

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.314 (-0.5 bps)	GNMA (30 Yr) 6% Coupon:	105-08/32 (4.40%)
6 Mo. T-Bill:	2.491 (2.9 bps)	Duration:	4.16 years
1 Yr. T-Bill:	2.675 (6.5 bps)	Bond Buyer 40 Yield:	4.33 (10 bps)
2 Yr. T-Note:	2.903 (9.7 bps)	Crude Oil Futures:	63.14 (-4.45)
3 Yr. T-Note:	2.970 (11.4 bps)	Gold Spot:	1,232.89 (-0.64)
5 Yr. T-Note:	3.033 (12.6 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	3.212 (13.7 bps)	U.S. High Yield:	6.99 (3 bps)
30 Yr. T-Bond:	3.454 (14.4 bps)	BB:	5.71 (-1 bps)
		B:	7.30 (7 bps)

Treasury yields climbed throughout the week on the back of strong economic data and equities attempting to rebound after selling off throughout most of October. On Tuesday, 10-year and 30-year Treasury note yields rose 2.8 basis points and 3.0 basis points, respectively, as President Trump comments regarding striking a trade deal with China led investors away from haven investments, such as US government paper. Treasury yields climbed further on Wednesday as Automatic Data Processing reported that 227,000 jobs were added to the private-sector in October, beating consensus expectations. ADP's report also stated salaries for the private-sector grew at their fastest pace since 2008. The 30-year Treasury note yield reached its highest in four years as Treasury yields increased on Friday to close out the week. The rise in Treasury yields on Friday was a reaction, in part, to a strong October jobs report. Nonfarm payrolls rose 250,000 in October, easily beating the consensus expectation of 200,000. The gains in October were widespread, with no major sector showing a decline. Average hourly wages rose 0.2% in October pushing the 12-month pace to 3.1%, its highest 12-month pace since 2009. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: October ISM Non-Manufacturing Index (59.1, 61.6); Wednesday: November 2 MBA Mortgage Applications (N/A, -2.5%); Thursday: November 3 Initial Jobless Claims (214k, 214k), November 8 FOMC Rate Decision (Upper Bound) (2.25%, 2.25%); Friday: October PPI Final Demand MoM (0.2%, 0.2%), October PPI Final Demand YoY (2.5%, 2.6%), September Final Wholesale Inventories MoM (0.3%, 0.3%), November Preliminary U. of Michigan Sentiment (97.9, 98.6).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,270.83 (2.36%)	Strong Sectors:	Materials, Financials, Consumer Discretionary
S&P 500:	2,723.06 (2.45%)	Weak Sectors:	Utilities, Information Technology, Real Estate
S&P Midcap:	1,862.40 (3.78%)	NYSE Advance/Decline:	1,285 / 1,704
S&P Smallcap:	973.43 (4.44%)	NYSE New Highs/New Lows:	27 / 85
NASDAQ Comp:	7,356.99 (2.66%)	AAII Bulls/Bears:	37.9% / 34.5%
Russell 2000:	1,547.98 (4.35%)		

Stocks started off the third quarter down almost 7% through Halloween. The week brought stocks back from their lows as the S&P 500 returned 2.45% last week. A three-day rally, starting on Tuesday, retreated on Friday after President Trump gave mixed statements on the potential trade deal with China. **Apple** released quarterly earnings on Thursday that sent shockwaves through the technology indexes after a disappointing outlook for iPhone sales growth. The company said iPhone unit sales grew at a slower pace even though a new flagship device was released during the quarter. Despite the top-heavy tech sector being one of the worst performing sectors in the S&P 500, **Red Hat Inc** was the top performing stock in the index after **IBM** announced it will acquire the company for a 54% premium. The \$31 billion-dollar deal is expected to close by the end of 2019. On the consumer front, **Under Armour** and **Newell Brands** were the next best-performing stocks in the S&P 500 with +30% and +21% gains, respectively. Each day leading up to next Tuesday's midterm election has been a ride for stocks. The market will pivot after the rhetoric gives way to results at the polls. The most expensive midterm election in history will have the market looking for guidance from Washington as both sides of the aisle brace for a possible split decision that would have the House going to the Democrats and the Republicans holding on to the Senate majority. Looking past next Tuesday, initial jobless claims followed by the FOMC meeting will be waiting for investors after the dust settles from the midterm elections.

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