

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.089 (unch.)	GNMA (30 Yr) 6% Coupon:	109-21/32 (3.03%)
6 Mo. T-Bill:	0.109 (-0.5 bps)	Duration:	3.72 years
1 Yr. T-Bill:	0.119 (-1.0 bps)	Bond Buyer 40 Yield:	3.53 (-3 bps)
2 Yr. T-Note:	0.143 (-0.2 bps)	Crude Oil Futures:	42.34 (0.33)
3 Yr. T-Note:	0.162 (-1.8 bps)	Gold Spot:	1,940.48 (-4.64)
5 Yr. T-Note:	0.264 (-3.0 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.628 (-8.1 bps)	U.S. High Yield:	6.02 (-2 bps)
30 Yr. T-Bond:	1.341 (-10.6 bps)	BB:	4.46 (-1 bps)
		B:	6.28 (-4 bps)

With congress at an impasse over further potential stimulus, monetary policy was in focus last week with the release of the July 28-29 Federal Open Market Committee meeting minutes. The minutes overserved that based on market pricing the federal funds rates are expected to not exceed the current target range until 2024. The Federal Reserve discussed the employment increase for both May and June noting that it was only enough to offset one-third of the jobs lost in March and April. Beginning in May real disposable personal income has fallen back from reduced fiscal stimulus, but higher unemployment benefits are supporting personal incomes through July. The meeting notes discussed the strong rebound in the housing market, which was corroborated by both last Tuesday's housing starts data and last Friday's existing home sales report. Housing starts popped 22.6% in July and existing home sales witnessed a leap of 24.7% in July. The 5.86-million-unit existing home sales annual rate was up 8.7% versus the year before and represented the highest rate since December of 2006. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: August Conf. Board Consumer Confidence (93, 92.6) and July New Home Sales (784K, 776K); Wednesday: August 21 MBA Mortgage Applications (N/A, -3.30%) and July preliminary Durable Goods Orders (4.50%, 7.60%); Thursday: August 22 Initial Jobless Claims (1000k, 1106k) and 2Q QoQ GDP Annualized (-32.50%, -32.90%); Friday: July Personal Income (-0.20%, -1.10%) July preliminary Wholesale Inventories MoM (-0.80%, -1.40%), July Personal Spending (1.50%, 5.60%), August MNI Chicago PMI (52.50, 51.90) and August final University of Michigan Sentiment (72.80, 72.80).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	27,930.33 (0.09%)	Strong Sectors:	Info Tech, Cons Disc,
S&P 500:	3,397.16 (0.77%)		Comm Services
S&P Midcap:	1,910.25 (-2.00%)	Weak Sectors:	Energy, Financials,
S&P Smallcap:	894.74 (-2.49%)		Utilities
NASDAQ Comp:	11,311.80 (2.69%)	NYSE Advance/Decline:	1,077 / 2,001
Russell 2000:	1,552.48 (-1.59)	NYSE New Highs/New Lows:	220 / 53
		AAll Bulls/Bears:	30.4% / 42.4%

The S&P 500 Index returned 77 basis points last week delivering the fourth straight week of gains. The index pushed past its February 19th closing high twice this week for a new all-time closing high on Tuesday and higher again on Friday, closing at 3,397.16. The index is currently up 6.47% year-to-date. Wednesday marked the only negative trading day, as equities posted positive returns the other four days of the week with growth and larger stocks being favored overall. U.S. initial jobless claims of 1.11 million were higher than the consensus estimate of 920K and the previous week's claims of 963K, but still much lower than the March 27 high as claims have trended down since the peak. Crude oil closed at \$42.34 per barrel on Friday, increasing 0.79% for the week. The information technology sector led the charge with big names like **Apple Inc.**, **NVIDIA Corp.**, **salesforce.com Inc.**, and **Adobe Inc.** which returned 8.23%, 9.68%, 7.27%, and 5.94% respectively. **Apple Inc.** has made headlines recently due to their legal dispute with gaming software company Epic Games, but last Thursday's news concerning the company made history. **Apple Inc.** became the first US company to cross over a \$2 trillion market cap, just two years after becoming the first to hit a \$1 trillion market cap in early August 2018. The company's stellar performance last week contributed to the S&P 500 Index's new closing high as it holds the largest weight in the index. Consumer discretionary stocks also had great performance as **Target Corp** and **L Brands Inc.** posted the top spots in the index last week with 13.08% and 12.92% returns respectively. Both retailers reported better than expected second quarter results on Wednesday. **Kohl's Corp** was the worst performing stock in the S&P 500 Index, returning -19.23%. Last Tuesday, the company reported a smaller loss than expected for the second quarter, but sales declined 23% from the year prior. Earnings announcements expected this week include **salesforce.com Inc.**, **Intuit Inc.**, **Autodesk Inc.**, **Dollar General Corp**, **Best Buy Company Inc.**, **Hormel Foods Corp**, **HP Inc.**, **Dollar Tree Inc.**, **Ulta Beauty Inc.**, and many others.

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