

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.094 (-0.5 bps)	GNMA (30 Yr) 6% Coupon:	110-29/32 (2.68%)
6 Mo. T-Bill:	0.132 (4.1 bps)	Duration:	3.68 years
1 Yr. T-Bill:	0.127 (-3.3 bps)	Bond Buyer 40 Yield:	3.83 (-6 bps)
2 Yr. T-Note:	0.157 (-3.3 bps)	Crude Oil Futures:	24.74 (4.96)
3 Yr. T-Note:	0.215 (-2.1 bps)	Gold Spot:	1,702.70 (2.28)
5 Yr. T-Note:	0.334 (-1.6 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.683 (7.1 bps)	U.S. High Yield:	8.11 (-17 bps)
30 Yr. T-Bond:	1.383 (13.4 bps)	BB:	5.91 (-14 bps)
		B:	8.45 (-25 bps)

The April jobs report released last week provided one of the clearest assessments yet of the economic damage caused by the COVID-19 pandemic. The report showed the U.S. economy lost a staggering 20.5 million jobs in April and the unemployment rate rose to a record 14.7%, based on data available back to January 1948. For perspective, during the 113-month streak of job creation from October 2010 to February 2020 the economy added about 22.1 million jobs. The 10.3 percentage point increase in the unemployment rate from March to April was also the largest on record, bringing the unemployment rate from its lowest level since 1969 as recently as February 2020 to a record high in just two months. The yield on the 10-year U.S. Treasury note rose following the report that, while unprecedented, was slightly better than expected. Initial jobless claims in the week ending May 2 were 3.2 million, which were still significantly higher than initial jobless claims before mid-March but marked the 5th consecutive week of declines. It was also the lowest number of initial jobless claims since the COVID-19 pandemic started impacting the data in late March. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: April CPI MoM (-0.7%, -0.4%); Wednesday: May 8 MBA Mortgage Applications (N/A, 0.1%), April PPI Final Demand MoM (-0.5%, -0.2%); Thursday: May 9 Initial Jobless Claims (2,500k, 3,169k); Friday: May Preliminary U. of Mich. Sentiment (68.0, 71.8), April Retail Sales Advance MoM (-11.3%, -8.7%), April Industrial Production MoM (-11.6%, -5.4%), May Empire Manufacturing (-60.0, -78.2).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	24,331.32 (2.67%)	Strong Sectors:	Energy, Information Technology, Consumer Discretionary
S&P 500:	2,929.80 (3.56%)	Weak Sectors:	Utilities, Consumer Staples, Financials
S&P Midcap:	1,676.18 (5.42%)	NYSE Advance/Decline:	2,167 / 871
S&P Smallcap:	770.87 (4.20%)	NYSE New Highs/New Lows:	58 / 42
NASDAQ Comp:	9,121.32 (6.05%)	AAll Bulls/Bears:	23.7% / 52.7%
Russell 2000:	1,329.64 (5.52%)		

Stocks made a positive move to start off the month with the S&P 500 returning over 3.5% last week, the first positive move since mid-April. Despite stocks moving higher, job losses in April totaled 20.5 million to bring the unemployment rate back to a level not touched since the Great Depression. Investors risk appetites look to be back as technology companies in the NASDAQ Composite index boosted returns to nearly 6% for the week. **Fortinet Inc**, **IPG Photonics**, and **PayPal Inc** were the top tech performers. Looking at returns through the size lens, small cap stocks outperformed mid cap which outperformed large caps. The Russell 2000 logged a 5.52% return while the S&P MidCap 400 index posted 5.42% return. After a depressing first quarter, Energy stocks have rebounded off their March lows and led all sectors last week after the price of oil catapulted almost \$5. **Phillips 66** was the top energy stock in the S&P 500 after stellar earnings and a positive outlook were reported last Friday. The positive news combined with the move in oil gave some visibility to the energy sector that investors have been looking for during the recent volatility. With only 21 companies in the S&P 500 set to report next week, earnings season will come to a close shortly after as almost 90% of the companies in the index have released their quarterly numbers. On the economic front, CPI and PPI will both be released next week as investors digest the impact of the slowdown on both the economy and the stock market.

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