

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.04 (+02 bps)	GNMA (30 Yr) 6% Coupon:	113-02/32 (1.96%)
6 Mo. T-Bill:	1.19 (+01 bps)	Duration:	4.08 years
1 Yr. T-Bill:	1.30 (-01 bps)	Bond Buyer 40 Yield:	4.03 (+02 bps)
2 Yr. T-Note:	1.48 (+05 bps)	Crude Oil Futures:	51.67 (+1.01)
3 Yr. T-Note:	1.62 (+05 bps)	Gold Spot:	1,279.75 (-17.55)
5 Yr. T-Note:	1.94 (+07 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.33 (+08 bps)	U.S. High Yield:	5.99 (unch.)
30 Yr. T-Bond:	2.86 (+08 bps)	BB:	4.53 (+05 bps)
		B:	6.12 (+03 bps)

Yields rose markedly last week amid multiple releases of positive economic data, Congress releasing proposed tax reform details and Federal Reserve Chairwoman Janet Yellen reiterating the Federal Reserve's intention to unwind its balance sheet and raise interest rates one more time this year. Subsequent to her speech, President Trump spoke on Friday signaling he would decide who would head the U.S. central bank within the next three weeks. President Trump and Treasury Secretary Mnuchin met Kevin Warsh and Jerome Powell during the week but the President has met other potential candidates previously. The released tax reform details provide a framework for discussions going forward and as proposed it would represent the largest overhaul of the tax system since 1986. Key components included a change to the number of tax brackets, a lower corporate income tax, changes to the standard deduction and more. Last Tuesday, the August durable goods orders data was released and handily exceeded expectations. On Thursday, real GDP growth in Q2 was revised higher and, rounding out last week, on Friday personal income was shown increasing .2% in August. Major economic reports (related consensus forecasts; prior data) for the busy upcoming week include Monday: September Markit US manufacturing PMI (53, unch.), September ISM manufacturing and August construction spending; Wednesday: September ADP employment change; Thursday: September 30 initial jobless claims (260k, 272k), the August US trade balance (-\$42.7B, -\$43.7B), August factory orders (+1%, -3.3%) and August durable goods Orders (+1.7%, unch.); Friday: September change in nonfarm payrolls (80K, 156K), September unemployment rate (4.4%, unch.) and August wholesale inventories.

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	22,405.09 (0.25%)	Strong Sectors:	Energy, Financials
S&P 500:	2,519.36 (0.72%)		Information Technology
S&P Midcap:	1,795.94 (1.60%)	Weak Sectors:	Utilities, Consumer Staples,
S&P Smallcap:	903.98 (3.38%)		Health Care
NASDAQ Comp:	6,495.96 (1.09%)	NYSE Advance/Decline:	1,967 / 1,102
Russell 2000:	1,490.86 (2.83%)	NYSE New Highs/New Lows:	394 / 49
		AAII Bulls/Bears:	33.3% / 28.7%

Equity markets closed out the third quarter on a high note. Small caps were the best performers for the week with a 3.38% return. Mid caps came in at 1.60% and large caps returned 0.72%. Investors continue to look for growth in small names as the "FANG" stocks have dominated the first three quarters of the year with an average 35% return year to date. Consensus earnings growth estimates point to small cap names leading the growth charge, followed by mid cap and large cap respectively. President Trump announced that he will name the Federal Reserve chair sometime in October. This comes after the Fed outlined its plan to taper treasuries and other securities with a monthly and terminal cap on purchase. With the tightening of credit that began in 2015, stocks and gold have had roughly the same return after diverging shortly after the election. Both instruments are up about 20%, with the metal signaling more upside in other commodities. Oil traded higher by 1.93% to close out the week at \$51.64 per barrel. This move caused Energy stocks in the S&P 500 to be the best performing sector in the index. Financials, led by banks, were the second best performing sector after positive comments by the Fed's Janet Yellen pertaining to raising interest rates. **Tyson Foods** was a top performer in the S&P 500 as chicken and beef segments continue to grow. A busy economic calendar is on the books for next week. Initial jobless claims, durable goods orders, and the US unemployment rate will shape the market movements during the middle of the week.

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