

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.03 (-01 bps)	GNMA (30 Yr) 6% Coupon:	113-10/32 (1.87%)
6 Mo. T-Bill:	1.17 (+03 bps)	Duration:	4.06 years
1 Yr. T-Bill:	1.29 (+09 bps)	Bond Buyer 40 Yield:	4.00 (+04 bps)
2 Yr. T-Note:	1.38 (+12 bps)	Crude Oil Futures:	49.89 (+2.41)
3 Yr. T-Note:	1.53 (+16 bps)	Gold Spot:	1,320.18 (-26.41)
5 Yr. T-Note:	1.81 (+17 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.20 (+15 bps)	U.S. High Yield:	6.03 (-07 bps)
30 Yr. T-Bond:	2.77 (+10 bps)	BB:	4.53 (-03 bps)
		B:	6.12 (-06 bps)

The yield curve steepened over the course of last week. Early last week, Treasuries sold off as fears of both natural and unnatural disasters dissipated over the prior weekend. Hurricane Irma was weaker than expected when it made landfall in Florida and North Korea did not conduct another missile test. Turning to economic data, on Wednesday it was announced that the Producer Price Index (PPI) rose 0.2% in August, below consensus, and 2.4% over the last 12 months, which is above the Federal Reserve's stated 2% inflation target. Then on Thursday U.S. government bonds sold off for a fourth consecutive session as it was announced that the Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4% in August, the highest rate since January when it rose 0.6%, and 1.9% over the last 12 months. Most of the increase came from increases in the indexes for gasoline and shelter, possibly related to Hurricane Harvey. The timing of both reports is important as they come before the Federal Open Market Committee meets on September 20-21. Some investors took the data as evidence that recent softness in inflation was indeed temporary, a sign that the Fed could raise rates one more time this year in December. Specifically, the probability of a rate hike in December rose from around 25% on September 8th to nearly 50% on September 15th. Major economic reports (related consensus forecasts; prior data) for the upcoming week include Tuesday: August Housing Starts (1,174K; 1,155K); Wednesday: FOMC Rate Decision – Upper Bound (1.25%, 1.25%), September 15 MBA Mortgage Applications (9.9%), August Existing Home Sales (5.46M, 5.44M); Thursday: September 16 Initial Jobless Claims (300K, 284K), August Leading Index (0.2%, 0.3%), September Philadelphia Fed Business Outlook (17.0, 18.9); Friday: September Preliminary Market US Manufacturing PMI (53.0, 52.8).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	22,268.34 (2.19%)	Strong Sectors:	Telecom, Energy
S&P 500:	2,500.23 (1.63%)		Financials
S&P Midcap:	1,753.91 (2.08%)	Weak Sectors:	Cons. Staples, Health Care
S&P Smallcap:	860.84 (2.66%)		Utilities
NASDAQ Comp:	6,448.47 (1.41%)	NYSE Advance/Decline:	2,097 / 945
Russell 2000:	1,431.71 (2.35%)	NYSE New Highs/New Lows:	373 / 33
		AAll Bulls/Bears:	41.3% / 22.0%

The S&P 500 closed last week at an all-time high of 2498.6. Monday, the S&P 500 was up over 1% for several reasons, the most influential of which, contrary to projections, the majority of Florida was spared a direct hit from Hurricane Irma. The August CPI announcement came in ahead of expectations potentially moving the timeframe forward for the Federal Reserve's next interest rate move. In stock news, additional details were revealed about **Equifax Inc.** and their data breach that potentially affected over 140m people. As a result the stock plummeted over -24.5% last week, following the prior week's -13% return. **Regeneron Pharmaceuticals Inc.** also continued to fall as news that **AstraZeneca**, **Amgen Inc.** and **AbbVie Inc.** reported additional positive results for drugs that could eat away at the market share of Regeneron's blockbuster Dupixent drug. Oil futures were up over \$2 this week and closed at \$49.90 as OPEC raised its global demand projections. As a result, five of the six top performing names in the S&P 500 were from the energy sector last week: **Range Resources Corp.** was up 11.9%, **Helmerich & Payne** up 10.4%, **Chesapeake Energy Corp.** up 9.9%, **Concho Resources Inc.** up 9.6% and **Newfield Exploration** up 9.3%. Many retailers had a great week on news that U.S. weekly retail sales were up 4.5%, **The Gap Inc.** up 8.9%, **L Brands Inc.** up 9.3%, **Macey's Inc.** up 7.5% and **Kohls Inc.** up 7.5%. Looking ahead, tensions with North Korea will remain in the forefront of investors' minds; however, fundamentals are likely to drive returns long term.

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