

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.884 (24.5 bps)	Bond Buyer 40 Yield:	4.37 (-8 bps)
6 Mo. T-Bill:	2.608 (16.4 bps)	Crude Oil Futures:	104.79 (-3.64)
1 Yr. T-Bill:	2.870 (21.0 bps)	Gold Spot:	1,742.48 (-68.95)
2 Yr. T-Note:	3.105 (27.2 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.139 (28.7 bps)	U.S. High Yield:	8.64 (-29 bps)
5 Yr. T-Note:	3.123 (24.6 bps)	BB:	6.88 (-34 bps)
10 Yr. T-Note:	3.080 (20.0 bps)	B:	9.34 (-27 bps)
30 Yr. T-Bond:	3.244 (14.0 bps)		

U.S. Treasury bond yields rose across the yield curve over the holiday-shortened week. Treasury yields fell at the beginning of the week, continuing the trend from the prior week, as the fears of a weakening economy garnered the focus of investors. Investors saw the 2-year, 10-year yield curve invert last week, a perceived leading indicator of a recession. The yield curve inversion came in response to the perceived hawkish meeting minutes released by the Federal Reserve. The meeting minutes indicated a policy rate increase of 50 to 75 basis points despite the downside risks imposed by restrictive monetary policy on the economy. The week wrapped up with a stronger-than-expected jobs report released Friday morning. Nonfarm payrolls increased 372,000 in June, well above the consensus of 265,000. Treasury yields continued to rise Friday as the better-than-expected jobs report only emboldens the Federal Reserve to raise the policy rate 75 basis points in July. The strong jobs report suggests a still solid economy. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: Wednesday: July 8 MBA Mortgage Applications (N/A, 5.4%), June CPI MoM (1.1%, 1.0%), June CPI YoY (8.8%, 8.6%), June Monthly Budget Statement (N/A, -\$66.2b); Thursday: June PPI Final Demand MoM (0.8%, 0.8%), June PPI Ex Food and Energy MoM (0.5%, 0.5%), June PPI Final Demand YoY (10.7%, 10.8%), June PPI Ex Food and Energy YoY (8.3%, 8.3%), July 9 Initial Jobless Claims (235k, 235k), July 2 Continuing Claims (1388k, 1375k); Friday: July Empire Manufacturing (-1.3, -1.2), June Retail Sales Advance MoM (0.9%, -0.3%), June Capacity Utilization (80.6%, 80.08%), June Industrial Production MoM (0.1%, 0.1%), July Preliminary University of Michigan Sentiment (50.0, 50.0).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	31,338.15 (0.82%)	Strong Sectors:	Comm Services, Cons Discretionary, Info Tech
S&P 500:	3,899.38 (1.98%)	Weak Sectors:	Utilities, Energy, Materials
S&P Midcap:	2,320.39 (1.08%)	NYSE Advance/Decline:	1,895 / 1,583
S&P Smallcap:	1,143.84 (0.49%)	NYSE New Highs/New Lows:	26 / 439
NASDAQ Comp:	11,635.31 (4.58%)	AAll Bulls/Bears:	19.4% / 52.8%
Russell 2000:	1,769.37 (2.43%)		

Stocks, measured by the S&P 500, posted a weekly gain after a strong jobs report closed out the week on Friday. Investors should be less worried about a recession, but the Federal Reserve will need to keep raising interest rates in the face of inflation. Volatility was still present in trading activity throughout the week. The assassination of Japan's former Prime Minister Shinzo Abe had traders wondering if his propensity for the Bank of Japan's easy monetary policy could affect markets soon. The Federal Reserve and European Central Banks' acceleration of interest rate hikes have not been followed by the BOJ and the Yen has weakened versus its global peers. Elon Musk's actions are once again leading price moves in **Twitter**. On Thursday, Musk said the deal is "in peril" due to the company's reporting of spam accounts and funding delays. The stock lost as much as 7.5% in after-hours trading. The indicated price of about \$37 is giving investors a sense that the \$54.20 offer price could be renegotiated. In more tech-adjacent news, Google parent **Alphabet Inc.** rose over 10% last week after the company made a proposal to the Justice Department to settle a potential anti-trust suit surrounding the company's advertising business. The proposed deal, which was reported by the Wall Street Journal, would put Google's ad auction business in a separate unit from the segment selling ads. Investors will be closely watching economic and corporate events next week as they try to see if the bounce in stock prices is here to stay. Next week, economic data points for CPI and PPI are set to be released along with more jobs data and retail sales. The multiple economic releases come just as earnings season is about to begin.

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