

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.074 (unch)	GNMA (30 Yr) 6% Coupon:	111-30/32 (2.39%)
6 Mo. T-Bill:	0.091 (1.3 bps)	Duration:	3.69 years
1 Yr. T-Bill:	0.099 (0.8 bps)	Bond Buyer 40 Yield:	3.48 (-3 bps)
2 Yr. T-Note:	0.151 (-0.2 bps)	Crude Oil Futures:	46.26 (+0.73)
3 Yr. T-Note:	0.210 (1.8 bps)	Gold Spot:	1,838.86 (+51.07)
5 Yr. T-Note:	0.416 (5.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.966 (12.9 bps)	U.S. High Yield:	5.17 (-17 bps)
30 Yr. T-Bond:	1.734 (16.4 bps)	BB:	3.92 (-11 bps)
		B:	5.55 (-17 bps)

Last week U.S. Treasury bond yields increased towards the long-end of the yield curve. A bipartisan push towards fiscal stimulus made the headlines throughout the week, which pushed long-term Treasury yields higher and steepened the yield curve. On Thursday, House Speaker Nancy Pelosi and Senate Majority Leader Mitch McConnell spoke for the first time since the 2020 election. Encouragingly, both sides expressed a commitment towards completing an omnibus to prevent a government shutdown and a coronavirus relief package before December 11th, the last day of government funding. Treasury yields fell on Friday, led by the long-end of the yield curve, on a mixed November jobs report. Nonfarm payrolls rose 245,000 in November but were off the consensus expectation by 215,000. The payrolls miss was largely due to a decline in retail jobs, led by softer-than-expected seasonal retail hiring as shoppers avoid in-store shopping, and a decline in government jobs, largely due to the conclusion of the census. On a positive note, the unemployment rate dropped to 6.7% in November, a 0.2% improvement since October. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: November NFIB Small Business Optimism (102.4, 104.0); Wednesday: December 4 MBA Mortgage Applications (n/a, -0.6%), October Final Wholesale Inventories MoM (0.9%, 0.9%); Thursday: December 5 Initial Jobless Claims (725k, 712k) November CPI MoM (0.1%, 0.0%), November CPI YoY (1.1%, 1.2%), November 28 Continuing Claims (n/a, 5520k), December 6 Bloomberg Consumer Comfort (n/a, 49.3), November Monthly Budget Statement (-\$200.0b, -\$284.1b); Friday: November Final Demand MoM (0.1%, 0.3%), November Final Demand YoY (0.7%, 0.5%), December Preliminary University of Michigan Sentiment (76.0, 76.9).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	30,218.26 (1.16%)	Strong Sectors:	Energy, Health Care, Information Technology
S&P 500:	3,699.12 (1.72%)	Weak Sectors:	Utilities, Materials
S&P Midcap:	2,244.94 (1.80%)		Consumer Discretionary
S&P Smallcap:	1,085.44 (2.46%)	NYSE Advance/Decline:	2,363 / 846
NASDAQ Comp:	12,464.23 (2.16%)	NYSE New Highs/New Lows:	490 / 20
Russell 2000:	1,892.45 (2.03%)	AAll Bulls/Bears:	49.1% / 22.7%

Last week the S&P 500 Index added to its upward trend returning 1.72% as expectations of additional federal stimulus created positive support for stocks. Optimism regarding the nearing of potential Covid vaccines has helped push stocks higher in the past few weeks. The index returned 10.95% in November, the best month since April's 12.82%. The index is up 16.50% YTD and 67.45% from the March 23rd bottom. U.S. initial jobless claims of 712K were much lower than the consensus estimate of 775K and the previous week's claims of 778K. Crude oil prices were down early in the week, but turned positive on Wednesday after reports that OPEC members were discussing potentially reversing production cuts slowly over several months. Crude oil closed at \$46.26 per barrel on Friday climbing 1.60% for the week. **HollyFrontier Corp** was the best performing stock in the S&P 500 Index returning 14.52%. The oil, gas and consumable fuel company, along with **Devon Energy Corp**, **Occidental Petroleum Corp**, and energy equipment and services companies **TechnipFMC Plc** and **Halliburton Company**, helped energy secure the top performing sector as the S&P 500 Energy Index returned 4.50%. **Micron Technology Inc.**, a memory chip manufacturer, returned 14.18% last week. One of the company's plants in Taiwan that produces DRAM chips lost power causing a stop to production for a day. This had a positive effect on the stock and other semiconductor names as the decreased supply would possibly increase prices and revenue for the companies. Micron produces approximately 10% of the world's supply of DRAM. **Salesforce.com Inc.**, a customer relationship management software developer, was the worst performing stock in the S&P 500 Index, declining 8.79%. The stock dropped after the announcement of their agreement to acquire real-time messaging software company **Slack Technologies Inc.** The acquisition target was up 5.24% last week and jumped 37.59% on November 25 on rumors the two companies were in talks to finalize a deal. A few earnings announcements expected this week include **Adobe Inc.**, **Oracle Corp**, **Broadcom Inc.**, **Costco Wholesale Corp**, and **AutoZone Inc.**

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