

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	-0.038 (-0.5 bps)	GNMA (30 Yr) 6% Coupon:	110-05/32 (2.89%)
6 Mo. T-Bill:	-0.018 (-0.3 bps)	Duration:	3.71 years
1 Yr. T-Bill:	0.091 (0.7 bps)	Bond Buyer 40 Yield:	3.61 (-70 bps)
2 Yr. T-Note:	0.242 (-7.2 bps)	Crude Oil Futures:	21.51 (-0.92)
3 Yr. T-Note:	0.290 (-8.3 bps)	Gold Spot:	1,628.16 (129.51)
5 Yr. T-Note:	0.394 (-6.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.675 (-17.1 bps)	U.S. High Yield:	9.55 (-126 bps)
30 Yr. T-Bond:	1.263 (-15.3 bps)	BB:	7.40 (-117 bps)
		B:	10.59 (-123 bps)

Treasury prices rose among most maturity levels over the course of the week as the coronavirus pandemic increased and social distancing took its toll on the economy. Confirmed coronavirus cases in the United States rose to over 100,000 as testing ramped up significantly and over half a million around the world. Initial jobless claims skyrocketed to 3.3 million over the last week as national social distancing and local lockdowns took its toll on the economy. However, the U.S. Congress passed a \$2 trillion fiscal stimulus package to get cash into the hands of Americans and help businesses during the economic slowdown. The Federal Reserve also pledged to buy an unlimited amount of Treasuries and mortgage-backed securities, purchasing \$375 billion of U.S. government paper and \$250 billion of mortgage bonds last week. The central bank's balance sheet hit a record \$5.3 trillion on Thursday. Gold also rose 9% over the course of the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: March Chicago PMI (40.0, 49.0), March Conf. Board Consumer Confidence (112.0, 130.7); Wednesday: March 27 MBA Mortgage Applications (N/A, -29.4%), March ADP Employment Change (150k, 183k), March Final Markit US Manufacturing PMI (48.0, 49.2), February Construction Spending MoM (45.0, 50.1); Thursday: February Trade Balance (-\$39.7b, -\$45.3b), March 28 Initial Jobless Claims (2750k, 3283k), February Factory Orders (0.2%, -0.5%), February Final Durable Goods Orders (N/A, 1.2%); Friday: March Change in Nonfarm Payrolls (-100k, 273k), March Unemployment Rate (3.8%, 3.5%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	21,636.78 (12.84%)	Strong Sectors:	Utilities, Industrials, Real Estate
S&P 500:	2,541.47 (10.28%)	Weak Sectors:	Communication Services, Consumer Staples, Health Care
S&P Midcap:	1,422.92 (13.06%)	NYSE Advance/Decline:	2,646 / 427
S&P Smallcap:	669.88 (10.83%)	NYSE New Highs/New Lows:	13 / 894
NASDAQ Comp:	7,502.38 (9.06%)	AAll Bulls/Bears:	32.9% / 52.1%
Russell 2000:	1,131.99 (11.67%)		

The S&P 500 Index returned 10.28% last week, its best performance since March 2009, leaving the index with a -20.96% YTD return. Equities rallied last week with all sectors posting positive returns on the expectation the coronavirus relief bill would be passed by the U.S. Congress. The \$2 trillion bill intended to mitigate the accelerating damage to the economy was signed by President Trump on Friday. Uncertainties surrounding the virus have created havoc in human interaction and equity markets. Social distancing, work from home, and shelter in place orders throughout the country have slowed economic activity causing distress on businesses. The S&P 500 Index briefly traded below 2,200 last Monday, levels not seen since late 2016. The index declined 33.79% from the closing high a month ago on February 19 through this past Monday. Crude oil closed at \$21.51 per barrel on Friday, declining 4.10% as demand continues to decline. Increasing consumer pessimism was reflected by an 11.9-point drop in the University of Michigan Consumer Sentiment Index's March reading, the largest one month decline since 2008. The speed of the economic decline was evident as consensus estimates of 1.7 million U.S. initial jobless claims were almost doubled by the actual claims of 3.28 million, eclipsing the previous week's claims of 281K. Commercial aircraft manufacturer **The Boeing Company** was the best performing stock in the index, up 70.51%. The stock jumped on expectations the stimulus bill would help keep its supply chains and airline customers in business who are struggling from the swift drop in air travel demand. While most equities were up for the week, some of the larger returns came from companies that have been under considerable market pressure such as cruise line companies **Royal Caribbean Cruises Ltd.** and **Norwegian Cruise Line Holdings** which returned 44.9% and 37.84% respectively. Airlines also climbed on the stimulus as **Delta Air Lines Inc.**, **American Airlines Group Inc.**, and **United Airlines Holdings Inc.** returned 38.41%, 35.26%, and 34.04% respectively. However, despite these impressive returns, these three airlines, two cruise lines, and **The Boeing Company** are all down over 49% since the market high on February 19. This week's jobless claims will be a focus of many seeking a clearer picture of our economic state.

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