

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.017 (3.1 bps)	Bond Buyer 40 Yield:	4.47 (17 bps)
6 Mo. T-Bill:	4.991 (1.6 bps)	Crude Oil Futures:	77.87 (-4.65)
1 Yr. T-Bill:	4.725 (-2.0 bps)	Gold Spot:	1,983.06 (-21.11)
2 Yr. T-Note:	4.182 (8.3 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.890 (5.9 bps)	US High Yield:	8.53 (11 bps)
5 Yr. T-Note:	3.663 (5.7 bps)	BB:	6.86 (12 bps)
10 Yr. T-Note:	3.572 (5.9 bps)	B:	8.85 (10 bps)
30 Yr. T-Bond:	3.776 (4.1 bps)		

Treasury yields rose moderately over the course of the week on strong bank earnings and comments from Federal Reserve officials. On Monday, Richmond Fed President Thomas Barkin said he wants to see more evidence that inflation is easing before pausing rate hikes, and Treasury yields rose moderately. On Tuesday, this sentiment was supported by both Atlanta Fed President Raphael Bostic, who said he favors another rate hike, and St. Louis Fed President James Bullard, who said he favors getting the upper bound of the target rate to 5.75%. Several major U.S. banks reported earnings that beat expectations, leading investors to believe the Fed will be more willing to risk further rate hikes in the coming months. Treasury yields pulled back moderately on Thursday as several economic indicators showed the economy weakening. However, on Friday, Treasury yields climbed moderately again as U.S. business activity climbed higher than expected and Cleveland Fed President Loretta Mester said she favored raising rates above 5%, because inflation was still too high. Overall, the market implied Federal Funds Rate after the December meeting rose from 4.484 to 4.592 over the course of the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: Tuesday: March New Home Sales (630k, 640k), April Conf. Board Consumer Confidence (104.1, 104.2); March Prelim. Durable Goods Orders (0.9%, -1.0%); Thursday: April 22 Initial Jobless Claims (250k, 245k), 1Q Advance GDP Annualized QoQ (2.0%, 2.6%); Friday: March Personal Income (0.2%, 0.3%), March Personal Spending (-0.1%, 0.2%), April MIN Chicago PMI (43.6, 43.8), April Final U. of Mich. Sentiment (63.5, 63.5).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow [®] :	33,808.96 (-0.19%)	Strong Sectors:	Consumer Staples, Real Estate, Utilities
S&P 500 [®] :	4,133.52 (-0.09%)	Weak Sectors:	Communication Services, Energy, Info Tech
S&P MidCap 400 [®] :	2,498.83 (0.38%)	NYSE Advance/Decline:	1,466 / 1,702
S&P SmallCap 600 [®] :	1,160.11 (-0.30%)	NYSE New Highs/New Lows:	169 / 95
Nasdaq Composite [®] :	12,072.46 (-0.42%)	AAll Bulls/Bears:	27.2% / 35.1%
Russell 2000 [®] :	1,791.51 (0.59%)		

The S&P 500 Index declined 9 basis points last week, closing at 4,133.52 on Friday. The index gained 7.50% during the first quarter of 2023 and surpassed the 4,100 level at the end of March. However, it has traded within 55 points of that level for the last three weeks and is only up 67 basis points thus far for the second quarter. Equities have proven to be resilient as investors have digested the negative impact of inflation, rising interest rates, and the more recent banking industry failures. As concerns continue to exist that all these headwinds may be too much for the economy to handle and cause a slowdown, investors are looking towards this earnings seasons' releases to give them more clarity on the state of the economy. Some of the larger companies releasing earnings this week that investors will be watching include **Microsoft Corp**, **Alphabet Inc.**, **Amazon.com Inc.**, and **Meta Platforms Inc.**, with all four companies gaining 19% or more during the first quarter of 2023. In economic news, March housing starts were higher than expected on a seasonally adjusted annual rate, but March building permits were lower than expected. U.S. initial jobless claims were reported at 245K last week, higher than the consensus estimate of 240K and previous week's claims of 239K. The mixed equity markets showed consumer staples and real estate as the best performing sectors for the week, while communication services and energy performed the worst. Health care company **Intuitive Surgical Inc.** was the best performing stock in the S&P 500 Index last week with a 12.43% return. The robotic-assisted surgical equipment manufacturer saw its stock jump after releasing earnings that beat expectations. Materials company **Albemarle Corp** which produces specialty chemicals was the worst performing stock in the S&P 500 Index last week. Lithium is the largest source of revenue for the company and while lithium prices continue to drop, the materials company stock dropped further last week on news that Chile plans to become more involved with the lithium mining in their country, with some reports stating that Chile would nationalize the industry. Additional first quarter earnings announcements expected this week include **Visa Inc.**, **Exxon Mobil Corp**, **Eli Lilly & Company**, **Mastercard**, **Chevron Corp**, **The Coca-Cola Company**, **McDonald's**, and many more with over 170 companies in the S&P 500 Index reporting.

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