US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.150 (0.3 bps)	GNMA (30 Yr) 6% Coupon:	109-30/32 (2.94%)
6 Mo. T-Bill:	0.178 (unch.)	Duration:	3.66 years
1 Yr. T-Bill:	0.175 (1.5 bps)	Bond Buyer 40 Yield:	3.64 (-5 bps)
2 Yr. T-Note:	0.193 (-1.3 bps)	Crude Oil Futures:	36.26 (-3.29)
3 Yr. T-Note:	0.224 (-5.9 bps)	Gold Spot:	1,730.75 (45.69)
5 Yr. T-Note:	0.328 (-13.5 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.703 (-19.2 bps)	U.S. High Yield:	6.90 (43 bps)
30 Yr. T-Bond:	1.457 (-20.9 bps)	BB:	5.16 (38 bps)
		B:	7.02 (45 bps)

Longer-term Treasury yields fell last week following the Fed's June meeting and on concerns that an upward trend in new coronavirus cases in certain states will prolong restrictions on economic activity. The Fed held rates steady at its policy meeting last week, as expected, and signaled no rate increases through 2022. At his virtual press conference following the meeting, Fed Chairman Jerome Powell said, "We're not thinking about raising rates. We're not even thinking about thinking about raising rates." Initial jobless claims for the week ending June 6 came in slightly better than expected at about 1.5 million, which marked the 10th straight week of declines compared to the prior week. 1.5 million claims are also well below the March-peak of 6.9 million. Continued claims, or the number of Americans receiving unemployment benefits, were 20.9 million for the week ending May 30, which were still near historic highs but slightly lower than the previous week. Consumer sentiment improved in the two weeks ending June 10 as the University of Michigan's Consumer Sentiment Index increased more than expected. The boost in sentiment was mostly due to recent job gains. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: June Empire Manufacturing (-30.0, -48.5); Tuesday: May Retail Sales Advance MoM (7.9%, -16.4%), May Industrial Production MoM (3.0%, -11.2%); Wednesday: June 12 MBA Mortgage Applications (N/A, 9.3%), May Housing Starts (1,100k, 891k); Thursday: June 13 Initial Jobless Claims (1,290k, 1,542k), May Leading Index (2.4%, -4.4%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,605.54 (-5.51%)	Strong Sectors:	Info Tech., Comm. Services, Cons. Discretionary
S&P 500:	3,041.31 (-4.73%)		
S&P Midcap:	1,759.91 (-7.87%)	Weak Sectors:	Industrials, Financials, Energy
S&P Smallcap:	812.49 (-9.62%)		
NASDAQ Comp:	9,588.81 (-2.27%)	NYSE Advance/Decline:	416 / 2,642
Russell 2000:	1,387.69 (-7.89%)	NYSE New Highs/New Lows:	104 / 13
		AAII Bulls/Bears:	34.3% / 38.1%

Last week, equities fell for the first time in four weeks. Early last week, cyclicals continued to run from the week before. On Thursday however, risks of a second wave of COVID-19 cases sent the S&P 500 down over 6.8% as investors shed risky cyclical names for relative safety in Information Technology and Communication Services. Friday cyclicals made a slight comeback, but still ended the week negative as Energy, Financials and Industrials were the worst three sectors in the S&P 500. Value was the poorest performing factor last week and Momentum was the top followed closely by low volatility. Overall, factors remain highly volatile as stock markets continue to iron out the full effect of the COVID-19 recession. An updated Fed dot plot shows interest rate expectations near zero thru 2022. The Federal Reserve is also continuing its large-scale asset purchases trying to mitigate damage to the labor market. **Starbucks** issued preliminary earnings guidance with 3Q well below consensus estimates and guided 4Q ahead of estimates. They also announced a plan to close 400 stores over the next 18 months which led to a -7% return last week. **Grubhub** and Netherland based **Just Eat Takeaway** announced the two companies will be merging in an all stock transaction. Grubhub had been in talks to combine with **Uber** but GRUB's CEO said the JET offer was 'much higher' than the Uber proposal. Looking ahead to next week, expect equity markets to trade along with the anticipated speed of reopening the U.S. economy. There will likely be some market moving economic news in retail sales, jobless claims, housing starts and building permits as equity markets continue to try and price in just how fast an economic recovery can take place.