

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.020 (-0.5 bps)	GNMA (30 Yr) 6% Coupon:	110-25/32 (2.85%)
6 Mo. T-Bill:	0.033 (-1.5 bps)	Duration:	3.81 years
1 Yr. T-Bill:	0.061 (-1.3 bps)	Bond Buyer 40 Yield:	3.52 (-3 bps)
2 Yr. T-Note:	0.147 (1.0 bps)	Crude Oil Futures:	65.61 (-0.48)
3 Yr. T-Note:	0.336 (3.0 bps)	Gold Spot:	1,727.11 (26.47)
5 Yr. T-Note:	0.840 (4.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.625 (5.9 bps)	U.S. High Yield:	4.96 (-1 bp)
30 Yr. T-Bond:	2.378 (8.0 bps)	BB:	3.97 (2 bps)
		B:	5.34 (-4 bps)

The Treasury sell-off continued last week as President Biden signed the latest coronavirus relief bill into law, raising the yield on the U.S. 10-year Treasury to its highest level since before the pandemic. At \$1.9 trillion, the latest stimulus bill is the largest of the three stimulus bills to pass since the onset of the coronavirus pandemic. President Biden also urged states to make all adults eligible to receive a vaccine by May 1, which raised the prospects for higher economic growth and inflation and contributed to the increase in longer-term yields. The yield on the 10-Year Treasury closed the week at 1.63%, up from 0.91% at the end of last year. Initial jobless claims for the week ended March 6 were 712,000, which was better than expected and the lowest level of initial claims this year. The University of Michigan Consumer Sentiment Index, meanwhile, rose to its highest level in a year on the relief bill and the increasing availability of vaccines. This week, the Fed meets on Tuesday and Wednesday and is widely expected to leave interest rates unchanged. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: March Empire Manufacturing (14.5, 12.1); Tuesday: February Retail Sales Advance MoM (-0.7%, 5.3%), February Industrial Production MoM (0.4%, 0.9%); Wednesday: March 17 FOMC Rate Decision – Upper Bound (0.25%, 0.25%), March 12 MBA Mortgage Applications (N/A, -1.3%), February Housing Starts (1,565k, 1,580k); Thursday: March 13 Initial Jobless Claims (703k, 712k), February Leading Index (0.3%, 0.5%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	32,778.64 (4.17%)	Strong Sectors:	Real Estate, Cons Discretionary, Utilities
S&P 500:	3,943.34 (2.69%)	Weak Sectors:	Comm Services, Energy, Health Care
S&P Midcap:	2,646.34 (5.35%)	NYSE Advance/Decline:	2,738 / 619
S&P Smallcap:	1,397.66 (7.37%)	NYSE New Highs/New Lows:	961 / 66
NASDAQ Comp:	13,319.86 (3.12%)	AAll Bulls/Bears:	49.4% / 23.5%
Russell 2000:	2,352.79 (7.36%)		

Last week, the S&P 500 and NASDAQ Composite indexes took different paths to post positive returns. After a rough patch two weeks ago, technology stocks pushed higher by over 3% with heavyweight **Tesla** rebounding by over 16% to lead the NASDAQ Composite higher. They S&P 500 traded higher by about 2.7%, but small cap participation in the Tuesday to Thursday rally propelled the Russell 2000 index 7.4% for the week. Market sentiment was high following the historic passing and signing of the \$1.9 trillion-dollar Covid relief bill. President Biden signed the bill on Thursday, a day earlier than expected. A clearer path to fully reopening the economy is in sight as U.S. jobless benefits fell by more than consensus while vaccinations accelerated and more states have eased pandemic restrictions. Vaccine distribution is currently at 2.3 million shots per day with a total of over 100 million doses administered and 66 million people receiving at least one shot. The shot velocity is expected to gain significantly with the rollout of **Johnson & Johnson's** single shot vaccine. Another key to stock market appreciation is a lessened fear of inflation which has investors buying up stocks in the real estate and consumer discretionary sectors. The best performing stock in the S&P 500 came from the worst performing sector as communication services' company **ViacomCBS** rose 10.3% on Friday and over 28% for the week. The company has had recent success with its slate of programming including a highly watched Oprah interview with Price Harry and Megan Meghan Markle and a share of the upcoming NCAA March Madness tournament. Looking ahead to next week, the FOMC will deliver its rate decision on Wednesday along with a Summary of Economic Projections.

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