

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.038 (0.5 bps)	GNMA (30 Yr) 6% Coupon:	109-18 ¹ / ₄ /32 (3.37%)
6 Mo. T-Bill:	0.046 (0.3 bps)	Duration:	3.96 years
1 Yr. T-Bill:	0.066 (0.5 bps)	Bond Buyer 40 Yield:	3.43 (unch.)
2 Yr. T-Note:	0.213 (0.7 bps)	Crude Oil Futures:	69.72 (0.43)
3 Yr. T-Note:	0.443 (3.6 bps)	Gold Spot:	1,787.58 (-40.15)
5 Yr. T-Note:	0.816 (3.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.341 (1.9 bps)	U.S. High Yield:	4.60 (-1 bp)
30 Yr. T-Bond:	1.934 (-0.8 bps)	BB:	3.55 (-1 bp)
		B:	5.16 (-3 bps)

Treasury yields were little changed last week in a relatively quiet week of economic data. The Job Openings and Labor Turnover Survey released Wednesday by the Labor Department showed U.S. job openings reached a record 10.9 million in July. Initial jobless claims for the week ending on September 4 reached a pandemic low of 310,000. The four-week moving average of 339,500 was also a pandemic low, indicating there has not been a rise in layoffs due to the Delta variant. The Producer Price Index increased 0.7% from July to August, and 8.3% from last year. Both increases were above forecasts. August's year-over-year increase in producer prices is the largest on record. Labor and materials shortages and supply chain bottlenecks contributed to the price increases. Regarding inflation, the CEO of Union Pacific said in an interview last week that "it doesn't look like it's temporary," and that cargo congestion will likely continue well into next year. August's reading of the Consumer Price Index will be released this week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: August CPI MoM (0.4%, 0.5%); Wednesday: September 10 MBA Mortgage Applications (N/A, -1.9%), August Industrial Production MoM (0.4%, 0.9%); September Empire Manufacturing (18.0, 18.3); Thursday: September 11 Initial Jobless Claims (320k, 310k), August Retail Sales Advance MoM (-0.8%, -1.1%); Friday: September Preliminary U. of Mich. Sentiment (72.0, 70.3).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,607.72 (-2.11%)	Strong Sectors:	Consumer Discretionary, Comm Services, Cons Staples
S&P 500:	4,458.58 (-1.68%)	Weak Sectors:	Real Estate, Health Care, Industrials
S&P Midcap:	2,686.53 (-2.66%)	NYSE Advance/Decline:	983 / 2,491
S&P Smallcap:	1,326.93 (-3.11%)	NYSE New Highs/New Lows:	289 / 97
NASDAQ Comp:	15,115.49 (-1.61%)	AAll Bulls/Bears:	38.9% / 27.2%
Russell 2000:	2,227.55 (-2.80%)		

The S&P 500 Index returned -1.68% last week, with all four days in the shortened holiday week posting declines. Including the previous Friday, the index has marked five consecutive losing days after hitting an all-time closing high of 4,536.95 the previous Thursday. Equity markets have followed an upward trend most of the year with the S&P 500 Index currently sitting on a 19.91% return year-to-date. The August non-farm payroll data that was released the previous Friday showed an increase of 235K jobs which was well under the expectations of 733K. While leisure and hospitality had strong job gains in the previous two months, hiring in the industry appeared to be flat for the month of August with some attributing that to increased concerns over the spread of the Covid-19 Delta variant. This brought downward pressure on stocks last week as the underperforming jobs numbers and Delta may have led some investors to take profits over concerns of future growth. No sector was immune to the negative sentiment, as all economic sectors were down last week with the worst pain felt by real estate, health care, and industrials, and while crude oil prices increased 0.62%, the energy sector declined 1.72%. Better than anticipated news showed U.S. initial jobless claims of 310K which were lower than the 335K expected. **Moderna Inc.**, the biotech best known for its Covid-19 vaccine, was the top performing stock in the S&P 500 Index returning 7.84%. The stock jumped on Thursday as the company held an R&D day and announced they are in the process of developing a combination vaccine for Covid-19 and the seasonal flu and are developing a vaccine for respiratory syncytial virus (RSV). Home builder **PulteGroup Inc.** showed the worst performance last week declining 10.23%. The company decreased their guidance for the third quarter and fiscal year 2021 due to the impact from supply chain issues. **Apple Inc.** declined 3.45% last week after a judge ordered that the company must give app developers an option of sidestepping their commissions from in-app purchases, which could lead to lost revenue of a few billion dollars. Earnings announcements expected this week include **Oracle Corp**, **Carnival Corp**, **Weber Inc.**, and **FuelCell Energy Inc.**

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