

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.261 (2.9 bps)	Bond Buyer 40 Yield:	4.66 (-4 bps)
6 Mo. T-Bill:	4.672 (5.9 bps)	Crude Oil Futures:	76.28 (-3.80)
1 Yr. T-Bill:	4.716 (2.4 bps)	Gold Spot:	1,754.93 (+4.25)
2 Yr. T-Note:	4.453 (-8.0 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.199 (-9.8 bps)	US High Yield:	8.73 (-17 bps)
5 Yr. T-Note:	3.858 (-15.0 bps)	BB:	7.06 (-19 bps)
10 Yr. T-Note:	3.678 (-15.1 bps)	B:	8.95 (-18 bps)
30 Yr. T-Bond:	3.730 (-19.6 bps)		

The back end of the yield curve fell while the shortest maturities slightly rose over this past holiday-shortened week. Federal reserve officials grabbed headlines with dovish tones early in the week. Federal Reserve Vice Chair Lael Brainard expressed views that overtightening is a larger risk than the reverse while Atlanta Fed president Raphael Bostic said the Fed should end its hiking cycle after 75 to 100 bps of further tightening. Treasury yields slipped Wednesday morning after November PMI readings were weaker-than-expected. Further, the stubborn labor market may finally be succumbing to the Fed's aggressive rate hikes after Wednesday's jobless claims release surprised higher than surveyed. The largest market-mover of the week was the publication of minutes from the Fed's November 1-2 meeting on Wednesday afternoon. The Fed concluded it'd "soon be appropriate" to reduce the pace of interest rate hikes while a small number called for a higher terminal rate than previously expected. Rates fell and stocks rallied on the release. The minutes support the recent corrective price action in the dollar, oil, and Treasury yields that suggest peak inflation is behind us. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: November Conference Board Consumer Confidence (100.0, 102.5); Wednesday: November ADP Employment Change (200k, 239k), November 25 MBA Mortgage Applications (n/a, 2.2%), September 3Q GDP Annualized QoQ (2.8%, 2.6%), November MNI Chicago PMI (47.0, 45.2); Thursday: October Personal Income (0.4%, 0.4%), October Personal Spending (0.8%, 0.6%), November 26 Initial Jobless Claims (235k, 240k), November Final S& Global US Manufacturing PMI (47.6, 47.6), November ISM Manufacturing (49.7, 50.2); Friday: November Change in Nonfarm Payrolls (200k, 261k), November Unemployment Rate (3.7%, 3.7%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,347.03 (1.08%)	Strong Sectors:	Utilities, Materials, Financials
S&P 500:	4,026.12 (1.56%)	Weak Sectors:	Comm. Services, Energy, Info. Tech.
S&P Midcap:	2,559.56 (1.96%)	NYSE Advance/Decline:	2,426 / 935
S&P Smallcap:	1,232.44 (1.20%)	NYSE New Highs/New Lows:	189 / 136
NASDAQ Comp:	11,226.36 (0.73%)	AAll Bulls/Bears:	28.9% / 40.2%
Russell 2000:	1,869.19 (1.07%)		

Equities moved higher last week during a holiday shortened week which had the lowest weekly share volumes in 2022. The S&P 500 index was up 1.56% led by utilities who shares benefited from the 10-year yields moving lower. The 10-year saw rates fall below 3.65% for the first time since early October. November has been the first month to have lower 10-year yields since July, which was also the last time the S&P was above 4125. **The Walt Disney Co.** rallied 7.70% last week after they announced a switching of the 'Bob's', again. In February of 2020 Bob Iger stepped down as Disney's CEO after 15 years and Bob Chapek took the helm of the company. Until this week when Bob Iger abruptly announced he was coming back much to the joy of equity markets. Disney shares had a -30.98% return with Bob Chapek as the CEO for 2 years and nearly 9 months. **Activision Blizzard Inc.** returned -4.07% on Friday after media reports that the U.S. Federal Trade Commission is likely going to file an antitrust lawsuit to block their pending acquisition by **Microsoft Corp.** The \$69b takeout offered by Microsoft is the largest announced acquisition in 2022, and the corporate battle will likely last well into 2023. **Best Buy Co. Inc.** was the top performer in the S&P 500 index last week with a 12.74% return. The electronics retailer announced quarterly results ahead of market expectations and their own guidance. Best Buy had adjusted EPS of \$1.38 and revenues of \$10.6b both ahead of sell side analyst estimates. Additionally, they announced full year sales would be down 10% in 2022 but that was ahead of their previous guidance of 11%. Looking ahead to next week, we expect to have GDP, ISM, housing and jobs data that will guide equity returns. Further information on where Fed Chair Powell sees the rate environment is expected next Wednesday after he speaks at the Brookings Institution and the Fed releases their economic Beige Book.

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