

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.403 (1.0 bps)	Bond Buyer 40 Yield:	5.14 (-15 bps)
6 Mo. T-Bill:	5.456 (-0.5 bps)	Crude Oil Futures:	77.17 (-3.34)
1 Yr. T-Bill:	5.374 (10.0 bps)	Gold Spot:	1,940.20 (-52.45)
2 Yr. T-Note:	5.062 (22.4 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.837 (19.9 bps)	US High Yield:	9.03 (11 bps)
5 Yr. T-Note:	4.684 (18.0 bps)	BB:	7.53 (10 bps)
10 Yr. T-Note:	4.652 (7.9 bps)	B:	9.25 (9 bps)
30 Yr. T-Bond:	4.762 (-0.5 bps)		

Treasury yields fluctuated throughout the week, ultimately finishing higher with the exception of the 30-year. Yields jumped on Monday as traders considered the potential for more tightening from the Federal Reserve. Monday's Treasury moves were the largest one-day increases for Treasury yields in weeks. Economic data releases on Tuesday saw the trade deficit climb to almost 5% in September, though it remains near a three-year low. Yields fell on Tuesday and Wednesday as the Treasury held a \$48 billion auction of 3-year notes and a \$40 billion auction of 10-year notes, reaffirming buying interest in government debt. Yields broadly rose on Thursday as Federal Reserve Chairman Jerome Powell indicated that officials are not yet confident that interest rates are high enough to bring inflation down to the 2% target. The 30-year rose 12.2 basis points, finishing just shy of the largest one-day jump since June of 2022. Yields finished the week mixed on Friday as the market recovered from a weak 30-year auction. The poorly received auction raises questions about how the Treasury will move forward with funding the deficit. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: October CPI MoM (0.1%, 0.4%), October CPI YoY (3.3%, 3.7%); Wednesday: November 10 MBA Mortgage Applications (n/a, 2.5%), October Retail Sales Advance MoM (-0.3%, 0.7%), October PPI Final Demand MoM (0.1%, 0.5%), November Empire Manufacturing (-3.0, -4.6); Thursday: November 11 Initial Jobless Claims (222k, 217k), October Industrial Production MoM (-0.3%, 0.3%); Friday: October Housing Starts (1,347k, 1,358k).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,283.10 (0.72%)	Strong Sectors:	Info. Tech., Comm. Services,
S&P 500:	4,415.24 (1.35%)		Cons. Discretionary
S&P Midcap:	2,439.62 (-1.53%)	Weak Sectors:	Real Estate, Utilities,
S&P Smallcap:	1,114.51 (-2.90%)		Energy
NASDAQ Comp:	13,798.11 (2.40%)	NYSE Advance/Decline:	967 / 2,022
Russell 2000:	1,705.33 (-3.11%)	NYSE New Highs/New Lows:	101 / 194
		AAll Bulls/Bears:	42.6% / 27.2%

Large-cap US stocks outperformed mid- and small-cap stocks last week, with the S&P 500 returning 1.35% versus -1.55% and -2.96%, respectively. Interest rate pressure eased last week as jobs and corporate earnings data were softer than expected, but still supportive of the US economy. This led to lower equity discount rates, which boosted prices of mega-cap, long-duration technology stocks. Overall, the market appears to be pricing in the end of the Fed's rate hiking cycle. Earnings season wound down last week, with only 59 S&P 500 companies reporting quarterly results. **Walt Disney Co.** beat earnings estimates and announced that it is on track to cut \$7.5b in costs, up from its previous guidance of \$5.5b. Disney+ subscribers also grew to 150.2m, beating analyst estimates of 147m. DIS shares rallied 3.8% last week as a result. **UBER Technologies Inc.** also reported quarterly results, with revenue growing for the 13<sup>th</sup> consecutive quarter and adjusted EBITDA crossing the \$1b threshold for the first time. The company also guided for \$1.2b in adjusted EBITDA next quarter, which helped its stock price rally 8% last week. COVID-19 darling **WeWork Inc.** filed for bankruptcy protection after struggling to shed unprofitable assets. The company was trading at nearly \$130 per share a year ago and had a market capitalization of \$5b+. **SoftBank Group Corp.**, which owned more than 50% of WeWork's shares, returned -7.8% last week due to the bankruptcy filing. Looking ahead to next week, earnings season is almost over, with only 14 S&P 500 companies expected to report results. These include mega-cap names **Johnson Controls International plc.**, **Applied Materials Inc.**, and **Wal-Mart Inc.** We expect some market-moving economic announcements next week including inflation data (CPI and PPI), retail sales, Empire Manufacturing, and the Philadelphia Fed Business Outlook.

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