

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.08 (-08 bps)	GNMA (30 Yr.) 6% Coupon:	112-18/32 (1.98%)
6 Mo. T-Bill:	1.13 (+02 bps)	Duration:	4.05 years
1 Yr. T-Bill:	1.21 (unch)	Bond Buyer 40 Yield:	4.03 (+02 bps)
2 Yr. T-Note:	1.35 (+01 bps)	Crude Oil Futures:	49.71 (+3.94)
3 Yr. T-Note:	1.50 (unch)	Gold Spot:	1,269.64 (+14.66)
5 Yr. T-Note:	1.83 (+03 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.29 (+05 bps)	U.S. High Yield:	5.94% (-02 bps)
30 Yr. T-Bond:	2.90 (+09 bps)	BB:	4.50% (-04 bps)
		B:	6.02% (-02 bps)

Treasury yields rose sharply early last week as stocks hit new highs and commodities soared. Crude oil prices rose throughout the week after Saudi Arabia and Nigeria vowed to cut exports. Investors viewed the rise in oil and other commodities as a signal of elevated inflation expectations and reduced their fixed income holdings accordingly. Consumer confidence rose more than expected in June resulting in further selling of safe-haven assets. The Federal Reserve held their two-day meeting last week and investors analyzed the wording of the accompanying statement for indications of the Fed's assessment of inflationary pressures and economic growth. Traders viewed the Fed statement as slightly dovish due to the language used to describe inflation running below 2% and the term "relatively soon" used to describe the appropriate timing to shrink its \$4.5 trillion balance sheet. Bond prices rose on the heels of the Fed statement release. Yields subsequently rebounded Thursday after strong economic data gave investors more confidence in growth and inflation. Wage growth remains subdued with the employment cost index rising less than expected Friday. Major economic reports (related consensus forecasts; prior data) for the upcoming week include: Monday: July Chicago Purchasing Manager (60.0, 65.7); Tuesday: June Personal Income (0.4%, 0.4%), June Personal Spending (0.1%, 0.1%), July ISM Manufacturing (56.4, 57.8); Wednesday: July ADP Employment Change (190k, 158k); Thursday: Initial Jobless Claims (240k, 244k), June Factory Orders (2.8%, -0.8%), June Durable Goods Orders (6.0%, 6.5%); Friday: Nonfarm Payrolls (180k, 222k).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	21,830.31 (1.17%)	Strong Sectors:	Telecom, Energy,
S&P 500:	2,472.10 (-0.13%)		Financials
S&P Midcap:	1,762.34 (-0.63%)	Weak Sectors:	Industrials, Info Tech,
S&P Smallcap:	865.00 (-0.36%)		Health Care
NASDAQ Comp:	6,374.68 (-0.19%)	NYSE Advance/Decline:	1,533 / 1,526
Russell 2000:	1,429.28 (-0.45%)	NYSE New Highs/New Lows:	421 / 75
		AAll Bulls/Bears:	34.5% / 24.3%

Another week, another all-time high as the S&P 500 closed Wednesday above 2477.8 for the first time. The high was short lived after some disappointing mega-cap earnings announcements later in the week. Google's parent company **Alphabet Inc.** fell close to 3% on a very slight revenue miss. Despite strong earnings and ad growth, results were muted by a slide in revenues per click. **Amazon.com** was next to disappoint, as their earnings per share came in well below consensus estimates and contributed to a slide of nearly 2.5%. The online giant did have nearly 25% revenue growth over 3Q16, however, some trepidation formed in the name as challengers like **Walmart Inc.** have been aggressively vying to grow their online ordering business. There were some positive earnings announcements as well. **Verizon Communications Inc.** rallied nearly 8% after announcing robust subscriber growth on the back of their unlimited data initiative. They took market share from other cell phone service providers which in the short run has boosted profits, but longer-term there is likely to be margin compression as the overall cost of cellular data falls. **The Boeing Co.** was the top performing stock in the S&P 500 up over 13% on the week. News that the company boosted full year guidance as they continue to clamp down on costs sent shares up as margins grew. **Caterpillar Inc.** saw its shares rise over 7% for the week as they announced strong earnings on their positive outlook for global growth. They cited strength in Chinese construction as a catalyst for improved 2017 guidance. Looking ahead to next week earnings season continues as over 130 S&P 500 names are expected to report quarterly results.

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.