

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.099 (1.3 bps)	GNMA (30 Yr) 6% Coupon:	111-00/32 (2.66%)
6 Mo. T-Bill:	0.119 (-3.6 bps)	Duration:	3.71 years
1 Yr. T-Bill:	0.147 (0.3 bps)	Bond Buyer 40 Yield:	3.85 (13 bps)
2 Yr. T-Note:	0.225 (2.3 bps)	Crude Oil Futures:	16.94 (-1.33)
3 Yr. T-Note:	0.271 (2.1 bps)	Gold Spot:	1,729.60 (46.78)
5 Yr. T-Note:	0.373 (1.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.601 (-4.1 bps)	U.S. High Yield:	8.58 (54 bps)
30 Yr. T-Bond:	1.170 (-9.1 bps)	BB:	6.34 (46 bps)
		B:	9.76 (65 bps)

Treasury prices were mixed over the course of the week as yields on longer term Treasuries dropped moderately while yields on shorter term Treasuries rose slightly. On Monday, oil futures contracts dropped to historic levels, closing at -\$37.63, as the price of the expiring May contract reflected a significant oversupply of oil and a lack of storage for it. Later in the week, the June futures contract stabilized after dropping as well, and settled at \$16.94 on Friday, a 7% drop from the previous week. Significantly lower oil prices can lead to lower inflation, which has increased investors appetite for government debt. On Tuesday, the senate passed a \$500 billion fiscal stimulus package to replenish funds for the small business loan program, causing yields to rise. On Thursday, initial jobless claims were 4.43 million, which was down from the previous weeks but still extraordinarily high. The Federal Reserve continued bond-buying this week, though its Treasury purchases of an average of \$15 billion per day was half the previous week. The former Minneapolis Fed President advocated for negative rates, but the market implied probability rate after the April 29th meeting remained overwhelmingly likely that the upper bound would remain at 0.25. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: March Prelim. Wholesale Inventories MoM (n/a, -0.7%), April Conf. Board Consumer Confidence (87.2, 120.0); Wednesday: April 24 MBA Mortgage Applications (n/a, -0.3%), 1Q Annualized GDP QoQ (-4.0%, 2.1%), April 29 FOMC Rate Decision (Upper Bound) 0.25%; Thursday: March Personal Income (-1.6%, 0.6%), March Personal Spending (-0.5%, 0.2%), April 25 Initial Jobless Claims (3500k, 4427k), April MNI Chicago PMI (37.7, 47.8); Friday: April Final Market US Manufacturing PMI (36.7, 36.9), March Construction Spending MoM (-3.5%, -1.3%), April ISM Manufacturing (36.3, 49.1).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	23,775.27 (-1.90%)	Strong Sectors:	Energy, Communication Svcs., Consumer Discretionary
S&P 500:	2,836.74 (-1.30%)	Weak Sectors:	Real Estate, Utilities, Financials
S&P Midcap:	1,550.37 (-0.70%)	NYSE Advance/Decline:	1,211 / 1,825
S&P Smallcap:	715.14 (-1.02%)	NYSE New Highs/New Lows:	46 / 76
NASDAQ Comp:	8,634.52 (-0.18%)	AAII Bulls/Bears:	24.9% / 50.0%
Russell 2000:	1,233.05 (0.33%)		

The S&P 500 Index returned -1.30% last week following two weeks of gains. While volatility is still evident in the equity markets, the index traded in a range of plus or minus 80 points of 2,800 the last two weeks as the larger daily point swings of mid-March have decreased. The U.S. Congress added more stimulus this past week in an effort to help small businesses and the overall employment picture as consumer sentiment continues to decline. The University of Michigan Consumer Sentiment Index's April reading showed a 17.3-point drop from March, the largest one-month decline in the history of the index. U.S. initial jobless claims of 4.43 million were lower than the consensus estimate of 4.50 million and the previous week's claims of 5.24 million. Crude oil closed at \$16.94 per barrel on Friday, declining 7.28% for the week. Diminished demand and oversupply, along with minimal storage options, caused the May delivery WTI crude oil futures contract set to expire on Tuesday to trade negative on Monday. However, crude oil rallied back later in the week helping several energy companies post large positive returns, seven of which were in the top ten performers in the S&P 500 Index. Oil and gas exploration company **Apache Corp** was the best performing stock in the index, up 26.28%. Other top energy companies included **Noble Energy Inc.**, **Halliburton Company**, **Devon Energy Corp**, **Hess Corp**, **Diamondback Energy Inc.**, and **Marathon Oil Corp**. Specialty apparel store company **L Brands Inc.** was the worst performer in the S&P 500 Index, declining 25.18%. The stock fell under pressure on reports that **Sycamore Partners LLC** was seeking to terminate their agreement with the company to purchase a large stake of **Victoria's Secret Stores LLC** for violating deal terms which **L Brands Inc.** denies. **Intel Corp**, **Verizon Communications Inc.**, **The Coca-Cola Company**, **Eli Lilly & Company**, and **Lockheed Martin Corp** all reported beating earnings expectations last week along with many others as earnings reporting for first quarter 2020 is well under way. Earnings announcements expected this week include **Microsoft Corp**, **Apple Inc.**, **Amazon.com Inc.**, **Alphabet Inc.**, **Facebook Inc.**, **Visa Inc.**, **Mastercard Inc.**, **Pfizer Inc.**, **Merck & Company Inc.**, **PepsiCo Inc.**, **Exxon Mobil Corp**, and many more.

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