

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.086 (-0.5 bps)	GNMA (30 Yr) 6% Coupon:	109-24/32 (3.00%)
6 Mo. T-Bill:	0.107 (-0.5 bps)	Duration:	3.63 years
1 Yr. T-Bill:	0.117 (-0.3 bps)	Bond Buyer 40 Yield:	3.63 (1 bp)
2 Yr. T-Note:	0.155 (1.2 bps)	Crude Oil Futures:	39.85 (-1.03)
3 Yr. T-Note:	0.202 (2.1 bps)	Gold Spot:	1,902.05 (2.76)
5 Yr. T-Note:	0.377 (5.5 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.843 (9.7 bps)	U.S. High Yield:	5.77 (-5 bps)
30 Yr. T-Bond:	1.641 (11.2 bps)	BB:	4.41 (-4 bps)
		B:	6.02 (-8 bps)

Treasury yields rose materially over the course of the week as talks for a stimulus package before the election continued. Early in the week there was more optimism that a deal would be struck as Speaker of the House Nancy Pelosi dropped the Tuesday deadline for a bill and said there remained a window to get it done. This optimism was at a peak on Wednesday and Thursday as Pelosi said the sides had found common ground and that they were “just about there.” However, a deal was not reached on Friday as both sides seemed to dig in, but still expected it to be completed in a few days. Treasury yields also rose as investors are expecting Joe Biden to win the Presidential election and the democrats to possibly have more control in Congress, leading to more government spending and higher inflation pressures. On Thursday, the job market showed more strength as initial jobless claims fell to 787k compared to expectations of 870k and continuing claims fell to 8373k compared to expectations of 9625k. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: September New Home Sales (1023k, 1011k); Tuesday: September Prelim. Durable Goods Orders (0.5%, 0.5%), October Conf. Board Consumer Confidence (101.6, 101.8); Wednesday: October 23 MBA Mortgage Applications (n/a, -0.6%), September Prelim. Wholesale Inventories MoM (0.4%, 0.4%); Thursday: October 24 Initial Jobless Claims (783k, 787k), 3Q Annualized GDP QoQ (31.8%, -31.4%); Friday: September Personal Income (0.2%, -2.7%), September Personal Spending (1.0%, 1.0%), October MNI Chicago PMI (58.0, 62.4), October Final U. of Mich. Sentiment (81.2, 81.2).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	28,335.57 (-0.90%)	Strong Sectors:	Communication Services, Utilities, Financials
S&P 500:	3,465.39 (-0.51%)	Weak Sectors:	Information Technology, Real Estate, Consumer Staples
S&P Midcap:	2,015.65 (0.92%)	NYSE Advance/Decline:	1,681 / 1,434
S&P Smallcap:	933.72 (1.10%)	NYSE New Highs/New Lows:	200 / 76
NASDAQ Comp:	11,548.28 (-1.06%)	AAll Bulls/Bears:	35.7% / 33.0%
Russell 2000:	1,640.50 (0.42%)		

Stocks ended the week slightly lower than last week reversing consecutive weekly gains for the S&P 500. Technology was the laggard sector in the index returning -2.21% versus -0.51% in the S&P 500. Small cap stocks bucked a longer term trend by outperforming their large cap peers. The Russell 2000 posted a gain of 0.42% last week on the strength of positive earnings results. In Washington, renewed talks of a stimulus package had the market pointing upward on Friday. Coming off Thursday’s final presidential debate, House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin pointed at each other to bring their respective sides back to the bargaining table. Speaker Pelosi said it was up to the President to persuade the GOP to agree to any potential package. A surge in positive Covid tests in the Midwest, at a rate three times worse per capita than the Northeast, coupled with rising positivity rates and hospitalizations signaled the outbreaks possible expansion outside of the region. Covid hospitalizations in New York topped 1000, the highest total since June. Hospitals in counties bordering the emerging hot spot state of Pennsylvania were among the notable datapoints. Looking ahead to next week, the largest names in tech are set to report quarterly earnings. Investors will have the companies outlooks on their radar as the largest technology names have driven market sentiment over the past few years. On the economic calendar, new home sales and durable goods are set to hit the tape on Monday and Tuesday, respectively.

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