

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.381 (-6.2 bps)	GNMA (30 Yr) 6% Coupon:	105-08/32 (4.42%)
6 Mo. T-Bill:	2.422 (-4.2 bps)	Duration:	3.90 years
1 Yr. T-Bill:	2.387 (-5.4 bps)	Bond Buyer 40 Yield:	3.86 (-03 bps)
2 Yr. T-Note:	2.260 (-5.7 bps)	Crude Oil Futures:	60.14 (1.10)
3 Yr. T-Note:	2.205 (-3.7 bps)	Gold Spot:	1,292.38 (-21.30)
5 Yr. T-Note:	2.233 (-0.9 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.405 (-3.4 bps)	U.S. High Yield:	6.74 (-1 bps)
30 Yr. T-Bond:	2.814 (-6.0 bps)	BB:	5.14 (unch.)
		B:	7.08 (-8 bps)

Bond prices continued to rally last week as the market digests lower rate expectations. Concurrent to rising bond prices, the yield curve has flattened through the first quarter of 2019. February Housing Starts data was released last Tuesday and it showed a steep decline of 8.7% in February and a decline of 9.9% from the prior year. However, mortgage rates have quickly fallen as a result of falling interest rates and the 30-year fixed rate mortgage is at its lowest level since January 2018 according to Freddie Mac. Lower rates could accelerate refinancing activity and housing starts. Also, on Tuesday, the Real GDP Growth for Q4 was revised to 2.2% from a prior estimate of 2.6%. The GDP price index was also revised down, and nominal GDP growth was revised down to 4.1% but was still up 5.2% versus one year ago. Corporate profits for the quarter were also down. Ending last week market participants learned that personal income rose 0.2% in February and new Single-Family Home Sales rose 4.9% in February. Next week has a flurry of economic reports as March job data will be released. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: February Retail Sales Advance (0.3%, 0.2%), March final Markit US Manufacturing PMI (52.5, unch.), March ISM Manufacturing PMI (52.5, unch.) and February Construction Spending (-0.2%, 1.3%); Tuesday: February preliminary Durable Goods Orders (-1.7%, 0.3%); Wednesday: March 29 MBA Mortgage Applications, March ADP Employment Change (175K, 183K) and March 30 Initial Jobless Claims (216K, 211K); Friday: March Change in Nonfarm Payrolls (178K, 20K) and March Unemployment Rate (3.8%, unch.)

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,928.68 (1.67%)	Strong Sectors:	Industrials, Materials,
S&P 500:	2,834.40 (1.23%)		Consumer Discretionary
S&P Midcap:	1,896.27 (2.28%)	Weak Sectors:	Utilities,
S&P Smallcap:	939.30 (2.39%)		Communication Services
NASDAQ Comp:	7,729.32 (1.15%)	NYSE Advance/Decline:	2,040 / 997
Russell 2000:	1,539.74 (2.32%)	NYSE New Highs/New Lows:	324 / 104
		AAll Bulls/Bears:	33.2% / 27.2%

US equity markets closed the month of March on a positive note as the S&P 500 Index returned 1.23% last week. The S&P 500 Index returned 13.65% in the first quarter of 2019, its best quarterly performance since third quarter 2009, showing a reversal from the previous quarter's -13.52%. The top sectors for the quarter were information technology, real estate, and industrials. Information technology and industrials were in the bottom three performers the previous quarter. In economic news, US initial jobless claims of 211K were lower than the previous week's 221K and the consensus estimate of 220K. New home sales for February reached 667K on a seasonally adjusted annual rate. This was a 4.9% increase over the previous month and much higher than the consensus expectation of 620K. Crude oil prices continued their climb and closed the week at \$60.14 per barrel, an increase of 1.86% for the week. Industrials, materials, and consumer discretionary showed strength last week while utilities and communication services showed relative weakness. **Lyft Inc.**, an online riding sharing service, IPO'd last week at \$72 per share and raised \$2.34 billion through the offering. The stock began trading on Friday and climbed 8.74%, showing a market value of \$22.4 billion for the number two riding sharing service. **PVH Corp**, a designer and manufacturer of apparel and footwear, was the week's best performing stock in the S&P 500 Index climbing 13.75%. The stock opened higher on Thursday after the company announced beating fourth quarter earnings and sales expectations. **CarMax Inc.**, a retail seller of used cars and trucks, returned 13.26% last week. The stock jumped Friday morning after releasing fourth quarter earnings that beat expectations. The company has over 170 stores and plans to open 13 more within the year. **Nielsen Holding PLC**, a global measurement and data analytics company, was the week's worst performing stock in the S&P 500 Index declining 11.88%. The stock opened lower on Thursday after a New York Post article revealed that private equity firm Blackstone Group decided against making an offer for the company. The company has a market value of \$8.4 billion with over \$8 billion in long-term debt.

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