

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.091 (1.0 bps)	GNMA (30 Yr) 6% Coupon:	109-25/32 (2.99%)
6 Mo. T-Bill:	0.099 (-0.8 bps)	Duration:	3.66 years
1 Yr. T-Bill:	0.112 (-0.5 bps)	Bond Buyer 40 Yield:	3.57 (unch.)
2 Yr. T-Note:	0.129 (-1.0 bps)	Crude Oil Futures:	40.25 (-0.86)
3 Yr. T-Note:	0.149 (-1.3 bps)	Gold Spot:	1,861.58 (-89.28)
5 Yr. T-Note:	0.267 (-1.5 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.654 (-3.9 bps)	U.S. High Yield:	6.27 (+37 bps)
30 Yr. T-Bond:	1.401 (-5.3 bps)	BB:	4.79 (+30 bps)
		B:	6.54 (+40 bps)

Treasury yields dropped over the course of the week on increased Covid concerns in Europe and comments from the Federal Reserve. Cases in the United Kingdom, France and Spain have been picking up, prompting London Mayor Sadiq Khan to have talks for new restrictions aimed to slow the spread of the virus. On Tuesday, Fed Chairman Jerome Powell testified before congress and said another fiscal stimulus would be important to aid the economy. These calls for additional stimulus were echoed by other senior U.S central bank officials on Wednesday. This all led investors to seek the perceived safety of Treasuries and yields to fall. Investors also worried about a slower economic recovery as initial jobless claims on Thursday were 870k, compared to estimates of 850k, and continuing claims were 12.58m compared to estimates of 12.3m. Gold prices also dropped 5% over the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: September Conf. Board Consumer Confidence (89.8, 84.8); Wednesday: Sep 25 MBA Mortgage Applications (n/a, 6.8%), September ADP Employment Change (650k, 428k), 2Q T GDP Annualized QoQ (-31.7%, -31.7%), September MNI Chicago PMI (52.0, 51.2); Thursday: Sep 26 Initial Jobless Claims (850k, 870k), August Personal Income (-2.4%, 0.4%), August Personal Spending (0.7%, 1.9%). September Final Markit US Manufacturing PMI (53.5, 53.5), August Construction Spending MoM (0.6%, 0.1%), September ISM Manufacturing (56.2, 56.0); Friday September Change in Nonfarm Payrolls (580k, 1371k), September Unemployment Rate (8.2%, 8.4%), September Final U. of Mich. Sentiment (78.9, 78.9), August Factory Orders (1.0%, 6.4%), August Final Durable Goods Orders (n/a, 0.4%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	27,173.96 (-1.75%)	Strong Sectors:	Information Technology, Utilities, Consumer Discretionary
S&P 500:	3,298.46 (-0.61%)	Weak Sectors:	Energy, Materials, Financials
S&P Midcap:	1,817.27 (-2.60%)		
S&P Smallcap:	834.93 (-4.07%)		
NASDAQ Comp:	10,913.56 (1.12%)	NYSE Advance/Decline:	617 / 2,497
Russell 2000:	1,474.91 (-4.01%)	NYSE New Highs/New Lows:	89 / 108
		AAII Bulls/Bears:	24.9% / 46.0%

With less than a week to close out the third quarter, stocks closed slightly lower than last week with the S&P 500 contracting by -0.61%. Hopes of a stimulus package dwindled last week after representatives expressed doubts of a deal between House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin being struck by election day. However, most headlines were overshadowed by the passing of Supreme Court Justice Ruth Bader-Ginsburg. The partisan divide was expressed on whether a confirmation hearing would be appropriate in the last weeks of President Trump's first term. On Friday, after an up and down week, stocks rallied late on the strength of rebounding Information Technology stocks. **Twitter** rallied over 9% last week after reporting increased user engagement. The platform has been seen to be less prone to manipulation than other social media portals. A sense of hope was felt in the restaurant industry as **Darden Inc.**, the parent company of Olive Garden and Red Lobster, reported better than expected earnings and margins. Reduced capacity dining was offset by carryout orders, boosting the company's first quarter earnings. Investors will gauge the economy next week when 2Q GDP is released on Wednesday, closing out the quarter and preceding earning season.

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