

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.20 (+02 bps)	GNMA (30 Yr) 6% Coupon:	113-02/32 (2.00%)
6 Mo. T-Bill:	0.48 (+03 bps)	Duration:	3.87 years
1 Yr. T-Bill:	0.63 (-03 bps)	Bond Buyer 40 Yield:	4.22 (unch.)
2 Yr. T-Note:	1.00 (+05 bps)	Crude Oil Futures:	38.12 (+3.39)
3 Yr. T-Note:	1.32 (+04 bps)	Gold Futures:	1077.80 (+11.60)
5 Yr. T-Note:	1.71 (+04 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.24 (+04 bps)	U.S. High Yield:	8.95% (-10 bps)
30 Yr. T-Bond:	2.96 (+04 bps)	BB:	6.53% (-09 bps)
		B:	8.95% (-13 bps)

Yields were generally up across the yield curve last week, and prices down, in the first week since the Federal Reserve's December 16 decision to raise the benchmark rate. Oil was also up as US inventories declined and the number of active rigs fell. Stockpiles fell the most since June which also contributed to the rally. Tuesday had two major economic reports. The Real GDP growth in Q3 was revised to a 2.0% annual rate, from a prior estimate of 2.1%, which exceeded consensus expectation of 1.9% and consumer spending was the largest positive contributor to real GDP growth while a drawdown in inventories was the most substantial detractor. Nominal GDP (real growth plus inflation) was revised down to a 3.3% annual growth rate in Q3 from a prior estimate of 3.4%. Also on Tuesday, the existing home sales report registered a 10.5% drop in November which came in well below consensus expectations. Single-family homes sales were the reason for the drop and experts cite new federal rules for the unusually large decline and expect sales which would normally have closed in November to now close this December. Median sales prices were up 6.3% vs. the same prior year period. Thursday's November Personal Income report was positive and registered a modest .3% gain in November beating consensus expectations of .2%. Consumption was also up .3% and the consumer prices indicator (the PCE) was unchanged in November. Major economic reports (and related consensus forecasts) for the upcoming holiday-shortened week include: Tuesday: December Consumer Confidence Index (93.8, +3.4); Wednesday: Prior Week Initial Jobless Claims (273K, +6K) and Thursday: December Chicago Purchasing Manager Index (50.3, +1.6).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,552.17 (2.47%)	Strong Sectors:	Energy, Materials, Industrials
S&P 500:	2,060.99 (2.79%)	Weak Sectors:	Cons. Discretionary, Utilities
S&P Midcap:	1,416.10 (2.97%)		Info. Tech.
S&P Smallcap:	683.25 (3.12%)	NYSE Advance/Decline:	2,853 / 371
NASDAQ Comp:	5,048.49 (2.57%)	NYSE New Highs/New Lows:	88 / 215
Russell 2000:	1,154.76 (3.03%)	AAll Bulls/Bears:	26.4% / 31.5%

During the Christmas shortened trading week the S&P 500 returned 2.8%. To start the week, U.S. gasoline prices fell below \$2 a gallon for the first time in six years. However, those low prices may be short lived as oil bounced off the near decade low prices last Friday, when crude closed around \$34.70, to rally this week and close above \$38. The oil rally helped to buoy the energy sector up 4.6%, which made it the top performing sector in the S&P 500 this week. The top performing energy and S&P 500 name was **Oneok Inc.**, a midstream oil and natural gas player that rallied over 27% because of the surge in energy prices and the company stated they would maintain their dividend. **The Walt Disney Co.**, who purchased the Star Wars franchise for \$4.05b from LucasFilm Ltd. in 2012, announced that the opening weekend box office sales for the new Star Wars The Force Awakens movie was \$238m in U.S. and Canada and \$279m from the rest of the world. That was the largest opening weekend in the U.S. ever, besting Jurassic World which had ~\$209m in its opening weekend box office sales. The new Star Wars is due to open in China, which is the second largest global market, on January 9<sup>th</sup>. Some analysts have projected the movie will past Avatar's \$2.7b all time global box office sale record. **Chipotle Mexican Grill Inc.** continued to drive negative headlines as an investigation into a new spate of illnesses popped up in three additional locations. Chipotle stock continues to grind lower, down 34% since mid-October, fueled by negative headlines and worrisome growth. **Nike Inc.** announced quarterly earnings this week that missed on revenue projections and fell 1.7% for the week as a result. However, they did reaffirm guidance and beat on earnings. With only four trading days remaining in 2015 the S&P 500 currently is up 2.2% for the year and investors focus is likely to be about what to do in 2016. Despite some headwinds, First Trust remains positive on equities heading into 2016. Our view is founded upon data that the U.S. economy continues to grow, employment remains strong and the Fed remains accommodative despite their recent raise.