US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.013 (-0.3 bps)	GNMA (30 Yr) 6% Coupon:	110-20 3/4/32 (2.89%)
6 Mo. T-Bill:	0.028 (-0.5 bps)	Duration:	3.80 years
1 Yr. T-Bill:	0.058 (-0.3 bps)	Bond Buyer 40 Yield:	3.52 (-1 bp)
2 Yr. T-Note:	0.186 (4.7 bps)	Crude Oil Futures:	61.45 (+0.48)
3 Yr. T-Note:	0.384 (7.5 bps)	Gold Spot:	1,728.87 (-3.65)
5 Yr. T-Note:	0.977 (11.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.722 (4.6 bps)	U.S. High Yield:	4.90 (-1 bp)
30 Yr. T-Bond:	2.356 (-2.2 bps)	BB:	3.91 (0 bps)
		B:	5.31 (4 bps)

U.S. Treasury bond yields were mixed during the holiday-shortened week. The 10-year treasury yield continued its meteoric rise last week by increasing nearly 5 basis points. In the first quarter of 2021, the 10-year treasury yield rose more than 80 basis points. On Wednesday, treasury yields moved higher in the wake of President Biden's announcement of a multi-trillion dollar infrastructure spending plan that also involves corporate tax hikes. The week wrapped up with investors digesting the March jobs report. In March, the U.S. economy continued to show signs of recovery by adding 916,000 jobs, which was well above the consensus estimate, while the unemployment rate fell by 0.2% to 6.0%. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: March Final Markit US Services PMI (60.2, 60.0), March Final US Composite PMI (n/a, 59.1), March ISM Services Index (58.5, 55.3), February Factor Orders (-0.5%, 2.6%), February Final Durable Goods Orders (-1.1%, -1.1%); Wednesday: April 2 MBA Mortgage Applications (n/a, -2.2%), February Trade Balance (-$70.2b, -$68.2b); Thursday: April 3 Initial Jobless Claims (n/a, 719k), March 27 Continuing Claims (n/a, 3794k); Friday: March PPI Final Demand MoM (0.5%, 0.5%), March PPI Final Demand YoY (3.8%, 2.8%), February Final Wholesales Inventories MoM (0.5%, 0.5%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	33,153.21 (0.25%)	Strong Sectors:	Comm Services, Cons. Discretionary Info. Tech.
S&P 500:	4,019.87 (1.16%)		
S&P Midcap:	2,647.71 (0.85%)	Weak Sectors:	Energy, Health Care, Cons. Staples
S&P Smallcap:	1,340.30 (0.73%)		
NASDAQ Comp:	13,480.11 (2.61%)	NYSE Advance/Decline:	2,212 / 1,172
Russell 2000:	2,253.90 (1.50%)	NYSE New Highs/New Lows:	442 / 89
		AAII Bulls/Bears:	45.8% / 23.2%

Equity markets closed near all-time highs last week during a shortened trading week in celebration of Good Friday. The S&P 500 Index closed Thursday over 4,000 for the first time ever. The index closed below 2500 on April 1st last year and has returned 65.48% in the last 12 months, highlighting it usually pays to stay invested in equites. Last weekend it was revealed that **Archegos Capital Management** was behind a global block trade selloff in many Chinese technology and American media companies. Archegos, the family office of Bill Hwang, a former Tiger Fund trader, was participating in complex total return swaps. This is a method commonly used to mask exposures from other market participants and leverage exposures. It has been reported that the near $10b fund lost $8b in a mere 10 days. This is an unprecedented sum, in an unprecedented short period of time. Facilitating many of these total return swaps were investment banks **Nomura Holdings** and **Credit Suisse Group AG,** among others. Total losses from these complex swaps for investment banks are not yet fully known, but last week Nomura returned -19.51% and Credit Suisse -18.85% as losses for these two mounted. **The Boeing Co.** traded 3% higher last week after **Southwest Airlines Co.** announced an order of 100 more of Boeings' 737 Max 7. The TSA announced that U.S. air Passenger traffic was up 3.9% from last week and averaged 1.4m over the last seven days. This is up over 700% from last year but is still 40% below the 2.3m average from 2019. Semiconductor capital equipment makers **Applied Materials Inc.**, **Lam Research Corp**. and **Kulicke & Soffa Industries** were three of the four best performing stocks in the S&P 500 Index last week. All returned more than 8.5% as global chip demand remains high and supply tight making capital equipment more valuable. Looking ahead to next week further understanding of economic strength will come from reports on employment, durable goods and factory orders. Friday trading was closed but change in nonfarm payrolls were announced well ahead of estimates. This is expected to boost confidence in equities to open next week.

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