

A close-up, shallow depth-of-field photograph of a clock face. The main dial has large black numerals for 5, 10, 55, and 60. The number 60 is highlighted in a vibrant red. A black hand points towards the 60. Below the main dial is a smaller sub-dial with its own black hand and red numerals for 25, 30, and 35. The sub-dial's hand points towards the 30. The overall image has a soft, slightly blurred aesthetic.



After a strong January, the S&P 500 Index ("Index") has now declined for three consecutive months. April was highly volatile, with the Index dropping 11.2% in the first six trading days before rebounding to finish nearly flat for the month. This marks the third time this decade the Index has posted three straight negative months-the last two instances (2020 first quarter pandemic and the early fall 2023 recession scare) were followed by sharp rebounds.

We would suggest, however, that claims about America's world standing, the end of America's economic exceptionalism, or the imminent jeopardy of the U.S. as a safe haven for capital are premature, at best. There is little data to support such a view. In our view, it will take more than a month of policy uncertainty to undermine America's economic might.

1. Strong labor market (4.2% unemployment)
2. Interest rates are normalizing and recently declined (10-year Treasury at 4.16%)
3. The Federal Reserve has ample room to cut interest rates if the economy slows (fed funds at 4.50% currently)
4. Inflation remains subdued; no Fed hikes expected
5. Energy prices are lower (see current gasoline prices)
6. Index earnings are forecasted to grow 9% in 2025
7. No evidence of a current recession
8. Banks are well-capitalized and stable-this is not 2008/2009!
9. As 1st quarter earnings end, more companies will be allowed to resume stock buybacks...support for the market
10. Valuations are more attractive: the Index is down 9.4% from the February all time high

Crises and Events | S&P 500 Index Since 1970

The average annual total return of the S&P 500 index for the period shown below was 10.67%

Logarithmic Scale

\$2,560,000

\$1,280,000

\$640,000

\$320,000

\$160,000

\$80,000

\$40,000

\$20,000

\$10,000

\$5,000

'70 '71 '72 '73 '74 '75 '76 '77 '78 '79 '80 '81 '82 '83 '84 '85 '86 '87 '88 '89 '90 '91 '92 '93 '94 '95 '96 '97 '98 '99 '00 '01 '02 '03 '04 '05 '06 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24 '25

Key Events:

- Invasion of Cambodia
- Nixon Ends Gold Standard
- Nixon visits communist China
- Yom Kippur War
- Nixon resigns
- Dirty War
- Soviet Union invades Afghanistan
- Reagan elected
- Space Invaders video game craze
- Reagan fires air traffic controllers
- First PC demonstrated
- Three Mile Island nuclear accident
- Concorde's first commercial flight
- Apple launches Macintosh computer
- Falkland Islands War
- First mobile phone sold (1G)
- Reagan and Gorbachev meet
- U.S./Iran Contra-Affair
- Black Monday
- Space Shuttle Challenger explosion
- Mexico triggers Latin American debt crisis
- America goes to war in Middle East
- Nelson Mandela president of South Africa
- Cold War ends
- Iraq Invades Kuwait
- Fall of the Berlin Wall
- Taliban rises to power
- Maastricht Treaty
- Alan Greenspan coins term "Irrational Exuberance"
- First U.S. budget surplus in 30 years
- EU launches the Euro
- Oklahoma City Bombing
- 9/11 Terrorist Attacks
- Birth of Homeland Security
- U.S. invades Iraq
- Facebook is launched
- H1N1 declared global pandemic
- Osama bin Laden killed
- Deepwater Horizon oil spill
- Hurricanes Harvey, Irma, and Maria
- Russia invades Ukraine
- First all-civilian crew goes to space
- Deadliest wildfires in CA history
- Trump signs exec. order to implement tariffs
- Hamas attacks Israel
- Silicon Valley Bank Collapse
- Trump elected
- ISIS begins offensive in Iraq
- First NASA spacecraft to fly past Pluto
- Obama elected
- Birth of the iPhone
- Lehman Brothers files for bankruptcy
- Hurricane Katrina
- Ukraine (Crimea) Crisis
- Boston Marathon bombing
- Inflation Reduction Act into law
- President Biden signs

\$2,863,706

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