

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.015 (-0.3 bps)	GNMA (30 Yr) 6% Coupon:	112-01/32 (2.50%)
6 Mo. T-Bill:	0.025 (-1.0 bps)	Duration:	3.88 years
1 Yr. T-Bill:	0.056 (unch.)	Bond Buyer 40 Yield:	3.45 (-1 bps)
2 Yr. T-Note:	0.157 (-0.4 bps)	Crude Oil Futures:	62.14 (-0.99)
3 Yr. T-Note:	0.333 (-0.8 bps)	Gold Spot:	1,777.20 (0.69)
5 Yr. T-Note:	0.816 (-1.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.558 (-2.2 bps)	U.S. High Yield:	4.76 (2 bps)
30 Yr. T-Bond:	2.234 (-3.1 bps)	BB:	3.79 (2 bps)
		B:	5.15 (2 bps)

After a weak start to the year, throughout the month of April government Treasury price action has been generally strong. This contrasts with the generally rising yields that the market witnessed for the first three months of the year. Last week, treasuries enjoyed increasing price through the week before falling Friday. Corresponding to the pause in yields increasing, Gold has enjoyed strength in April and rose through last week before also falling on Friday. The Friday March New Single-Family Home sales report showed a huge increase of 20.7%. This represented a rise of 66.8% from the year prior. The average sales price of new homes sales was also recorded increasing 6.0% from the prior year. While Friday's report was wildly positive, Thursday's March Existing Home Sales data registered a decline of 3.7% from the prior month but still up 12.3% from the prior year. Average prices rose, however, and were up 12.4% versus the prior year. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: March preliminary Durable Goods Orders (2.5%, -1.2%); Tuesday: April Conference Board Consumer Confidence (112.2, 109.7); Wednesday: April 23 MBA Mortgage Applications (n/a, 8.6%), March preliminary Wholesale Inventories (0.6%, 0.6%), FOMC Rate Decision (lower bound 0%, upper bound 0.25%); Thursday: April 24 Initial Jobless Claims (550k, 547k) and 1Q GDP Annualized (6.9%, 4.3%); Friday: March Personal Income (20.0%, -7.1%), March Personal Spending (4.2%, -1.0%), April MNI Chicago PMI (64.3, 66.3) and University of Michigan April final Sentiment (87.5, 86.5).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,043.49 (-0.42%)	Strong Sectors:	Real Estate, Health Care, Industrials
S&P 500:	4,180.17 (-0.11%)	Weak Sectors:	Energy, Utilities, Consumer Discretionary
S&P Midcap:	2,745.71 (0.91%)	NYSE Advance/Decline:	1,767 / 1,641
S&P Smallcap:	1,350.06 (0.17%)	NYSE New Highs/New Lows:	646 / 114
NASDAQ Comp:	14,016.81 (-0.25%)	AAII Bulls/Bears:	52.7% / 20.5%
Russell 2000:	2,271.86 (0.41%)		

The S&P 500 Index lost 11 basis points last week after rising over 7% during the previous four straight weeks of gains. The index posted a new all-time closing high the previous Friday, April 16. Equities have continued to climb from their pandemic lows in March of 2020, as government stimulus, monetary policy, and COVID-19 vaccinations have contributed to their strength. This continued strength and new highs coupled with concerns over increasing valuations led to some of last week's trading volatility as investors took profits early in the week, but then bought lower after two days of declines. However, the sharpest move down came mid-day Thursday over news of a potential plan by the Biden administration to raise the capital gains tax rate to 39.6% on the wealthy, reaching a 43.4% tax with the inclusion of the Obamacare surtax. All sectors were down as the S&P 500 Index declined -0.91%, the largest one-day loss in over a month. Friday saw equities rebound with a 1.10% gain in the index as investors, who were still processing the previous days' tax news, digested positive economic data. U.S. initial jobless claims declined further to 547K, beating consensus estimates of 610K and the previous week's claims of 576K. This is the lowest weekly level reported since mid-March 2020. Crude oil closed at \$62.14 per barrel on Friday, declining 1.57% for the week. The best performing stock in the S&P 500 Index last week was **Equifax Inc.**, a top credit bureau that provides consumer credit scores, returning 20.28%. The stock opened higher on Thursday on their positive earnings announcement which revealed they recorded \$1.2 billion in revenue for the first quarter, their highest ever quarterly revenue. **Kansas City Southern (KSU)**, a rail freight transportation company, saw its stock price jump over 15% on Tuesday as **Canadian National Railway Company** offered a competing bid to acquire the company. **KSU** announced in March that they had agreed to be acquired by **Canadian Pacific Railway Limited**. **Intel Corp** opened down on Friday after their earnings release. The company beat expectations, but the earnings release revealed a larger than 20% drop in data-center sales. The stock declined 8.51% last week. Earnings announcements are in full swing and companies expected this week include **Apple Inc.**, **Microsoft Corp.**, **Amazon.com Inc.**, **Alphabet Inc.**, **Facebook Inc.**, **Tesla Inc.**, **Visa Inc.**, **Mastercard Inc.**, **Comcast Corp.**, and many more.

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