

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.401 (4.7 bps)	Bond Buyer 40 Yield:	4.36 (-6 bps)
6 Mo. T-Bill:	5.450 (1.9 bps)	Crude Oil Futures:	77.07 (+1.65)
1 Yr. T-Bill:	5.284 (1.8 bps)	Gold Spot:	1,961.94 (+6.73)
2 Yr. T-Note:	4.837 (7.2 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.440 (6.7 bps)	US High Yield:	8.43 (3 bps)
5 Yr. T-Note:	4.093 (4.6 bps)	BB:	7.01 (4 bps)
10 Yr. T-Note:	3.835 (0.3 bps)	B:	8.65 (3 bps)
30 Yr. T-Bond:	3.897 (-3.0 bps)		

Treasury yields were mostly higher throughout the week, with only longer duration yields (10 Yr. and 30 Yr.) finishing the week lower. Yields fell early in the week after softer-than-expected China growth data and U.K. CPI data that came in at its lowest level in more than a year. On Thursday, Treasury yields rebounded after initial jobless benefit claims fell to a two-month low, reaffirming the strength of the U.S. labor market. Fed funds futures traders are pricing in an almost 100% chance that the Federal Reserve will raise rates by another quarter point at Wednesday's meeting, which would bring the target to 5.25% - 5.50%. Industrial production declined 0.5% in June, falling for the second month in a row with every major category contributing to the drop. Retail sales rose 0.2% in June, though they lagged consensus expectations of a 0.5% gain. Housing starts in June also lagged expectations, declining 8.0% as all four major regions contributed to the decline. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: July Preliminary S&P Global US Manufacturing PMI (46.1, 46.3); Tuesday: July Conference Board Consumer Confidence (112.0, 109.7); Wednesday: July 21 MBA Mortgage Applications (n/a, 1.1%), June New Home Sales (724k, 763k), July 26 FOMC Rate Decision – Upper Bound (5.50%, 5.25%); Thursday: 2Q Advance GDP Annualized QoQ (1.8%, 2.0%), June Preliminary Durable Goods Orders (1.0%, 1.8%), July 22 Initial Jobless Claims (235k, 228k); Friday: June Personal Income (0.5%, 0.4%), June Personal Spending (0.4%, 0.1%), July Final University of Michigan Consumer Sentiment (72.6, unch.).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	35,227.69 (2.13%)	Strong Sectors:	Energy, Health Care
S&P 500:	4,536.34 (0.7%)		Financials
S&P Midcap:	2,705.82 (1.2%)	Weak Sectors:	Real Estate, Cons. Discretionary
S&P Smallcap:	1,256.75 (1.64%)		Comm. Services
NASDAQ Comp:	14,032.81 (-0.57%)	NYSE Advance/Decline:	1,466 / 1,462
Russell 2000:	1,960.26 (1.52%)	NYSE New Highs/New Lows:	94 / 7
		AAll Bulls/Bears:	51.4% / 21.5%

Stocks edged 70 basis points higher, measured by the S&P 500, through the first full week of earnings season. 59 companies in the S&P 500 reported earnings last week with 47 companies announcing an adjusted EPS greater than consensus estimates. Even though majority of companies beat estimates investors remained cautious about continued momentum in the market and put more weight into forward looking guidance than Q2 performance. For example, **Goldman Sachs** missed earnings estimates by nearly 22% even after estimates were cut in half but managed to rally 7.90% as analysts saw this quarter's lousy performance as a potential bottom. While **The Interpublic Group of Companies** beat estimates by nearly 22% yet ended the week as the worst performer in the S&P 500, dropping 16.40% as the firm cut its organic growth forecasts for the year. The best performing industry in the S&P 500 was the bank industry which ended the week up 5.40%, nine of the ten top performers in the S&P 500 were financial institutions which gained after earnings came in better than feared following the fallout from earlier this year. The bottom performing industry was the automobiles industry which was largely dragged down by **Tesla** after the firm reported earnings last Wednesday, while the EV manufacturer reported record revenues concerns about further margin compression dampened the mood. Overall, last week's performance was a mixed bag, the Dow Jones Industrial Average pushed higher Friday for the tenth straight session while the tech heavy NASDAQ 100 experienced its worst day in five months on Thursday and continued to notch lower on Friday. This week is poised to continue to be eventful as 134 members of the S&P 500 have confirmed their second quarter earnings releases, names like **Alphabet**, **Meta**, **Microsoft**, and **Intel** will be closely watched as some investors question whether this year's tech boom can continue. Additionally, market participants will closely monitor the Fed's FOMC decision on Wednesday, while a 25-basis point hike is virtually certain with the swap market pricing in an almost 96% chance of an increase. Investors will pay close attention to Fed Chair Powell's statements to indicate whether the 5.50% upper bound marks the end of Fed's aggressive rate hike cycle.

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