

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.517 (4.6 bps)	Bond Buyer 40 Yield:	4.29 (unch.)
6 Mo. T-Bill:	3.025 (-0.5 bps)	Crude Oil Futures:	92.09 (3.08)
1 Yr. T-Bill:	3.237 (2.3 bps)	Gold Spot:	1,802.40 (+26.9)
2 Yr. T-Note:	3.242 (1.6 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.180 (0.9 bps)	US High Yield:	7.53 (-18 bps)
5 Yr. T-Note:	2.956 (0.1 bps)	BB:	6.08 (-8 bps)
10 Yr. T-Note:	2.831 (0.4 bps)	B:	7.95 (-27 bps)
30 Yr. T-Bond:	3.108 (4.2 bps)		

U.S. Treasury yields ended the week marginally higher while the curve's inversion was unchanged. After opening lower on Monday, yields traded within a narrow range early in the week on inconsequential economic news as investors anxiously waited for Wednesday's Consumer Price Index print. Wednesday's release showed CPI increased 8.5% year-over-year in July which came in lower the street's expectations of 8.7%. Core CPI – a measure that strips out volatile food and energy costs – also surprised lower with a reading of 5.9%. The implied probability of a 75-basis point rate hike at the September 21st Federal Reserve meeting fell from 73% to 50% as the market began to speculate the Fed will slow its pace of financial tightening. However, Federal Reserve officials Charles Evans and Neel Kashkari were quick to remind the market that one month of lower-than-expected inflation does not allow the Fed to declare victory over inflation just yet. On Thursday, markets received further relief from runaway inflation fears when data showed the Producer's Price Index surprisingly declined 0.5% in July, coming in well below consensus expectations of +0.2%. On Friday, short-term yields jumped following the release of better-than-expected University of Michigan Consumer Confidence data. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: August Empire Manufacturing (5.0, 11.1); Tuesday: July Housing Starts (1,530k, 1,559k), July Industrial Production MoM (0.3%, -0.2%); Wednesday: August 12 MBA Mortgage Applications (n/a, 0.2%), July Retail Sales Advance MoM (0.1%, 1.0%); Thursday: August 13 Initial Jobless Claims (265k, 262k), July Existing Home Sales (4.89m, 5.12m); July Leading Index (-0.5%, -0.8%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	33,761.05 (2.99%)	Strong Sectors:	Energy, Financials, Materials
S&P 500:	4,280.15 (3.31%)	Weak Sectors:	Consumer Staples, Health Care, Information Technology
S&P Midcap:	2,615.01 (4.46%)	NYSE Advance/Decline:	2,695 / 788
S&P Smallcap:	1,287.80 (3.94%)	NYSE New Highs/New Lows:	139 / 114
NASDAQ Comp:	13,047.19 (3.10%)	AAll Bulls/Bears:	32.2% / 36.7%
Russell 2000:	2,016.62 (4.97%)		

The S&P 500 Index returned 3.31% last week posting the fourth straight week of gains. The index has gained 13.27% since the mid-year mark, a stark contrast to the index's -19.96% return for the first half of 2022. Equities have shown volatility and experienced headwinds due to the economic environment with increasing inflationary pressures and geopolitical concerns for most of 2022. However, last week brought positive news as the July year-over-year CPI and PPI numbers both came in lower than expected and were also lower than the previous month, increasing the chance that the Federal Reserve might lighten their future rate hike response in combating inflation. The release of preliminary August data by the University of Michigan Consumer Sentiment Index also gave stocks a boost after showing another increase in the consumer confidence after hitting a historic low in June. All sectors were in positive territory last week with energy posting the best performance in the S&P 500 Index returning 7.45%, followed by financials and materials. Top performing energy names included **Devon Energy Corp.**, **Occidental Petroleum Corp.**, **ConocoPhillips**, **Hess Corp.**, and **Marathon Oil Corp.**, all increasing over 10.00%. Energy is currently up 44.75% in 2022. Crude oil increased 3.46% last week, closing at \$92.09 per barrel on Friday. **Nielsen Holding PLC** was the best performing stock in the S&P 500 Index last week returning 19.70%. The stock jumped on Tuesday after the company announced that its largest shareholder WindAcre Partnership LLC would support a \$10 billion buyout by private equity firms. **Bed Bath & Beyond Inc.** gained 58.70% last week adding on to the previous week's gain of 62.23% as a short squeeze appears to be in play. The stock is currently down 11.18% YTD, though it was down 65.50% in 2022 through July 29th. Earnings announcements expected this week include **Walmart Inc.**, **Target Corp.**, **The TJX Companies Inc.**, **The Home Depot Inc.**, **Lowe's Companies Inc.**, **Deere & Company**, **Cisco Systems Inc.**, **Applied Materials Inc.**, **Analog Devices Inc.**, and many more.

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