

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.749 (4.1 bps)	GNMA (30 Yr) 6% Coupon:	109-00/32 (3.41%)
6 Mo. T-Bill:	1.952 (5.9 bps)	Duration:	4.29 years
1 Yr. T-Bill:	2.091 (4.6 bps)	Bond Buyer 40 Yield:	3.98 (-1 bps)
2 Yr. T-Note:	2.357 (9.0 bps)	Crude Oil Futures:	67.39 (5.33)
3 Yr. T-Note:	2.500 (10.0 bps)	Gold Spot:	1,346.20 (13.17)
5 Yr. T-Note:	2.673 (8.7 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.827 (5.3 bps)	U.S. High Yield:	6.36 (-15 bps)
30 Yr. T-Bond:	3.027 (0.9 bps)	BB:	5.11 (-10 bps)
		B:	6.58 (-16 bps)

Treasury prices dropped over the course of the week, with short-term Treasuries dropping more than long-term Treasuries, on easing fears of both a trade war between the United States and China and a possible military conflict in Syria. Leaders of both nations made comments alluding that an agreement could be reached between the United States and China. President Trump said on Monday that China will take down its trade barriers and reach a deal as President Xi gave a speech on Tuesday saying that foreign countries will have greater access to China's financial and manufacturing sectors, while improving protections for intellectual property. These comments led to a risk-on appetite with less demand for Treasuries, causing prices to fall. Long-term Treasury prices rose slightly on Wednesday as President Trump implied a possible strike on Syria. However, all Treasury prices fell moderately on Thursday when President Trump walked back comments of an imminent strike on Syria. On Friday, short-term Treasury prices fell slightly as long-term Treasury prices rose slightly on upbeat corporate earnings. Inflation readings were slightly above expectations but the Fed minutes released on Wednesday indicated a more aggressive stance on monetary tightening. Oil prices rose 9% over the week over conflicts on the Arabian peninsula and the tension in Syria. Other major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: April Empire Manufacturing (18.2, 22.5), March Advance Retail Sales MoM (0.4%, -0.1%); Tuesday: March Housing Starts (1276k, 1236k), March Industrial Production MoM (0.3%, 1.1%); Wednesday: April 13 MBA Mortgage Applications (N/A, -1.9%); Thursday: April 14 Initial Jobless Claims (230k, 233k), March Leading Index (0.3%, 0.6%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	24,360.14 (1.80%)	Strong Sectors:	Energy, Information Technology
S&P 500:	2,656.30 (2.04%)		Materials
S&P Midcap:	1,883.86 (1.63%)	Weak Sectors:	Utilities, Real Estate
S&P Smallcap:	952.77 (2.00%)		Consumer Staples
NASDAQ Comp:	7,106.65 (2.77%)	NYSE Advance/Decline:	1,854 / 1,212
Russell 2000:	1,549.51 (2.41%)	NYSE New Highs/New Lows:	113 / 137
		AAll Bulls/Bears:	26.1% / 42.8%

Oil and Treasury yields moved inversely to each other last week while the stock market balanced risks both domestic and abroad. Oil rose each day last week to close over \$67 a barrel, the highest level since December 2014. Energy stocks in the S&P 500 rose over 6% last week, while the S&P 500 gained over 2%. **Concho Resources, Marathon Oil, and Helmerich & Payne** were some of the best performing stocks in the index. Banks started to report quarterly results last week. **JP Morgan** topped analyst expectations, but indicated increased competition could hinder future growth in the industry. **Citigroup Inc.** also reported better than expected earnings and proceeded to fall after the cautious comments from **JP Morgan's** CEO Jamie Dimon. External risk factors have continued to weigh on investors' minds. Political havoc surrounding President Donald Trump's twitter comments about military action in Syria, involvement with Russia, trade tensions with China, and rumors the US will rejoin the Trans-Pacific Partnership (TPP) are making investors question which way US companies will position themselves for the future. Interest rate sensitive Utilities and Real Estate sectors were the worst performing groups in the S&P 500 last week. The dollar also declined slightly last week, although it has remained relatively stable since the drop in January. Looking ahead to next week, Financials will be in focus as more banks are set to report quarterly results.

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