

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.289 (7.4 bps)	Bond Buyer 40 Yield:	4.43 (-4 bps)
6 Mo. T-Bill:	5.394 (9.2 bps)	Crude Oil Futures:	69.16 (-2.62)
1 Yr. T-Bill:	5.229 (1.6 bps)	Gold Spot:	1,921.20 (-36.78)
2 Yr. T-Note:	4.741 (2.7 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.326 (1.5 bps)	US High Yield:	8.80 (24 bps)
5 Yr. T-Note:	3.991 (0.8 bps)	BB:	7.26 (20 bps)
10 Yr. T-Note:	3.735 (-2.7 bps)	B:	9.06 (28 bps)
30 Yr. T-Bond:	3.811 (-4.1 bps)		

Short duration Treasury yields rose over the course of the week while longer duration Treasury yields were down. After Federal Reserve Chairman Jerome Powell announced a pause to rate hikes at the Fed's June meeting, other central banks did not follow suit last week as elevated inflation persists globally. The Bank of England announced a 50-basis point hike to their key rate, 25-basis points higher than expected, the 13<sup>th</sup> consecutive rate hike. Norway increased their key rate by 50-basis points, while Turkey increased their key rate from 8.5% to 15%. Despite Switzerland's inflation falling to 2.2% in May, the Swiss National Bank still announced a 25-basis point rate hike and commented that more might be needed. The hawkish monetary policy from foreign central banks led to investors seeking the safety of U.S. Treasuries at the end of the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: May Preliminary Durable Goods Orders (-0.9%, 1.1%), May Preliminary Durables ex Transportation (-0.1%, -0.3%), April FHFA House Price Index MoM (0.5%, 0.6%), May New Home Sales (675k, 683k), New Home Sales MoM (-1.2%, 4.1%), June Conference Board Consumer Confidence (104.0, 102.3); Wednesday: June 23 MBA Mortgage Applications (n/a, 0.5%), May Preliminary Wholesale Inventories MoM (-0.1%, -0.1%); Thursday: 1Q Third GDP Annualized QoQ (1.4%, 1.3%), 1Q Third Personal Consumption (3.8%, 3.8%), 1Q Third GDP Price Index (4.2%, 4.2%), 1Q Third Core PCE QoQ (5.0%, 5.0%), June 24 Initial Jobless Claims (265k, 264k), June 17 Continuing Claims (1779k, 1759k), May Pending Home Sales MoM (-0.5%, 0.0%); Friday: May Personal Income (0.4%, 0.4%), May Personal Spending (0.2%, 0.8%), June MNI Chicago PMI (44.0, 40.4), June Final University of Michigan Sentiment (63.9, 63.9).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	33,727.43 (-1.67%)	Strong Sectors:	Health Care, Info. Tech., Cons. Discretionary
S&P 500:	4,348.33 (-1.37%)	Weak Sectors:	Utilities, Energy, Real Estate
S&P Midcap:	2,514.94 (-2.52%)	NYSE Advance/Decline:	920 / 2,168
S&P Smallcap:	1,166.32 (-3.18%)	NYSE New Highs/New Lows:	153 / 80
NASDAQ Comp:	13,492.52 (-1.43%)	AAll Bulls/Bears:	42.9% / 27.8%
Russell 2000:	1,821.64 (-2.86%)		

The S&P 500 index returned -1.37% last week, ending a five-week winning streak for the index. Multiple central banks raised rates last week continuing a trend of countries trying to get higher global inflation under control. The Bank of England hiked rates to 5% in a move to try and stem off their stubborn inflation. The Swiss National Bank signaled more rate hikes are likely after they hiked to 1.75% for the first time in 2023. Despite earnings season being over there were still plenty of notable headlines. **PayPal Holdings Inc.** gained last week after announcing a sale of \$40b in buy-now-pay-later loans to private equity giant **KKR & Co Inc.** **Alibaba Group Holdings Ltd.** returned -7.8% last week after announcing they were replacing CEO Daniel Zhang with Eddie Wu, the surprise move clearly unsettled investors. However, the change appears to be in preparation for a spin-off of their cloud computing business. Last week **Dollar Tree Inc.** had their 2023 investor day where they announced a new growth strategy and a multi-year revenue guidance which sent the discount retailer up 5.5%. **Amazon.com Inc.** returned 3.1% last week as the e-tail giant announced a plan to spend \$100m to build out programs to help customers develop and launch AI products through their cloud computing unit. **Coinbase Global Inc.** returned 10.6% last week after the U.S. Supreme Court sided with the company that some lawsuits filed in federal court would be put on hold for the company to pursue arbitration for some customer and employee disputes. Looking ahead to next week, the end of 2Q23 will be next Friday as equities look to extend gains for a third consecutive quarter, following three straight negative quarters to start 2022. Equity investors are looking forward to economic announcements in durable goods, consumer confidence and personal confidence.

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