

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.041 (unch.)	GNMA (30 Yr) 6% Coupon:	108-05/32 (3.78%)
6 Mo. T-Bill:	0.056 (-0.5 bps)	Duration:	3.96 years
1 Yr. T-Bill:	0.147 (-0.8 bps)	Bond Buyer 40 Yield:	3.46 (unch.)
2 Yr. T-Note:	0.507 (-0.5 bps)	Crude Oil Futures:	76.10 (-4.69)
3 Yr. T-Note:	0.859 (1.7 bps)	Gold Spot:	1,845.73 (-19.17)
5 Yr. T-Note:	1.221 (unch.)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.546 (-1.5 bps)	U.S. High Yield:	4.89 (7 bps)
30 Yr. T-Bond:	1.910 (-2.1 bps)	BB:	3.86 (6 bps)
		B:	5.41 (7 bps)

Increasing fears of further COVID lockdowns and remarks by two Federal Reserve officials last Friday resulted in a flatter Treasury curve from lower longer dated yields. Both Fed Vice Chairman Richard Clarida and Fed Governor Christopher Waller voiced concerns that continually high inflation may recommend the Federal Reserve consider accelerating the tapering of asset purchases. Oil fell meaningfully last week, and particularly on Friday, as crude oil prices shuddered from the dual effect of governments threatening to release crude oil reserves from strategic petroleum reserves as well as from Austria being the first western European country to re-impose widespread lockdowns. Last Tuesday had two meaningful economic data releases in the October Industrial Production and Retail Sales reports. Both were up more than consensus expectations. The former reported strength in all categories but particularly auto production, which rose 11%. While inflation was partly responsible for an increase in Retail Sales, sales growth was widespread across the thirteen retail categories, led by autos and gas stations. Prior week's Housing Starts reported slightly below expectations but were still up 0.4% from a year ago. Major economic reports (related consensus forecasts, prior data) for the upcoming week holiday-shortened week include Monday: October Existing Home Sales (6.18m, 6.29m); Tuesday: November preliminary Markit US Manufacturing PMI (59.1, 58.4); Wednesday: November 19 MBA Mortgage Applications (n/a, -2.8%), November 20 Initial Jobless Claims (260k, 268k), October preliminary Wholesale Inventories (1.1%, 1.4%), 3Q GDP Annualized QoQ (2.2%, 2.0%), October preliminary Durable Goods Orders (0.2%, -0.3%), October Personal Income (0.2%, -1.0%), October Personal Spending (1.0%, 0.6%), November Final University of Michigan Sentiment (66.8, unch.) and October New Home Sales (800k, unch.)

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	35,601.98 (-1.29%)	Strong Sectors:	Consumer Discretionary, Information Technology, Utilities
S&P 500:	4,697.96 (0.36%)	Weak Sectors:	Energy, Financials, Materials
S&P Midcap:	2,870.72 (-1.07%)		
S&P Smallcap:	1,423.25 (-2.19%)		
NASDAQ Comp:	16,057.44 (1.27%)	NYSE Advance/Decline:	1,034 / 2,491
Russell 2000:	2,343.16 (-2.83%)	NYSE New Highs/New Lows:	213
		AAII Bulls/Bears:	38.8% / 27.2%

Mixed stocks characterized last week as mega cap tech names drove returns in large cap indexes and small cap indexes ended the week in negative territory. **Tesla**, and its \$1.1 trillion dollar market cap, returned over 10% after an analyst report noted the company's potential to deliver 40% of the automakers 2022 output to China. The EV market has been highly talked about in recent weeks as existing automakers like **Ford** and **GM** move to produce more electric models and newcomers such as **Rivian** and **Lucid** introduce new models to consumers. On Friday, stocks wavered after news that Austria will reenter a nationwide lockdown and neighboring Germany is considering the same measure. Back in the US, **Pfizer** and **Moderna** rallied after the FDA authorized Covid boosters for all adults aged 18 and older after six months from receiving their primary series. The booster availability adds to the multiple ways health officials try to combat the ongoing pandemic. Youth vaccination uptake is about 10% through the first weeks of eligibility for the 28 million kids aged 5 to 11. In Washington, the House voted 220-213 to pass President Biden's Build Back Better proposal with its 10-year \$1.64 trillion dollar price tag. The nonpartisan Congressional Budget Office estimated the bill would add \$367 billion to the deficit over the next decade. Moderate House members demanded the CBO analysis before casting their votes. Adding back tax credits and cuts, the total package adds up to \$2.4 trillion, according to watchdog group Committee for a Responsible Federal Budget. The bill now goes to the Senate, where it will face a tough road with Democrats having narrow control of the chamber. Next week, plenty of economic data will be released for investor's going into Thanksgiving Day. Existing home sales, mortgage applications, and GDP are all on the calendar during the first half of the week.

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