

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.27 (+01 bps)	GNMA (30 Yr) 6% Coupon:	111-30/32 (2.32%)
6 Mo. T-Bill:	1.44 (unch.)	Duration:	3.89 years
1 Yr. T-Bill:	1.66 (+05 bps)	Bond Buyer 40 Yield:	3.88 (-06 bps)
2 Yr. T-Note:	1.79 (+02 bps)	Crude Oil Futures:	57.36 (-1.00)
3 Yr. T-Note:	1.91 (+02 bps)	Gold Spot:	1,248.49 (-32.13)
5 Yr. T-Note:	2.14 (+03 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.38 (+01 bps)	U.S. High Yield:	6.19 (+02 bps)
30 Yr. T-Bond:	2.77 (+01 bps)	BB:	4.66 (+02 bps)
		B:	6.33 (+01 bps)

U.S. government bonds weakened to begin last week as the market reacted to the Senate's passing of revisions to the U.S. tax code over the prior weekend. On Thursday, longer-term yields rose after it became apparent that Congress would avoid a government shutdown. Congress eventually passed a two-week spending bill later that day that will keep the government funded through December 22<sup>nd</sup>. On Friday, the Labor Department announced that nonfarm payroll employment increased by 228,000 in November, beating the consensus forecast of 199,000. Meanwhile, the unemployment rate was unchanged at 4.1%. Shorter-term Treasuries strengthened following the report as the market interpreted 2.5% annual wage growth since last November as a sign that inflation remains soft. Looking ahead, the Federal Open Market Committee meets on Tuesday and Wednesday of this week and is widely expected to announce its third rate hike of 2017 on Wednesday, especially after a robust jobs report. Major economic reports (related consensus forecasts; prior data) for the upcoming week include Tuesday: November PPI Final Demand (0.3%, 0.4% MoM); Wednesday: December FOMC Rate Decision – Upper Bound (1.50%, 1.25%), November CPI (0.4%, 0.1% MoM), December 8 MBA Mortgage Applications (-, 4.7%); Thursday: December 9 Initial Jobless Claims (239k, 236k), November Retail Sales Advance MoM (0.3%, 0.2% MoM), December Preliminary Markit US Manufacturing PMI (53.6, 53.9); Friday: November Industrial Production (0.3%, 0.9% MoM), December Empire Manufacturing (18.3, 19.4).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	24,329.16 (0.46%)	Strong Sectors:	Financials, Industrials,
S&P 500:	2,651.50 (0.39%)		Consumer Staples
S&P Midcap:	1,890.86 (-0.17%)	Weak Sectors:	Utilities, Real Estate,
S&P Smallcap:	928.11 (-0.96%)		Energy
NASDAQ Comp:	6,840.08 (-0.10%)	NYSE Advance/Decline:	1,468 / 1,612
Russell 2000:	1,521.72 (-0.97%)	NYSE New Highs/New Lows:	418 / 114
		AAll Bulls/Bears:	36.9% / 34.2%

Equities opened higher last Monday after the Senate passed the Tax Cuts and Jobs Act of 2017 over the weekend. Stocks retreated after the open on Monday as the S&P 500 Index came under pressure from the decline in information technology stocks. Equities decreased through Wednesday before changing course to close the week positive as the S&P 500 Index returned 0.39% and posted a new closing high of 2,651.50 on Friday. U.S. gasoline inventories were much higher than expected creating downward pressure on crude oil prices which declined 2.88% on Wednesday. Crude oil prices declined through early Thursday before reversing and regaining some lost ground, closing at \$57.36 per barrel, a -1.71% return for the week. In economic news, the University of Michigan Consumer Sentiment Index came in at 96.8, lower than expected and lower than the previous month. US initial jobless claims of 236K were lower than the consensus estimate of 240K and the previous week's 238K. **DaVita Inc.**, one of the largest providers of kidney dialysis in the U.S., showed the best performance for the week in the S&P 500 Index with a 10.80% return. The stock jumped 13.57% on Wednesday after announcing the \$4.9 billion sale of **DaVita Medical Holdings California LLC** to **UnitedHealth Group Inc.** **Brown-Forman Corp.**, a marketer of a variety of alcoholic beverage brands, leaped 6.51% on Wednesday after reporting increased sales growth and beating earnings estimates. **Sysco Corp.**, a distributor of food and related products, climbed 8.41% last week. The stock's price targets were raised by multiple analysts after the company held an investor day event on Thursday where they presented their three-year financial objectives plan. **AutoZone Inc.**, a specialty retailer of automotive replacement parts and accessories, returned 6.41% last week after beating earnings estimates and reporting higher same store sales. Next week's earnings news comes from **Costco Wholesale Corp.**, **Oracle Corp.**, and **Adobe Systems Inc.**

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.