36.40%	45.96%
Natural Gas (per million BTUs)	-15.84%	79.92%	58.68%
Gold Bullion (Ounce)	-0.58%	-6.41%	-0.12%

Total Return Performance

U.S. Stock Indices	11/21	YTD	12 Mo.
S&P 500	-0.70%	23.17%	27.90%
DJIA	-3.50%	14.61%	18.52%
NASDAQ 100	1.88%	26.01%	32.44%
S&P MidCap 400	-2.95%	18.71%	26.45%
Russell 2000	-4.19%	12.28%	21.99%
Russell 3000	-1.52%	20.88%	26.32%

U.S. Styles/Market Caps	11/21	YTD	12 Mo.
S&P 500 Growth	1.42%	28.81%	34.06%
S&P 500 Value	-3.26%	16.66%	20.73%
S&P MidCap 400 Growth	-3.57%	14.20%	21.50%
S&P MidCap 400 Value	-2.40%	23.33%	31.52%
Russell 2000 Growth	-4.90%	2.36%	11.93%
Russell 2000 Value	-3.44%	23.19%	32.95%

Foreign Stock Indices (USD)	11/21	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-4.68%	7.18%	12.05%
MSCI Emerging Markets NET	-4.08%	-4.34%	2.70%
MSCI Europe NET	-5.16%	9.09%	14.23%
MSCI BRIC NET	-5.37%	-10.37%	-5.69%
MSCI EM Latin America NET	-2.98%	-13.25%	-2.92%
Nikkei 225	-2.87%	-6.05%	-1.35%

Bloomberg Fixed Income Ind.	11/21	YTD	12 Mo.
U.S. Treasury: Intermediate	0.26%	-1.46%	-1.43%
GNMA 30 Year	-0.04%	-1.37%	-1.20%
Municipal Bond (22+)	1.65%	2.95%	3.90%
U.S. Aggregate	0.30%	-1.29%	-1.15%
Intermediate Corporate	-0.15%	-1.14%	-0.63%
U.S. Corporate High Yield	-0.97%	3.34%	5.29%
Global Aggregate	-0.29%	-4.57%	-3.29%
EM Hard Currency Aggregate	-1.39%	-3.59%	-1.90%

Sources: Bloomberg and 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 focus these days is on inflation and the potential fallout from the new strain of COVID called omicron. Experts acknowledge that it may take a couple of weeks or more to collect and study the data to determine how much of a danger omicron could present to the U.S. and the globe. In his Senate testimony at the end of November, Federal Reserve ("Fed") Chairman Jerome Powell admitted that inflation will not be transitory and that the Fed will be discussing the potential for accelerated tapering of its monthly bond purchases and timing of any 2022 rate hikes.

Stock Market

The S&P 500 Index closed November at 4,567.00, 2.92% below its all-time closing high of 4,704.54 on 11/18/21, according to Bloomberg. The S&P MidCap 400 and S&P SmallCap 600 Indices stood 6.94% and 8.38%, respectively, below their record closing highs as of month-end. The S&P 500 Index ("index") posted a total return of -0.70% in November. Only two of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Information Technology, up 4.35%, while the worst showing came from Financials, down 5.68%. The S&P 500 Index posted a total return of 23.17% over the first 11 months of 2021. All 11 major sectors were up on a total return basis. The index's top performer was Energy, up 49.78%, while the worst showing came from Utilities, up 7.33%. A Bloomberg survey of 12 equity strategists found that their average 2022 year-end price target for the S&P 500 Index was 4,843 as of 11/19/21, according to its own release. The highest and lowest estimates were 5,300 and 4,400, respectively. Global dividends increased by 22.0% year-over-year to \$403.5 billion in Q3'21, as measured by the Janus Henderson Global Dividend Index, according to its own release. That is an all-time high for a third quarter. The U.S. accounted for \$130.7 billion of that total, also a record high for a third quarter. Globally, 90% of companies either raised their dividend payout or maintained it. Janus Henderson estimates that global dividend payments will total \$1.46 trillion in 2021. It expects dividends to surpass the pre-pandemic peak by year-end. Investors should keep in mind that some pundits are forecasting the potential for a correction (price decline of 10.00% to 19.99% on an equity index from its most recent peak) in the coming months. The S&P 500 Index has experienced a correction or bear market around every 1.87 years since 1950, according to Yardeni Research. The last correction, which actually ended up a bear market (20% or more price decline), occurred in February-March of 2020 during the onset of COVID-19. That was 20 months ago. The fact that the Fed is contemplating a faster than expected tapering of its monthly bond buying program to help mitigate rising inflation by pushing bond yields higher will likely embolden the forecasters.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 11/30/21 at 1.45%, down 11 basis points (bps) from its 1.56% close on 10/29/21, according to Bloomberg. The 1.45% yield stood 59 bps below its 2.04% average for the 10-year period ended 11/30/21. The table of Bloomberg Fixed Income Index total returns shows that high yield corporate bonds and municipal bonds were the shining stars through the first 11 months of 2021. The foreign bond categories have had to endure a strengthening U.S. dollar throughout most of this year. Year-to-date through November, the U.S. Dollar Index (DXY), which tracks the relative strength of the dollar versus other major currencies, was up 6.73%, according to Bloomberg. The strong U.S. dollar combined with an abundance of low to negative-yielding foreign debt are two big reasons why foreign bond returns are sitting so deep in negative territory, in our opinion. Demand for tax-free income is expected to remain elevated, according to Bloomberg. Municipal debt issuers sold approximately \$425 billion worth of bonds through the first 11 months of 2021, and that total could approach \$450 billion for full-year if the current pace is maintained. The all-time high was \$455 billion in 2020.

Takeaway

Do not be surprised if volatility in the markets rises in the months ahead. With respect to risk-taking in general, one of the barometers we favor is M&A activity. The idea is that if CEOs are willing to assume risk in a given climate, shouldn't investors at least consider it? S&P Global Market Intelligence reported that global mergers and acquisitions (M&A) activity totaled \$1.170 trillion in Q3'21, up 13.7% from Q2'21's total and up 32.0% year-over-year, according to its own release. It marked the fourth consecutive quarter in which activity topped the \$1 trillion level. Year-to-date through September 2021, global M&A activity totaled \$3.284 trillion, up from \$1.787 trillion over the same period a year ago. For now, it is risk-on for CEOs.

Data as of 11/30/21

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	4704.54	11/18/2021	1205.35	12/19/2011	4567.00	-2.92%	23.17%	1.32%
S&P 500 Growth	3386.70	11/19/2021	653.46	12/19/2011	3297.36	-2.64%	28.81%	0.66%
S&P 500 Value	1527.59	11/8/2021	545.44	12/19/2011	1449.31	-5.12%	16.66%	2.17%
S&P MidCap 400	2910.70	11/16/2021	840.16	12/14/2011	2708.65	-6.94%	18.71%	1.39%
S&P MidCap 400 Growth	1427.19	11/16/2021	385.03	12/14/2011	1332.11	-6.66%	14.20%	0.74%
S&P MidCap 400 Value	908.15	11/15/2021	288.01	12/14/2011	841.27	-7.36%	23.33%	1.96%
S&P 100	2172.14	11/18/2021	547.54	12/19/2011	2117.51	-2.52%	24.71%	1.30%
DJIA	36432.22	11/8/2021	11766.26	12/19/2011	34483.72	-5.35%	14.61%	1.80%
NASDAQ 100	16573.34	11/19/2021	2215.27	12/19/2011	16135.92	-2.64%	26.01%	0.65%
Russell 2000	2442.74	11/8/2021	708.46	12/14/2011	2198.91	-9.98%	12.28%	1.16%
Russell 2000 Growth	1709.62	2/9/2021	407.00	12/14/2011	1484.72	-13.16%	2.36%	0.48%
Russell 2000 Value	2643.45	11/8/2021	934.77	12/19/2011	2397.50	-9.30%	23.19%	1.86%
Russell 3000	2794.62	11/8/2021	711.45	12/19/2011	2685.54	-3.90%	20.88%	1.28%
MSCI World Net (ex U.S.) (USD)	7936.92	9/6/2021	3452.12	6/4/2012	7408.65	-6.66%	7.18%	2.75%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	597.06	-14.61%	-4.34%	2.52%
Ibovespa/Brazil (USD)	39318.75	3/2/2012	9077.09	1/21/2016	18135.72	-53.88%	-20.82%	6.69%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	1645.81	-14.26%	24.32%	4.97%
S&P BSE 500/India (USD)	335.49	10/18/2021	95.89	9/3/2013	309.78	-7.66%	25.02%	1.10%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	559.96	-32.70%	7.49%	2.03%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	2.40	-18.24%	-8.71%	2.11%
Hang Seng (USD)	4241.01	1/26/2018	2315.26	11/30/2011	3010.85	-29.01%	-12.05%	2.65%
MSCI Euro (USD)	1705.00	9/6/2021	814.62	6/1/2012	1562.52	-8.36%	9.41%	2.44%
S&P 500 Consumer Discretionary	1673.27	11/19/2021	296.44	12/19/2011	1615.83	-3.43%	24.75%	0.54%
S&P 500 Consumer Staples	761.20	11/23/2021	322.99	12/14/2011	731.76	-3.87%	7.56%	2.78%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	410.70	-44.28%	49.78%	4.26%
S&P 500 Utilities	359.13	2/18/2020	171.80	11/15/2012	332.59	-7.39%	7.33%	3.18%
S&P 500 Financials	675.21	10/26/2021	165.37	12/19/2011	630.37	-6.64%	30.59%	1.74%
S&P 500 Banks	453.25	10/22/2021	120.96	12/19/2011	418.86	-7.59%	35.42%	2.20%
FTSE NAREIT All Equity REITs	934.07	11/24/2021	416.66	12/13/2011	898.47	-3.81%	28.89%	2.75%
S&P 500 Health Care	1592.61	9/3/2021	383.91	12/14/2011	1510.46	-5.16%	15.74%	1.51%
S&P 500 Pharmaceuticals	939.83	8/17/2021	318.32	12/5/2011	874.63	-6.94%	14.85%	2.52%
NYSE Arca Biotechnology	6319.77	2/8/2021	1015.08	12/15/2011	5339.04	-15.52%	-6.69%	0.44%
S&P 500 Information Technology	3005.82	11/19/2021	399.23	12/19/2011	2956.85	-1.63%	30.12%	0.76%
Philadelphia Semiconductor	3912.02	11/19/2021	343.36	12/19/2011	3833.22	-2.01%	38.55%	1.05%
S&P 500 Telecom Services	288.46	9/1/2021	123.74	1/27/2012	260.90	-9.55%	18.57%	0.83%
S&P 500 Industrials	905.34	11/9/2021	279.75	12/14/2011	850.54	-6.05%	14.98%	1.41%
S&P 500 Materials	565.33	11/12/2021	201.79	12/19/2011	530.68	-6.13%	18.33%	1.75%
Philadelphia Gold & Silver	208.30	11/30/2011	38.84	1/19/2016	130.22	-37.48%	-8.35%	1.81%
Refinitiv/CC CRB Excess Return	325.91	2/24/2012	106.29	4/21/2020	219.19	-32.75%	30.63%	N/A
ICE BofA Perpetual Preferred	319.67	9/22/2021	158.21	12/1/2011	310.54	-2.86%	0.51%	4.28%
ICE BofA U.S. High Yield Constrained	521.46	11/9/2021	265.93	11/30/2011	512.24	-1.77%	3.40%	5.19%

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