

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.074 (1.0 bps)	GNMA (30 Yr) 6% Coupon:	112-00/32 (2.37%)
6 Mo. T-Bill:	0.079 (-0.3 bps)	Duration:	3.67 years
1 Yr. T-Bill:	0.091 (-0.5 bps)	Bond Buyer 40 Yield:	3.51 (unch.)
2 Yr. T-Note:	0.152 (-0.5 bps)	Crude Oil Futures:	45.53 (+3.38)
3 Yr. T-Note:	0.192 (-1.6 bps)	Gold Spot:	1,787.79 (-83.20)
5 Yr. T-Note:	0.364 (-0.8 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.837 (1.3 bps)	U.S. High Yield:	5.34 (-12 bps)
30 Yr. T-Bond:	1.570 (5.0 bps)	BB:	4.03 (-09 bps)
		B:	5.72 (-10 bps)

U.S. Treasury bond yields remained mostly flat over the course of the week on conflicting news about the pandemic. Yields rose on Monday after AstraZeneca announced that their vaccine had efficacy of 70%. This led Dr. Moncef Slaoui, head of the U.S. vaccine operation "Operation Warp Speed," to say that vaccinations would begin on December 12, which is the day after emergency use approval from the FDA is expected. Treasury yields continued to climb on Tuesday as the General Services Administration started to allow Joe Biden to begin his transition, giving some more certainty to the markets. Joe Biden also announced that Janet Yellen would be Secretary of the Treasury, who was the former Federal Reserve Chair. Yields pulled back on Friday as there was a rally in European debt with the news of extended restrictions. The U.K. government announced that even when the national lockdown ends on December 2nd they will return to tougher restrictions than before, while Chancellor Angela Merkel announced that Germany's lockdown would be extended to December 20th. The vaccine optimism led to much optimism in demand for oil as oil rose 8% over the course of the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: November MNI Chicago PMI (59.0, 61.1); Tuesday: November Final Markit US Manufacturing PMI (56.7, 56.7), November ISM Manufacturing (57.8, 59.3), October Construction Spending MoM (0.8%, 0.3%); Wednesday: November ADP Employment Change (430k, 365k); Thursday: November 28 Initial Jobless Claims (768k, 778k); Friday: November Change In Nonfarm Payrolls (500k, 638k), November Employment Rate (6.8%, 6.9%), October Trade Balance (-\$64.8b, -\$63.9b), October Factory Orders (0.8%, 1.1%), October Final Durable Goods Orders (n/a, 1.3%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	29,910.37 (2.25%)	Strong Sectors:	Energy, Financials,
S&P 500:	3,638.35 (2.30%)		Cons. Discretionary
S&P Midcap:	2,205.92 (2.74%)	Weak Sectors:	Info. Tech, Utilities,
S&P Smallcap:	1,059.67 (3.89%)		Real Estate
NASDAQ Comp:	12,205.85 (2.97%)	NYSE Advance/Decline:	2,555 / 631
Russell 2000:	1,855.27 (3.93%)	NYSE New Highs/New Lows:	465 / 28
		AAll Bulls/Bears:	47.3% / 27.5%

Equity markets closed a Thanksgiving holiday shortened week sharply higher. The S&P 500 closed 2.3% higher as the value-oriented reopen trade continued last week. The S&P 500 Value index was up 2.84% while the S&P 500 Growth index returned 1.51%. Energy and financials fueled the value index outperformance. On Monday, **AstraZeneca Inc.** released their COVID vaccine phase 3 trial data that showed a 70% efficacy. This is the third such vaccine announcement in as many weeks joining **Pfizer** and **Monderna**. The odds of shortening this COVID pandemic continues to grow with three extensive studies diversifying any potential vaccine data setbacks in the future. On Wednesday, the Oil rallied 8% last week which buoyed energy as the top performing sector. Energy giants **Occidental Petroleum Corp.**, **Apache Corp.** and **Pioneer Natural Resources Co.** were all in the top 10 performing stocks in the S&P 500 returning more than 14% last week. These energy names are literally helping to fuel the reopening of the U.S. economy. Cruise lines **Carnival Corp** and **Norwegian Cruise Line Holdings LTD** both rallied more than 14% after raising more capital to solidify their equity stakeholders. Equity markets also celebrated news that a Biden administration would likely nominate former Fed Chair Janet Yellen for its Treasury Secretary cabinet position. This put to bed prior rumors that Senator Elizabeth Warren might be on the short list for that nomination. Markets breathed a sigh of relief as bankers remember Senator Warren spearheading the development of the Consumer Financial Protection Bureau and uncertainty that might come along with that line of government policy. Looking ahead as the year winds down, 2020 has been a year marked by a global pandemic and the steepest economic contraction since the Great Recession, yet equity markets have proved resilient. Since 1950 there have been only five -30% drawdowns in the S&P 500 in a calendar year. If the gains in 2020 hold, it would mark the first time there was a full retracement of the drawdown in the same calendar year.

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