

Open-End Net Fund Flows (\$)	12/20	11/20	YTD (Dec)
Equity	-77.54B	-36.22B	-645.96B
Taxable Bond	51.87B	36.93B	205.19B
Municipal Bond	9.50B	5.93B	39.14B
Hybrid	-4.21B	-2.79B	-83.95B
Taxable Money Market	-7.27B	-8.01B	725.16B

Key Interest Rates	1/29/21	12/31/20	1/31/20
Federal Funds Target Rate	0.25%	0.25%	1.75%
ICE LIBOR (3-Month)	0.20%	0.24%	1.75%
2-Year T-Note	0.11%	0.12%	1.32%
10-Year T-Note	1.07%	0.92%	1.51%
Bond Buyer 40	3.43%	3.46%	3.51%

Commodities/U.S. Dollar	1/21	YTD	12 Mo.
U.S. Dollar Index (DXY)	0.71%	0.71%	-6.99%
Refinitiv/CC CRB Excess Ret.	3.81%	3.81%	2.28%
Crude Oil/WTI (per Barrel)	1.82%	1.82%	8.20%
Natural Gas (per million BTUs)	0.79%	0.79%	39.13%
Gold Bullion (Ounce)	-2.52%	-2.52%	16.70%

Total Return Performance

U.S. Stock Indices	1/20	YTD	12 Mo.
S&P 500	-1.02%	-1.02%	17.24%
DJIA	-1.95%	-1.95%	8.54%
NASDAQ 100	0.32%	0.32%	45.00%
S&P MidCap 400	1.50%	1.50%	18.45%
Russell 2000	5.03%	5.03%	30.15%
Russell 3000	-0.45%	-0.45%	20.47%

U.S. Styles/Market Caps	1/21	YTD	12 Mo.
S&P 500 Growth	-0.52%	-0.52%	29.83%
S&P 500 Value	-1.59%	-1.59%	2.45%
S&P MidCap 400 Growth	1.85%	1.85%	26.57%
S&P MidCap 400 Value	1.15%	1.15%	9.43%
Russell 2000 Growth	4.82%	4.82%	42.68%
Russell 2000 Value	5.26%	5.26%	16.39%

Foreign Stock Indices (USD)	1/21	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-1.07%	-1.07%	8.54%
MSCI Emerging Markets NET	3.07%	3.07%	27.90%
MSCI Europe NET	-1.45%	-1.45%	6.53%
MSCI BRIC NET	3.83%	3.83%	27.78%
MSCI EM Latin America NET	-6.72%	-6.72%	-14.82%
Nikkei 225	-0.59%	-0.59%	25.82%

Bloomberg Barclays Bond Ind.	1/21	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.24%	-0.24%	4.03%
GNMA 30 Year	-0.18%	-0.18%	3.00%
Municipal Bond (22+)	0.98%	0.98%	4.74%
U.S. Aggregate	-0.72%	-0.72%	4.72%
Intermediate Corporate	-0.38%	-0.38%	5.52%
U.S. Corporate High Yield	0.33%	0.33%	7.44%
Global Aggregate	-0.88%	-0.88%	6.87%
EM Hard Currency Aggregate	-0.82%	-0.82%	4.89%

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

Despite still having more than 10 million U.S. workers unemployed due largely to the COVID-19 pandemic, the U.S. consumer continues to show signs of being fiscally responsible in this difficult climate. Experian reported that the average FICO Score in the U.S. hit an all-time high of 710 in 2020, according to CNBC. All 50 states and Washington D.C. registered credit score increases ranging from three to 10 points. Scores are used in over 90% of U.S. lending decisions. The S&P/Experian Consumer Credit Default Composite Index stood at 0.46% in December 2020, down from 0.96% in December 2019 and well below its 1.78% average default rate since inception (7/04), according to S&P Dow Jones Indices and Bloomberg. The consumer is the backbone of the U.S. economy and appears to be in pretty good shape.

Stock Market

The S&P 500 Index ("index") closed at 3,714.24 on 1/29/21, 3.66% below its all-time closing high of 3,855.36 on 1/25/21, according to Bloomberg. The index posted a total return of -1.02% in January. Four of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Energy, up 3.79%, while the worst showing came from Consumer Staples, down 5.17%. The S&P 500 Index posted a total return of 17.24% for the 12-month period ended 1/29/21. Seven of the 11 major sectors were up on a total return basis. The top-performer was Information Technology, up 37.13%, while the worst showing came from Energy, down 22.60%. A Bloomberg survey of 22 equity strategists found that their average 2021 year-end price target for the S&P 500 Index was 4,074 as of 1/20/21, according to its own release. The highest and lowest estimates were 4,400 and 3,800, respectively. As of 1/29/21, Bloomberg's consensus year-over-year earnings growth rate estimates for the S&P 500 Index for 2021 and 2022 stood at 23.53% and 16.07%, respectively, a healthy rebound from its -13.89% projection for 2020. The sectors with the most optimistic 2021 year-over-year estimates are Industrials, Consumer Discretionary and Materials at 59.2%, 50.6% and 29.8%, respectively. Total global dividend payouts are expected to rise from \$1.67 trillion in 2020 to \$1.78 trillion in 2021, or an increase of 6.5%, according to IHS Market. Due to the COVID-19 pandemic, total dividend payouts fell by more than \$113 billion in 2020. The biggest rebound is expected to occur in the Eurozone and U.K., with dividend payouts rising by 22% and 30% year-over-year, respectively. With respect to growth versus value investing, the S&P 500 Pure Value Index posted a total return of 30.27% for the six-month period ended 1/29/21, well above the 17.78% gain on the S&P 500 Pure Growth Index, according to Bloomberg. Prior to this six-month run, value stocks had significantly lagged growth stocks over the past 1-, 3-, 5-, 10- and 15-year periods. We will monitor this dynamic moving forward.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 1/29/21 at 1.07%, up 15 basis points (bps) from its 0.92% close on 12/31/20, according to Bloomberg. The yield stood 108 bps below its 2.15% average for the 10-year period ended 1/29/21. As we speak, the Biden administration is negotiating with the Republicans in Congress to see if they can secure bipartisan support for their \$1.9 trillion COVID-19 stimulus proposal. GOP lawmakers have countered with their own scaled-down package that would appropriate \$618 billion, about one-third what President Joe Biden is asking for. If the negotiations fall through, meaning it is clear that Biden can't lock up 60 votes in the Senate, it is believed that he would likely seek to use reconciliation to lower the voting threshold to a 51-50 majority, with Vice President Kamala Harris casting the final tie-breaking vote. Regardless of the final dollar value of the package, bond investors are anticipating that the U.S. government will need to issue more Treasury securities over time to finance the Democrat's economic agenda, and that could, in turn, push bond yields higher moving forward, according to Bloomberg. There is also a chance for higher inflation from the additional stimulus.

Takeaway

The most dominant theme in the stock market is the reopening trade, in our opinion. The speed in which those areas of the U.S. economy shutdown or were significantly curtailed by the COVID-19 pandemic are allowed to fully reopen will likely be dependent upon the success of the logistics behind the dispersing of the two FDA-approved vaccines. With any luck, we'll gain access to a third vaccine very soon. We already know that the initial rollout was slower than expected, but President Biden has made the virus his number one priority in his first 100 days or so in office. Hopefully, the federal government's all-in approach can help turn the tide.

Data as of 1/29/21

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	3855.36	1/25/2021	1099.23	10/3/2011	3714.24	-3.66%	-1.02%	1.59%
S&P 500 Growth	2671.23	1/26/2021	598.65	10/3/2011	2562.86	-4.06%	-0.52%	0.79%
S&P 500 Value	1306.29	1/14/2021	494.97	10/3/2011	1245.05	-4.69%	-1.59%	2.50%
S&P MidCap 400	2469.01	1/20/2021	744.98	10/3/2011	2340.12	-5.22%	1.50%	1.45%
S&P MidCap 400 Growth	1264.95	1/22/2021	345.40	10/3/2011	1194.97	-5.53%	1.85%	0.83%
S&P MidCap 400 Value	738.04	1/20/2021	252.35	10/3/2011	700.06	-5.15%	1.15%	2.09%
S&P 100	1775.81	1/26/2021	500.09	10/3/2011	1709.75	-3.72%	-0.50%	1.56%
DJIA	31188.38	1/20/2021	10655.30	10/3/2011	29982.62	-3.87%	-1.95%	2.01%
NASDAQ 100	13490.19	1/26/2021	2038.22	8/19/2011	12925.38	-4.19%	0.32%	0.75%
Russell 2000	2168.76	1/22/2021	609.49	10/3/2011	2073.64	-4.39%	5.03%	1.11%
Russell 2000 Growth	1606.72	1/22/2021	350.15	10/3/2011	1525.31	-5.07%	4.82%	0.43%
Russell 2000 Value	2157.48	1/14/2021	804.33	10/3/2011	2075.07	-3.82%	5.26%	1.85%
Russell 3000	2323.21	1/25/2021	644.45	10/3/2011	2236.37	-3.74%	-0.45%	1.49%
MSCI World Net (ex U.S.) (USD)	7136.48	1/8/2021	3369.63	10/4/2011	6838.66	-4.17%	-1.07%	2.46%
MSCI Emerging Markets Net (USD)	681.72	1/25/2021	296.25	1/21/2016	643.27	-5.64%	3.07%	1.87%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	21014.59	-51.82%	-8.25%	2.19%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1367.64	-35.60%	-1.30%	5.35%
S&P BSE 500/India (USD)	263.32	1/20/2021	95.89	9/3/2013	246.63	-6.34%	-1.52%	1.09%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	541.83	-34.88%	1.83%	2.03%
KOSPI/South Korea (USD)	2.91	1/25/2021	1.16	3/19/2020	2.67	-8.38%	1.02%	1.80%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3647.91	-13.98%	3.87%	2.35%
MSCI Euro (USD)	1544.35	1/26/2018	814.62	6/1/2012	1428.17	-7.52%	-2.21%	2.29%
S&P 500 Consumer Discretionary	1373.12	1/26/2021	267.58	10/3/2011	1307.64	-4.77%	0.41%	0.66%
S&P 500 Consumer Staples	698.69	11/16/2020	293.02	8/10/2011	659.25	-5.64%	-5.17%	2.97%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	296.52	-59.77%	3.79%	5.65%
S&P 500 Utilities	359.13	2/18/2020	152.93	8/8/2011	316.02	-12.00%	-0.91%	3.47%
S&P 500 Financials	522.77	1/14/2021	151.85	10/3/2011	480.98	-7.99%	-1.75%	2.19%
S&P 500 Banks	383.30	1/2/2020	105.73	8/22/2011	313.62	-18.18%	-0.44%	3.08%
FTSE NAREIT All Equity REITs	835.20	2/14/2020	371.48	10/3/2011	712.67	-14.67%	-0.07%	3.59%
S&P 500 Health Care	1381.65	1/20/2021	346.38	8/10/2011	1340.92	-2.95%	1.42%	1.58%
S&P 500 Pharmaceuticals	824.82	1/26/2021	282.86	8/10/2011	793.94	-3.74%	1.97%	2.59%
NYSE Arca Biotechnology	6290.56	1/25/2021	1001.60	11/25/2011	5984.62	-4.86%	4.28%	0.28%
S&P 500 Information Technology	2359.81	1/26/2021	357.71	8/19/2011	2269.12	-3.84%	-0.92%	1.02%
Philadelphia Semiconductor	3132.17	1/21/2021	326.32	8/19/2011	2887.08	-7.82%	3.33%	1.22%
S&P 500 Telecom Services	228.77	1/26/2021	115.22	8/8/2011	218.57	-4.46%	-1.30%	0.97%
S&P 500 Industrials	765.17	1/12/2021	245.04	10/3/2011	717.01	-6.29%	-4.30%	1.67%
S&P 500 Materials	488.08	1/12/2021	179.78	10/3/2011	444.85	-8.86%	-2.38%	1.86%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	138.59	-39.47%	-3.87%	0.80%
Refinitiv/CC CRB Excess Return	370.56	4/29/2011	106.29	4/21/2020	174.20	-52.99%	3.82%	N/A
ICE BofA Perpetual Preferred	308.97	12/31/2020	146.25	8/8/2011	305.32	-1.18%	-1.18%	3.99%
ICE BofA U.S. High Yield Constrained	498.72	1/21/2021	250.64	10/4/2011	497.22	-0.30%	0.37%	4.91%

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