

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.625 (1.2 bps)	Bond Buyer 40 Yield:	4.29 (5 bps)
6 Mo. T-Bill:	4.443 (0.2 bps)	Crude Oil Futures:	75.56 (+1.18)
1 Yr. T-Bill:	4.181 (1.1 bps)	Gold Spot:	2,656.59 (+2.99)
2 Yr. T-Note:	3.955 (3.4 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.875 (4.4 bps)	U.S. High Yield:	7.37 (9 bps)
5 Yr. T-Note:	3.902 (9.8 bps)	BB:	6.22 (11 bps)
10 Yr. T-Note:	4.100 (13.3 bps)	B:	7.43 (8 bps)
30 Yr. T-Bond:	4.411 (16.1 bps)		

Treasury yields rose across the board last week as recent economic data suggests the Fed is much more likely to cut rates by a quarter point the day after the election, not a half. After reaching a two-year high in July, the trade deficit in goods and services shrank in August to \$70.4 billion. Compared to a year ago, the monthly trade deficit is \$10.8 billion larger; when adjusted for inflation, the "real" trade deficit in goods has increased by \$5.6 billion. This "real" figure is the key indicator for measuring real GDP. On Thursday, the Consumer Price Index (CPI) increased by 0.2% in September, surpassing the consensus forecast of 0.1%. However, the twelve-month rate edged down to 2.4%. This marks the sixth consecutive month of a year-over-year decline in the CPI. However, it's important to highlight that recent inflation has been tempered by falling energy prices, which dropped 1.9% in September and have declined at an annualized rate of 10.6% over the past six months. Initial jobless claims jumped by 33,000 last week to 258,000, the highest weekly figure this year. The rise was partly driven by Hurricane Helene and the possible ripple effects of the recent temporary dockworkers strike. Meanwhile, continuing claims increased by 42,000, bringing the total to 1.861 million. On Friday, the September Producer Price Index (PPI) remained unchanged, coming in below the expected 0.1%. Energy prices have played a significant role on the recent slower inflation trends, stripping out this volatile component shows the Federal Reserve still has some work to do. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: October Empire Manufacturing (3.6, 11.5); Wednesday: October 11 MBA Mortgage Applications (N/A, -5.1%); Thursday: September Retail Sales Advance MoM (0.3%, 0.1%), October 12 Initial Jobless Claims (253k, 258k), September Industrial Production MoM (-0.1%, 0.8%); September Housing Starts (1350k, 1356k).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	42,863.86 (1.22%)	Strong Sectors:	Information Technology, Industrials, Financials
S&P 500®	5,815.03 (1.13%)	Weak Sectors:	Utilities, Comm Services, Consumer Discretionary
S&P MidCap 400®	3,153.59 (1.15%)	NYSE Advance/Decline:	1,480 / 1,383
S&P SmallCap 600®	1,412.05 (0.35%)	NYSE New Highs/New Lows:	367 / 70
Nasdaq Composite®	18,342.94 (1.13%)	AAll Bulls/Bears:	49.0% / 20.6%
Russell 2000®	2,234.41 (0.99%)		

Stocks hit all-time highs, measured by the S&P 500, following strong profits from the big banks at the start of the earnings season. **JPMorgan** announced an unexpected increase in net interest income and **Wells Fargo** posted a lesser-than-expected drop in the same measure. Both stocks traded higher by over 5% on Friday. Earnings across the S&P are expected to rise by a modest 4.2% according to Bloomberg. The estimates have been steadily lowered since mid-July as Energy companies warned of weaker refining margins. The top-performing stock in the S&P 500 last week was ridesharing provider **Uber Technologies**. The company returned over 16% last week after an underwhelming product launch from carmaker **Tesla**. At an event near Los Angeles the company's autonomous taxi, dubbed the "Robotaxi", was unveiled but failed to address specific details on how the company will roll out the vehicle to the public. The stock opened lower on Friday and closed out the week down almost 13%. From a sector perspective, utilities names were a drag on the S&P 500 last week. **Vistra Corp**, **Constellation Energy**, and **NRG Energy** all weighed on the index after being some of the best-performing stocks to start off the month. Despite the broader market's continued rise, consumer sentiment unexpectedly fell for the first time in three months. The University of Michigan published figure noted that a higher cost of living coupled with elevated inflation expectations outweighed the strong job market in the October release. Looking ahead to next week, key reports on the consumer, jobs, and housing are set for release.

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