

Open-End Net Fund Flows (\$)	1/22	12/21	YTD (Jan)
Equity	-17.63B	-71.98B	-17.63B
Taxable Bond	-9.58B	-9.58B	-9.58B
Municipal Bond	-3.56B	2.16B	-3.56B
Hybrid	-1.12B	-8.07B	-1.12B
Taxable Money Market	-135.60B	136.43B	-135.60B

Key Interest Rates	2/28/22	12/31/21	2/26/21
Federal Funds Target Rate	0.25%	0.25%	0.25%
2-Year T-Note	1.43%	0.73%	0.13%
5-Year T-Note	1.72%	1.26%	0.73%
10-Year T-Note	1.83%	1.51%	1.41%
Bond Buyer 40	3.67%	3.45%	3.55%

Commodities/U.S. Dollar	2/22	YTD	12 Mo.
U.S. Dollar Index (DXY)	0.18%	1.09%	6.42%
Refinitiv/CC CRB Excess Ret.	5.47%	15.79%	41.30%
Crude Oil/WTI (per Barrel)	8.59%	27.27%	55.64%
Natural Gas (per million BTUs)	-9.65%	17.96%	58.84%
Gold Bullion (Ounce)	5.89%	3.94%	9.94%

Total Return Performance

U.S. Stock Indices	2/22	YTD	12 Mo.
S&P 500	-3.00%	-8.02%	16.37%
DJIA	-3.29%	-6.43%	11.59%
NASDAQ 100	-4.54%	-12.65%	11.06%
S&P MidCap 400	1.11%	-6.18%	7.95%
Russell 2000	1.07%	-8.67%	-6.04%
Russell 3000	-2.52%	-8.25%	12.28%

U.S. Styles/Market Caps	2/22	YTD	12 Mo.
S&P 500 Growth	-4.50%	-12.49%	16.11%
S&P 500 Value	-1.44%	-3.04%	16.15%
S&P MidCap 400 Growth	0.97%	-9.52%	1.46%
S&P MidCap 400 Value	1.26%	-2.75%	14.63%
Russell 2000 Growth	0.43%	-13.03%	-17.42%
Russell 2000 Value	1.65%	-4.27%	6.59%

Foreign Stock Indices (USD)	2/22	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-1.56%	-5.90%	4.46%
MSCI Emerging Markets NET	-2.99%	-4.83%	-10.69%
MSCI Europe NET	-2.82%	-7.27%	6.82%
MSCI BRIC NET	-6.25%	-7.89%	-21.03%
MSCI EM Latin America NET	4.83%	12.56%	14.32%
Nikkei 225	-1.69%	-7.76%	-13.73%

Bloomberg Fixed Income Ind.	2/22	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.45%	-1.72%	-2.36%
GNMA 30 Year	-0.57%	-1.78%	-2.48%
Municipal Bond (22+)	-0.52%	-4.04%	0.46%
U.S. Aggregate	-1.12%	-3.25%	-2.64%
Intermediate Corporate	-1.09%	-2.96%	-2.77%
U.S. Corporate High Yield	-1.03%	-3.73%	0.64%
Global Aggregate	-1.19%	-3.21%	-5.32%
EM Hard Currency Aggregate	-4.93%	-7.50%	-7.89%

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 Federal Reserve ("Fed") likely has a tougher road to hoe with respect to setting monetary policy following Russia's invasion of Ukraine. In just the past few years, the Fed has battled one crisis after another. Since the start of 2020, it has had to navigate the COVID-19 pandemic, global supply-chain bottlenecks, an unexpected surge in inflation, and now a war that has recently driven the price of crude oil above the \$100 per barrel mark. Keep in mind that even though the unemployment rate stood at 4.0% in January 2022, the U.S. had 10.93 million job openings in December 2021, according to the Bureau of Labor Statistics. "The monetary policy goals of the Federal Reserve are to foster economic conditions that achieve both stable prices and maximum sustainable employment," according to the Federal Reserve Bank of Chicago. There is still a lot of work to be done on these two fronts.

Stock Market

The S&P 500 Index ("index") closed February 2022 at 4,373.94, 8.81% below its all-time closing high of 4,796.56 on 1/3/22, according to Bloomberg. The S&P MidCap 400 and S&P SmallCap 600 Indices stood 8.56% and 10.23%, respectively, below their record closing highs as of month-end. In February 2022, the S&P 500 Index posted a total return of -3.00%. Only one of the 11 major sectors that comprise the index was up on a total return basis. The top-performer was Energy, up 7.14%, while the worst showing came from Communication Services, down 6.98%. The index posted a total return of -8.02% year-to-date through 2/28/22. Again, only one of the 11 major sectors was up on a total return basis. The index's top performer was Energy, up 27.61%, while the worst showing came from Consumer Discretionary, down 13.28%. In times like these, when the equities markets trade lower, whether due to profit taking or some other motivation, the sectors of the market that fall the most often are those that were up the most, and that is true this time around. Two of the three sectors that sold off the most since the S&P 500 Index reached its all-time closing high on 1/3/22 were consumer discretionary and information technology, which were down 15.61% and 12.34%, respectively, on a total return basis (as of 2/28/22), according to Bloomberg. From 3/9/09-1/3/22, which measures the index low point during the 2008-2009 financial crisis through the most recent peak, information technology and consumer discretionary posted cumulative total returns of 1,735.39% and 1,476.42%, respectively, the top-performing sectors by far. The S&P 500 Index was up 816.67% over that period. While we do not know when the equities markets will bottom in the current climate, we do see some value emerging from the selling. As of 3/1/22, the percentage of stocks in the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices trading above their 50-day moving averages were 24%, 28% and 30%, respectively, according to Bloomberg. These percentages are relatively low.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 2/28/22 at 1.83%, up five basis points (bps) from its 1.78% close on 1/31/22, according to Bloomberg. The 1.83% yield stood 20 bps below its 2.03% average for the 10-year period ended 2/28/22. We have been commenting for several months that bond prices moving forward will likely be influenced most by the direction of inflation and how aggressive the Fed gets with respect to tightening its monetary policy. Some economists and pundits believe the Fed is already behind the inflation curve. We will see in due time if that is the case. The last thing that bond investors want to see is the Fed chasing after inflation, in our opinion. As previously noted, the recent invasion of Ukraine by Russia gives the Fed one more thing to think about. In response to the invasion, a good deal of capital has already flowed into the bond market seeking a safe haven. As a result, bond yields have backed up some despite inflation spiking higher. As mentioned above, the 1.83% month-end closing yield on the 10-year T-note was actually down 16 basis points from its 1.99% closing yield on 2/23/22. That is a big move for one week. Let us hope that a diplomatic solution is found relatively quickly. If not, investors should continue to monitor the events to see what impact the war has on inflation, particularly the direction of crude oil prices.

Takeaway

The key takeaway in the current climate is to expect elevated levels of volatility in the securities markets over the foreseeable future. The silver lining is that investors have dealt with multiple headwinds like these before, especially war. The decline in the number of COVID-19 cases is encouraging. While we are not out of the woods yet, any progress toward fully reopening the U.S. economy is most welcome. A potential wildcard moving forward could be the midterm elections in November. Stay tuned!

Data as of 2/28/22

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	4796.56	1/3/2022	1278.05	6/1/2012	4373.94	-8.81%	-8.02%	1.40%
S&P 500 Growth	3423.28	12/27/2021	696.49	6/1/2012	2951.54	-13.78%	-12.49%	0.75%
S&P 500 Value	1571.24	1/12/2022	572.94	6/4/2012	1496.33	-4.77%	-3.04%	2.06%
S&P MidCap 400	2910.70	11/16/2021	891.32	6/4/2012	2661.48	-8.56%	-6.18%	1.48%
S&P MidCap 400 Growth	1427.19	11/16/2021	409.95	6/4/2012	1252.05	-12.27%	-9.52%	1.04%
S&P MidCap 400 Value	908.15	11/15/2021	304.28	6/4/2012	862.72	-5.00%	-2.75%	1.90%
S&P 100	2219.44	1/3/2022	583.83	6/1/2012	2008.16	-9.52%	-8.26%	1.39%
DJIA	36799.65	1/4/2022	12101.46	6/4/2012	33892.60	-7.90%	-6.43%	1.88%
NASDAQ 100	16573.34	11/19/2021	2458.83	6/1/2012	14237.81	-14.09%	-12.65%	0.73%
Russell 2000	2442.74	11/8/2021	737.24	6/4/2012	2048.09	-16.16%	-8.67%	1.28%
Russell 2000 Growth	1709.62	2/9/2021	423.22	6/1/2012	1295.73	-24.21%	-13.03%	0.57%
Russell 2000 Value	2643.45	11/8/2021	972.37	6/4/2012	2379.14	-10.00%	-4.27%	1.94%
Russell 3000	2804.93	1/3/2022	754.11	6/4/2012	2552.42	-9.00%	-8.25%	1.38%
MSCI World Net (ex U.S.) (USD)	7936.92	9/6/2021	3452.12	6/4/2012	7325.60	-7.70%	-5.90%	2.75%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	578.92	-17.21%	-4.83%	2.60%
Ibovespa/Brazil (USD)	39318.75	3/2/2012	9077.09	1/21/2016	22015.90	-44.01%	17.20%	7.66%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	936.94	-51.19%	-40.98%	9.26%
S&P BSE 500/India (USD)	337.94	1/13/2022	95.89	9/3/2013	301.04	-10.92%	-5.63%	1.21%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	548.77	-34.05%	-4.17%	2.07%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	2.24	-23.47%	-10.22%	1.80%
Hang Seng (USD)	4241.01	1/26/2018	2343.90	6/4/2012	2906.86	-31.46%	-3.12%	2.61%
MSCI Euro (USD)	1705.00	9/6/2021	814.62	6/1/2012	1488.74	-12.68%	-9.87%	2.41%
S&P 500 Consumer Discretionary	1673.27	11/19/2021	329.22	6/1/2012	1395.46	-16.60%	-13.28%	0.64%
S&P 500 Consumer Staples	808.33	1/4/2022	339.44	3/6/2012	780.49	-3.44%	-2.77%	2.45%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	534.95	-27.42%	27.61%	3.56%
S&P 500 Utilities	363.71	12/31/2021	171.80	11/15/2012	343.50	-5.56%	-5.06%	3.10%
S&P 500 Financials	688.85	1/12/2022	179.47	6/4/2012	639.85	-7.11%	-1.30%	1.74%
S&P 500 Banks	461.87	1/12/2022	138.93	6/4/2012	413.21	-10.54%	-0.79%	2.30%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	462.00	6/4/2012	865.65	-11.68%	-11.52%	2.98%
S&P 500 Health Care	1650.43	12/30/2021	409.97	6/1/2012	1513.20	-8.31%	-7.71%	1.54%
S&P 500 Pharmaceuticals	963.70	12/16/2021	331.50	3/6/2012	878.61	-8.83%	-7.65%	2.56%
NYSE Arca Biotechnology	6319.77	2/8/2021	1280.91	3/6/2012	4994.86	-20.96%	-9.46%	0.37%
S&P 500 Information Technology	3107.46	12/27/2021	436.56	6/1/2012	2701.16	-13.07%	-11.45%	0.85%
Philadelphia Semiconductor	4039.51	12/27/2021	351.45	7/17/2012	3429.53	-15.10%	-12.95%	1.19%
S&P 500 Communication Services	288.46	9/1/2021	126.08	4/10/2012	232.92	-19.25%	-12.75%	0.93%
S&P 500 Industrials	905.63	1/4/2022	288.15	6/4/2012	842.73	-6.95%	-5.56%	1.48%
S&P 500 Materials	569.63	12/31/2021	206.38	5/18/2012	523.00	-8.19%	-8.00%	1.84%
Philadelphia Gold & Silver	197.61	3/1/2012	38.84	1/19/2016	142.81	-27.73%	7.92%	1.71%
Refinitiv/CC CRB Excess Return	324.32	3/1/2012	106.29	4/21/2020	269.07	-17.03%	15.79%	N/A
ICE BofA Perpetual Preferred	319.67	9/22/2021	170.24	5/18/2012	297.67	-6.88%	-5.97%	4.80%
ICE BofA U.S. High Yield Constrained	522.13	12/28/2021	283.38	6/5/2012	503.02	-3.66%	-3.61%	5.84%

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