

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.058 (9.7 bps)	GNMA (30 Yr) 6% Coupon:	111-18/32 (2.52%)
6 Mo. T-Bill:	0.134 (15.2 bps)	Duration:	3.74 years
1 Yr. T-Bill:	0.129 (3.8 bps)	Bond Buyer 40 Yield:	3.89 (28 bps)
2 Yr. T-Note:	0.229 (-1.3 bps)	Crude Oil Futures:	28.34 (+6.83)
3 Yr. T-Note:	0.300 (0.9 bps)	Gold Spot:	1,620.81 (-7.35)
5 Yr. T-Note:	0.384 (-1.0 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.595 (-8.0 bps)	U.S. High Yield:	9.90 (35 bps)
30 Yr. T-Bond:	1.209 (-5.4 bps)	BB:	7.56 (16 bps)
		B:	11.06 (47 bps)

Last week U.S. Treasury bond yields for most longer-dated maturities fell while short-term yields rose as investors continue to navigate the economic impact of the Coronavirus. According to Johns Hopkins University, Coronavirus cases in the United States rose to over 250,000 as testing continues to increase and a million around the world. Government mandated social distancing, the main tool to combat the spread of the pandemic, continues to take a toll on the economy. Initial jobless claims climbed over 6.6 million last week, well above the expected 3.3 million. Nonfarm payrolls plummeted by 701,000 in March, much worse than the expected decline of 100,000. Restaurants and bars accounted for more than half of the initial jobless claims. For perspective, the largest monthly nonfarm payroll drop during the Great Recession was 800,000 in March 2009. The U.S. unemployment rate increased to 4.4% in March, up from 3.5% in February. The Trump Administration's \$350 billion small-business relief program kicked off Friday. Known as the Paycheck Protection Program, the program allows small businesses to apply for loans up to \$10 million with payments deferred for six months. Participating banks are expected to increase next week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Wednesday: April 3 Mortgage Applications (N/A, 15.3%); Thursday: March PPI Final Demand MoM (-0.3%, -0.6%), March PPI Final Demand YoY (0.5%, 1.3%), April 4 Initial Jobless Claims (5000k, 6648k), March 28 Continuing Claims (N/A, 3029k), February Final Inventories MoM (N/A, -0.5%), April Preliminary University of Michigan Sentiment (80.0, 89.1); Friday: March CPI MoM (-0.3%, 0.1%), March CPI YoY (1.6%, 2.3%), March Monthly Budget Statement (N/A, -\$235.3b).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	21,052.53 (-2.65%)	Strong Sectors:	Energy, Staples, Health Care
S&P 500:	2,488.65 (-2.02%)	Weak Sectors:	Utilities, Financials, Real Estate
S&P Midcap:	1,337.95 (-5.88%)	NYSE Advance/Decline:	655 / 2,355
S&P Smallcap:	622.35 (-7.00%)	NYSE New Highs/New Lows:	3 / 43
NASDAQ Comp:	7,373.08 (-1.69%)	AAII Bulls/Bears:	34.2% / 49.7%
Russell 2000:	1,052.05 (-6.98%)		

After a sharp relief rally last week, stocks continued their downward spiral as coronavirus cases surpassed one million globally. The economic impact is taking its toll with 701,000 jobs lost in March. In addition, a record 6.6 million Americans applied for unemployment benefits last week. Additionally, the ISM non-manufacturing index, a measure of consumer strength, fell to 52.5, while the manufacturing gage fell below 50. Readings below 50 show signs of contraction. Energy stocks were one bright spot with WTI crude posting a record weekly gain of over 30%. President Trump is in the process of brokering a deal with Saudi Arabia and Russia to reduce global output by 10 million barrels a day. Energy stocks are still down nearly 50% for the year. The OPEC+ meeting this week will be closely followed by investors. By contrast, REITs remain one of the hardest-hit areas of the market as many tenants are delaying or skipping payments. In stock news, **Walgreens Boots Alliance Inc.** noted a 15% decline in comparable sales after March 21st versus an initial surge of 26% in the previous three weeks of March. Shares of **Carnival Corp.** sunk further into the red, despite raising new capital, as some sailings were canceled through October. **Microsoft Corp.** moved higher for the week after reporting a 775% increase in cloud usage in areas with shelter-in-place orders. Looking ahead, the continued economic fallout from COVID-19 and the duration of the virus will be closely monitored by investors. In two weeks, investors will get a clearer picture of the economic impacts as money center banks and other large corporations begin to report quarterly results.

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