

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.099 (unch)	GNMA (30 Yr) 6% Coupon:	109-30/32 (2.96%)
6 Mo. T-Bill:	0.091 (-2.8 bps)	Duration:	3.69 years
1 Yr. T-Bill:	0.160 (1.3 bps)	Bond Buyer 40 Yield:	3.89 (4 bps)
2 Yr. T-Note:	0.190 (-3.5 bps)	Crude Oil Futures:	19.78 (+2.84)
3 Yr. T-Note:	0.237 (-3.4 bps)	Gold Spot:	1,700.42 (-29.18)
5 Yr. T-Note:	0.350 (-2.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.612 (1.1 bps)	U.S. High Yield:	8.28 (-30 bps)
30 Yr. T-Bond:	1.249 (7.9 bps)	BB:	6.05 (-29 bps)
		B:	8.70 (-106 bps)

U.S. Treasury prices were mixed last week with longer dated U.S. Treasury yields finishing higher. 10-Year Treasury yields were up about 6 bps on Monday as stocks hit a six-week high. On Wednesday, Treasury price movements were minimal and mixed as investors processed the first reported estimate for last quarter's GDP and a press conference from Federal Reserve Chairman Jerome Powell. Without much surprise, the United States economy contracted by 4.8% in the first quarter, with consumer spending being the largest drag. Last quarter marked the largest decline in GDP since late 2008. Later, Fed Chairman Jerome Powell reiterated the Fed will keep rates at zero while remaining flexible as the U.S. economy navigates current conditions. Meanwhile, investor appetite for corporate debt remains high considering corporate bond yields are higher than U.S. Treasury yields. With the Federal Reserve as a backstop, dating back to the declaration of the pandemic, corporate debt offerings have more than doubled versus the same period last year. The week ended with U.S. Treasury yields inching higher on Friday as investors weighed better-than-expected April ISM Manufacturing Index data and renewed China tariff talks out of the White House. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: March Factory Orders (-9.2%, 0.0%), March Final Durable Goods Orders (-14.4%, -14.4%); Tuesday: March Trade Balance (-\$44.2b, -\$39.9b), April ISM Non-Manufacturing Index (37.2, 52.5); Wednesday: May 1 MBA Mortgage Applications (n/a, -3.3%), April ADP Employment Change (-20,000k, -27k); Thursday: May 2 Initial Jobless Claims (300k, 3839k), April 25 Continuing Claims (n/a, 17,992k); Friday: April Change in Nonfarm Payrolls (-22,000k, -701k), April Unemployment Rate (16.0%, 4.4%), April Change in Manufacturing Payrolls (-2250k, -18k), March Final Wholesale Inventories MoM (-1.0%, -1.0%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	23,723.69 (-0.22%)	Strong Sectors:	Energy, Comm. Services, Materials
S&P 500:	2,830.71 (-0.19%)	Weak Sectors:	Cons. Staples, Health Care, Utilities
S&P Midcap:	1,590.48 (2.62%)	NYSE Advance/Decline:	2,108 / 929
S&P Smallcap:	740.02 (3.49%)	NYSE New Highs/New Lows:	66 / 25
NASDAQ Comp:	8,604.95 (-0.33%)	AAII Bulls/Bears:	30.6% / 44.0%
Russell 2000:	1,260.48 (2.24%)		

Last week, U.S. Equities were on a see-saw rallying to close Wednesday at highs not seen since early March, then down through Friday to end the week nearly flat. Late Friday, President Trump announced that **Gilead Science's** drug Remdesivir has been granted FDA approval for emergency use. There was a slew of economic announcements last week, 1Q GDP growth was announced to be -4.8% along with quarterly personal consumption of -7.6%. March home sales were -20%, personal income -2% and ISM manufacturing 41.5. Weekly jobless claims were 3.8m, falling from 4.4m the previous week, with continuing claims of ~18m. On March 13th continuing claims were 1.7m, so in 5-week span over 16.3m more people are claiming unemployment benefits. Earnings season was in full swing last week as more than 150 names in the S&P 500 announced quarterly results. Mega-Cap consumer technology names **Microsoft Corp**, **Apple Inc**, **Amazon.com Inc** and Google's parent **Alphabet Inc**. all announced quarterly results that were roughly in line with analyst expectations and were generally positive for their stock price. **Facebook** rallied over 6% last week after announcing 1Q revenue above expectations along with 2Q guidance that was stronger than anticipated as digital ad revenue has remained strong during the shutdown. **Exxon Mobil Corp**. lost money last quarter for the first time in over 30 years. The oil giant took a \$2.9b charge on their oil inventory after the price of crude oil fell from over \$61 to close 4Q19 to \$20 to close 1Q20. Oil demand has fallen quickly as a lockdown of many global economies weighed down the price of oil. Earnings season will continue next week as over 160 names in the S&P 500 are expected to announce quarterly results. Expect results from: **Berkshire Hathaway Inc.**, **The Walt Disney Co.**, **PayPal Holdings Inc.**, **Bristol-Myers Squibb Co.**, **Danaher Corp.** and **T-Mobile US Inc**.

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