

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.030 (1.3 bps)	Bond Buyer 40 Yield:	4.42 (-5 bps)
6 Mo. T-Bill:	5.001 (1.1 bps)	Crude Oil Futures:	76.78 (-1.09)
1 Yr. T-Bill:	4.740 (1.6 bps)	Gold Spot:	1,990.00 (6.94)
2 Yr. T-Note:	4.006 (-17.5 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.716 (-17.4 bps)	US High Yield:	8.44 (-9 bps)
5 Yr. T-Note:	3.483 (-18.0 bps)	BB:	6.78 (-8 bps)
10 Yr. T-Note:	3.422 (-15.0 bps)	B:	8.77 (-8 bps)
30 Yr. T-Bond:	3.673 (-10.2 bps)		

U.S. GDP grew at a 1.1% annualized rate during the first quarter. That missed expectations and marked a slowdown from the 2.6% annualized growth rate in the fourth quarter of last year. The report showed consumer spending propped up the economy in the first quarter while businesses pulled back on capital investments and drew down inventories. Inflation data released Friday showed the core Personal Consumption Expenditures (PCE) Price Index, the Fed's preferred inflation gauge, rose 4.6% in March compared to last year. That was in line with expectations. The inflation data reinforced expectations that the Federal Reserve will raise interest rates by a quarter point when it meets on Tuesday and Wednesday this week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: April ISM Manufacturing (46.8, 46.3), April Final S&P Global US Manufacturing PMI (50.4, 50.4); Tuesday: March Final Durable Goods Orders (N/A, 3.2%), March Factory Orders (1.3%, -0.7%); Wednesday: May 3 FOMC Rate Decision – Upper Bound (5.25%, 5.00%), April 28 MBA Mortgage Applications (N/A, 3.7%), April ADP Employment Change (150k, 145k); Thursday: April 29 Initial Jobless Claims (240k, 230k), March Trade Balance (-\$63.5b, -\$70.5b); Friday: April Change in Nonfarm Payrolls (180k, 236k), April Unemployment Rate (3.6%, 3.5%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,098.16 (0.86%)	Strong Sectors:	Comm. Services, Info. Tech., Real Estate
S&P 500:	4,169.48 (0.89%)	Weak Sectors:	Health Care, Industrials, Utilities
S&P Midcap:	2,490.40 (-0.31%)	NYSE Advance/Decline:	1,591 / 1,568
S&P Smallcap:	1,148.17 (-1.00%)	NYSE New Highs/New Lows:	158 / 178
NASDAQ Comp:	12,224.58 (1.28%)	AAll Bulls/Bears:	24.1% / 38.5%
Russell 2000:	1,768.99 (-1.24%)		

Equities ground higher last week as earnings season was in full tilt. Overall, 178 names in the S&P 500 index reported quarterly results. There were several notable names that reported positive results. **Microsoft Corp.** shares rallied 7.52% last week after reporting higher than expected sales and profits. They also reported that growth in their cloud-based Azure business remained strong and their OpenAI customers grew 10-fold. Facebook/Instagram's parent company **Meta Platforms Inc.** also reported earnings and revenue ahead of analyst estimates and increased their guidance for next quarter. Their cost controls have been growing profitability as their headcount decreased 1% year over year and their growth prospects remain intact. **Chipotle Mexican Grill Inc.** reported strong earnings and revenue growth. Their earnings per share nearly doubled year over year and sales growth was just over 10%. New store growth remains steady, and they feel confident that most inflation concerns can be passed onto customers. Not all names were positive, **Amazon.com Inc.** reported earnings and revenue that surpassed expectations. However, they reported that their cloud-based AWS growth was weaker in April and the stock returned -1.4% last week. **Enphase Energy Inc.** announced earnings and revenue in line with expectations but were below their previous growth trajectory. Further their guidance was below estimates as they downgraded their previous growth plans, shares sank -25.67% as a result. **First Republic Bank** reported end of quarter deposits of \$104.5b, significantly lower than analyst estimates of \$136.7b. They have been suffering deposit flight ever since the collapse of Silicon Valley Bank and was worse than previously known, shares plummeted 75.38% last week and questions of the banks solvency were louder into the weekend. Looking ahead to next week, earnings season continues as 162 names in the S&P 500 are expected to report quarterly results. Among those expected to announce results are **Apple Inc., Berkshire Hathaway Inc., Pfizer Inc., Advanced Micro Devices Inc.** and **Starbucks Corp.**

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