

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.409 (0.8 bps)	Bond Buyer 40 Yield:	4.44 (+8 bps)
6 Mo. T-Bill:	5.467 (1.7 bps)	Crude Oil Futures:	80.58 (+3.51)
1 Yr. T-Bill:	5.362 (7.8 bps)	Gold Spot:	1,959.49 (-2.45)
2 Yr. T-Note:	4.874 (3.7 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.516 (7.6 bps)	US High Yield:	8.46 (3 bps)
5 Yr. T-Note:	4.117 (8.4 bps)	BB:	7.06 (5 bps)
10 Yr. T-Note:	3.951 (11.6 bps)	B:	8.66 (1 bps)
30 Yr. T-Bond:	4.011 (11.3 bps)		

Treasury yields were higher throughout the week with longer duration seeing the largest increases. On Tuesday, new home sales declined 2.5% in June following three consecutive months of gains. Despite the decline, sales are 28.4% above the low in July of last year. The Federal Reserve increased rates by a quarter-percentage-point on Wednesday, which now brings them to a 22-year high. Fed Chair Jerome Powell stated they will be monitoring employment reports, CPI reports and employment cost reports to determine whether the Fed will continue to raise rates in September. On Thursday, new orders for durable goods rose 4.7% in June, easily beating consensus expectations of 1.3%. The increase in orders was led by commercial aircraft, which surged 69.4% in June. Real GDP grew at a 2.4% annual rate in Q2, beating consensus expectations. The growth in Q2 was led by consumer spending and business fixed investment. On Friday, personal income rose +0.3% in June but fell short of consensus expectations of +0.5%. Gains were led by private-sector wages and salaries (+0.6% for the month and up 5.9% year-to-year). Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: July MNI Chicago PMI (43.4, 41.5); Tuesday: July Final S&P Global US Manufacturing PMI (49.0, 49.0), July ISM Manufacturing (46.9, 46.0); Wednesday: July 28th MBA Mortgage Applications (n/a, -1.8%), July ADP Employment Change (188k, 497k); Thursday: July 29th Initial Jobless Claims (226k, 221k), June Factory Orders (1.8%, 0.3%), June Final Durable Goods Orders (n/a, 4.7%); Friday: July Change in Nonfarm Payrolls (200k, 209k), July Unemployment Rate (3.6%, 3.6%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow [®] :	35,459.29 (0.66%)	Strong Sectors:	Communication Services,
S&P 500 [®] :	4,582.23 (1.03%)		Materials, Energy
S&P MidCap 400 [®] :	2,716.88 (0.43%)	Weak Sectors:	Utilities, Real Estate,
S&P SmallCap 600 [®] :	1,271.09 (1.15%)		Health Care
Nasdaq Composite [®] :	14,316.66 (2.03%)	NYSE Advance/Decline:	1,759 / 1,314
Russell 2000 [®] :	1,981.54 (1.09%)	NYSE New Highs/New Lows:	332 / 35
		AAll Bulls/Bears:	44.9% / 24.1%

The S&P 500 Index returned 1.03% last week, closing at 4,582.23 on Friday. The index is currently up 3.06% thus far in July with only one trading day left to close out the month. The index has gained 20.47% YTD and is on its way to potentially posting a sixth positive returning month in 2023 with February being the only negative performing month of the year. Though the Federal Reserve once again raised interest rates by 25 bps last week, equities continued their push higher as hopes have grown that the economy will avoid a recession and the Federal Reserve will be able to achieve a soft landing after raising rates to combat inflation. The largest gain last week came on Friday as reports showed consumer spending increased more than expected and the core personal consumption expenditures year-over-year price index came in lower than expected and lower than the previous month. In addition to the continued decline from inflation's peak of 9.1% in June 2022 to its current 3.0%, economic strength has appeared resilient in this tight labor market as unemployment and jobless claims remain low. U.S. initial jobless claims were reported at 221K last week, lower than the previous week's 228K and the consensus estimate of 235K. Equities were led higher by the communication services sector as mega-cap stocks **Meta Platforms Inc.** and **Alphabet Inc.** both gained over 10.0% last week with each of the companies reporting better than expected earnings for the second quarter. Information technology stock **Lam Research Corp** was the best performing stock in the S&P 500 Index gaining 15.66%. The semiconductor equipment manufacturer also reported beating earnings expectations for the previous quarter along with an optimistic outlook going forward. The company's earnings release resulted in many analysts raising their price targets on the stock. The announcement also helped other semiconductor equipment stocks jump on Thursday as **KLA Corp** and **Applied Materials Inc.** both gained over 11.0% last week. Earnings announcements expected this week include **Apple Inc.**, **Amazon.com Inc.**, **Merck & Company Inc.**, **Pfizer Inc.**, **Advanced Micro Devices Inc.**, **QUALCOMM Inc.**, **ConocoPhillips**, **Caterpillar Inc.**, **Amgen Inc.**, **Starbucks Corp**, **CVS Health Corp**, and many more.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code, or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.