

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.215 (12.8 bps)	GNMA (30 Yr) 6% Coupon:	109-31/32 (2.87%)
6 Mo. T-Bill:	2.118 (2.8 bps)	Duration:	3.75 years
1 Yr. T-Bill:	1.966 (4.1 bps)	Bond Buyer 40 Yield:	3.69 (-1 bps)
2 Yr. T-Note:	1.859 (10.4 bps)	Crude Oil Futures:	57.51 (-0.96)
3 Yr. T-Note:	1.813 (10.7 bps)	Gold Spot:	1,399.45 (-10.1)
5 Yr. T-Note:	1.831 (6.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.034 (2.9 bps)	U.S. High Yield:	6.43 (-1 bps)
30 Yr. T-Bond:	2.542 (1.3 bps)	BB:	4.82 (2 bps)
		B:	6.74 (-21 bps)

Treasury yields rose last week, boosted by a stronger-than-expected U.S. jobs report released on Friday. The report showed that the U.S. economy added a robust 224,000 jobs in June, well above the forecasted gain of 165,000. June marked 105 consecutive months that the U.S. economy has added jobs, the longest streak on record. The last month the U.S. economy lost jobs was September 2010. The report also showed that average hourly earnings for all employees increased 3.1% from a year ago, near February's 10-year high of 3.4%. Despite the strong jobs report, the Federal Reserve is still widely expected to cut interest rates at its July 30-31 meeting. Meanwhile, International Monetary Fund chief Christine Lagarde was nominated to succeed Mario Draghi as president of the European Central Bank when his term ends on October 31. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Wednesday: July 5 MBA Mortgage Applications (N/A, -0.1%), May Final Wholesale Inventories MoM (0.4%, 0.4%); Thursday: July 6 Initial Jobless Claims (221k, 221k), June CPI MoM (0.0%, 0.1%); Friday: June PPI Final Demand MoM (0.1%, 0.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	26,922.12 (1.27%)	Strong Sectors:	Communication Services, Real Estate, Info Tech
S&P 500:	2,990.41 (1.69%)	Weak Sectors:	Energy, Industrials, Materials
S&P Midcap:	1,965.95 (1.06%)	NYSE Advance/Decline:	2,042 / 1,013
S&P Smallcap:	958.42 (0.56%)	NYSE New Highs/New Lows:	440 / 58
NASDAQ Comp:	8,161.79 (1.96%)	AAll Bulls/Bears:	33.2% / 32.4%
Russell 2000:	1,575.63 (0.59%)		

The S&P 500 reached record levels to start Wednesday's shortened trading session before dropping after the holiday to close out last week with a 1.69% return. Friday's job report added to the case that an interest rate cut by the Federal Reserve is not as necessary as President Trump believes. Chairman Powell has maintained the Fed's political independence, but a possible shift of opinion on the Board of Governors is looming with the potential nomination of some of the President's partisan allies. Ten of the 11 sectors in the S&P 500 traded higher last week. Pressure in the Energy sector was felt as the group traded down with oil falling by over 1.6%. Communication Services, led by **Viacom Inc.**, was the best performing group in the index with group returning over 2.8%. Even as stocks trade higher, merger and acquisition activity are steady. Last week it was reported **Broadcom Inc.** is rumored to be considering a \$16 billion-dollar takeover of cybersecurity software maker **Symantec Inc.** Cybersecurity remains a top concern for companies as more and more business depends on secure data warehousing. As investors look out into the second half of the year, behind them is a stock market that had its best first half since 1997. The same market drivers will persist into the second half of the year. With trade, interest rates, and geopolitical risks keeping investors on alert in the second half.

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