

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.976 (2.3 bps)	GNMA (30 Yr) 6% Coupon:	110-07/32 (2.79%)
6 Mo. T-Bill:	1.867 (0.5 bps)	Duration:	3.72 years
1 Yr. T-Bill:	1.763 (4.1 bps)	Bond Buyer 40 Yield:	3.53 (-2 bps)
2 Yr. T-Note:	1.504 (-2.9 bps)	Crude Oil Futures:	55.10 (+0.93)
3 Yr. T-Note:	1.427 (-2.5 bps)	Gold Spot:	1,520.38 (-6.58)
5 Yr. T-Note:	1.387 (-3.1 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.496 (-3.9 bps)	U.S. High Yield:	6.32 (-9 bps)
30 Yr. T-Bond:	1.963 (-6.3 bps)	BB:	4.60 (-9 bps)
		B:	6.75 (-12 bps)

Short-term U.S. Treasury yields increased last week. Conversely, long-dated U.S. Treasury yields pulled back. For the month of August, the two-year U.S. Treasury bond yield dropped by the largest monthly amount since November of 2008, while the 30-year U.S. Treasury bond yield dropped below 2.0% for the first time. Demand for government paper remains elevated as trade and tariff concerns along with geopolitical tensions and challenging global growth prospects weigh on investors. On Thursday, revised real GDP data for the United States economy came in at 2.0% versus 2.1% previous, in-line with consensus expectations. The revised GDP mix indicates core GDP was adjusted up from an annual rate of 3.2% to 3.5%. Personal consumption, which accounts for nearly 70% of GDP, was revised up to an annual rate of 4.7%, the fastest pace since the end of 2014. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: August Final Markit US Manufacturing PMI (50.0, 49.9), August ISM Manufacturing (51.2, 51.2), July Construction Spending MoM (0.3%, -1.3%); Wednesday: August 30 MBA Mortgage Applications (n/a, -6.2%), July Trade Balance (-\$53.5b, -\$55.2b); Thursday: August ADP Employment Change (145k, 156k), August 31 Initial Jobless Claims (215k, 215k), August 24 Continuing Claims (1688k, 1698k), July Factory Orders (1.0%, 0.6%), July Final Durable Goods Orders (n/a, 2.1%), August ISM Non-Manufacturing Index (54.0, 53.7); Friday: August Change in Nonfarm Payrolls (164k, 164k), August Unemployment Rate (3.7%, 3.7%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	26,403.28 (3.13%)	Strong Sectors:	Industrials, Comm Services, Materials
S&P 500:	2,926.46 (2.83%)	Weak Sectors:	Consumer Staples, Real Estate, Utilities
S&P Midcap:	1,881.20 (2.47%)	NYSE Advance/Decline:	2,165 / 887
S&P Smallcap:	918.74 (2.52%)	NYSE New Highs/New Lows:	352 / 310
NASDAQ Comp:	7,962.88 (2.74%)	AAII Bulls/Bears:	26.1% / 42.2%
Russell 2000:	1,494.84 (2.46%)		

Stocks had a volatile month with the S&P 500 rallying 2.83% this week to close lower by -1.58% in August. Concerns over the looming trade war whipsawed the S&P 500 lower by over 2.5% three separate times during the month. The markets are battling with positive economic signs, in the form of strong company earnings, and the negative rhetoric coming from President Trump concerning trade and his distrust of the Federal Reserve. Focusing on the positive side of the market, personal spending accelerated in July. Consumers in the US remain strong while the rest of the world slows. Consumer Discretionary stocks were led by dollar store **Dollar General** and **Dollar Tree** as well as multi-brand companies such as clothing company **PVH Corp** and Rubbermaid maker **Newell Brands Inc.** On the back of the consumer, Industrials stocks led by **JB Hunt Transport** were the top-performing sector in the S&P 500 with a 3.69% return for the week. **United Rentals** was another Industrial stock pushing the group higher. Looking at the broader market, all cap sizes rose during the week. Mid-cap stocks, measured by the S&P 400, were higher by about 2.5% and small caps, measured by the S&P 600, closed out the week higher by 2.5%. Looking ahead to next week, after the holiday lengthened weekend, the markets will process the Sino-American tariffs set to go into effect on Sunday. Hurricane Dorian is expected to bring an estimated \$40 or \$50 billion dollars in damage to the Florida coastline.

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