

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.443 (3.4 bps)	Bond Buyer 40 Yield:	4.71 (7 bps)
6 Mo. T-Bill:	5.523 (4.4 bps)	Crude Oil Futures:	87.51 (1.96)
1 Yr. T-Bill:	5.392 (3.5 bps)	Gold Spot:	1,919.08 (-20.98)
2 Yr. T-Note:	4.991 (11.2 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.697 (12.0 bps)	US High Yield:	8.67 (13 bps)
5 Yr. T-Note:	4.403 (10.7 bps)	BB:	7.34 (13 bps)
10 Yr. T-Note:	4.264 (8.5 bps)	B:	8.82 (12 bps)
30 Yr. T-Bond:	4.338 (4.4 bps)		

Treasury yields rose moderately over the course of the week as investors worry that inflation may flare-up again and the Federal Reserve Bank may have to keep interest rates higher for longer than anticipated. The price of oil rose another 2% this week after rising 7% last week, raising concerns that increased energy costs would put upward pressure on inflation. Treasury yields rose moderately on Monday as Fed Bank of Cleveland President Loretta Mester said that interest rates may need to be "a bit higher." Speculation for tighter Fed policy continued on Tuesday after the August ISM Services Index came in higher than expected, and Fed Bank of Boston President Susan Collins said that patience was necessary and tightening may still be required. On Thursday, Fed Bank of New York President John Williams said that officials will be parsing through data to determine how to proceed on interest rates, but that U.S. monetary policy is in a "good place." The market implied probability of a 25-basis-point interest rate hike by the November 1st, 2023 meeting increased from 31% at the beginning of the week to 41% by the end of the week. The market implied rate after the June 12th, 2024 meeting increased from 4.96 to 5.08 over the course of the week. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Wednesday: Sept 8 MBA Mortgage Applications (n/a, -2.9%), August CPI MoM (0.6%, 0.2%), August CPI YoY (3.6%, 3.2%); Thursday: August Retail Sales Advance MoM (0.1%, 0.7%), August PPI Final Demand (0.4%, 0.3%), September 9 Initial Jobless Claims (228k, 216k); Friday: September Empire Manufacturing (-10.0, -19.0), August Industrial Production MoM (0.1%, 0.5%), September Prelim. U. of Mich. Sentiment (69.2, 69.5).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow [®] :	35,576.59 (-0.70%)	Strong Sectors:	Energy, Utilities,
S&P 500 [®] :	4,457.49 (-1.26%)		Communication Services
S&P MidCap 400 [®] :	2,574.53 (-3.54%)	Weak Sectors:	Industrials, Materials,
S&P SmallCap 600 [®] :	1,185.50 (-4.33%)		Information Technology
Nasdaq Composite [®] :	13,761.53 (-1.92%)	NYSE Advance/Decline:	750 / 2,301
Russell 2000 [®] :	1,851.55 (-3.58%)	NYSE New Highs/New Lows:	119 / 210
		AAll Bulls/Bears:	42.2% / 29.6%

The S&P 500 Index posted a -1.26% return last week, closing at 4,457.49 on Friday. The index has gained 17.45% YTD, though is currently down 1.08% for the first five trading days of September. US equity markets were closed on Monday in observation of Labor Day, shortening the trading week to four days. Stocks opened the week lower on Tuesday and trended down through Thursday with Friday posting the only gain in the S&P 500 Index with 15 basis points. While the Federal Reserve's aggressive stance has appeared to have influenced inflation, which has declined substantially from its peak in June 2022, many equity investors have been hopeful that the Federal Reserve's rate hikes are nearing their end, giving a boost to stocks. However, equities were weighed down last week as positive economic data dampened investors' hopes and raised concerns that the Federal Reserve will extend their rate hiking cycle. The ISM Services Index increased more than expected in August showing a rise in spending during the month. U.S. initial jobless claims were reported at 216K last week, lower than the previous week's 228K and the consensus estimate of 233K. Most sectors were in negative territory last week with energy and utilities posting the only positive returns. Energy stocks **Marathon Petroleum Corp**, **Valero Energy Corp**, **Phillips 66**, and **Halliburton Company** were all in the ten best performers from the S&P 500 Index. Health care stock **Centene Corp** was the best performer in the S&P 500 Index last week returning 6.76%. The company's stock was upgraded by Bank of America Securities and saw trading volumes jump significantly. Information technology stock **Apple Inc.** declined 5.95% last week. The stock slid after reports that China may be banning government workers from using iPhones. Amid the broader sell off in technology stocks, semiconductor mega cap **NVIDIA Corp** also declined last week, returning -6.05% as conspiracy theories circulated on social media that the company has inflated their AI segment's revenues. Earnings announcements expected this week include **Oracle Corp**, **Adobe Inc.**, **Copart Inc.**, and **Lennar Corp**.

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