

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.393 (2.1 bps)	Bond Buyer 40 Yield:	4.52 (5 bps)
6 Mo. T-Bill:	5.374 (0.8 bps)	Crude Oil Futures:	83.85 (0.71)
1 Yr. T-Bill:	5.190 (3.2 bps)	Gold Spot:	2,337.96 (-53.97)
2 Yr. T-Note:	4.993 (0.7 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.837 (1.6 bps)	US High Yield:	8.23 (-16 bps)
5 Yr. T-Note:	4.687 (1.7 bps)	BB:	6.90 (-11 bps)
10 Yr. T-Note:	4.663 (4.2 bps)	B:	8.23 (-17 bps)
30 Yr. T-Bond:	4.775 (6.4 bps)		

Treasury yields were up across the board last week with longer duration yields rising the most. Yields began the week lower as geopolitical tensions cooled following no major escalation in the Middle East over the weekend. However, yields jumped later in the week after a hotter-than-expected PCE report despite softer GDP growth. New home sales increased 8.8% in March, coming in stronger than expected, as sales rose in all major regions. The gain in March was the largest in over a year, even with the recent surge in mortgage rates. Durable goods also came in above expectations, rising 2.6% in March. The largest gain came from commercial aircrafts which jumped 30.6% for the month. Thursday's GDP report came in well below the expected 2.5%, increasing at a 1.6% annual rate in Q1. The economy grew at the slowest pace in almost two years and came in well below forecasts from any economics group on Bloomberg. Friday's PCE report (the Fed's preferred measure of inflation) came in slightly above expectations as prices rose 0.3% in March and are up 2.7% from a year ago. Core prices, which exclude food and energy, also rose 0.3% in March and are up 2.8% versus a year ago. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: April MNI Chicago PMI (45, 41.4), April Conference Board Consumer Confidence (104, 104.7); Wednesday: April 26 MBA Mortgage Applications (N/A, -2.7%), April ADP Employment Change (185k, 184k), April Final S&P Global US Manufacturing PMI (49.9, 49.9), April ISM Manufacturing (50.2, 50.3), May 1 FOMC Rate Decision (Upper Bound) (5.50%, 5.50%); Thursday: March Trade Balance (-\$69.2B, -\$68.9B), April 27 Initial Jobless Claims (211k, 207k), March Factory Orders (1.6%, 1.4%), March Final Durable Goods Orders (2.6%, 2.6%); Friday: April Change in Nonfarm Payrolls (250k, 303k), April Unemployment Rate (3.8%, 3.8%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	38,239.66 (0.67%)	Strong Sectors:	Cons. Disc., Info. Tech,
S&P 500:	5,099.96 (2.68%)		Comm. Services
S&P Midcap:	2,895.24 (2.07%)	Weak Sectors:	Health Care, Energy,
S&P Smallcap:	1,284.03 (2.42%)		Materials
NASDAQ Comp:	15,927.90 (4.23%)	NYSE Advance/Decline:	2,006 / 887
Russell 2000:	2,002.00 (2.80%)	NYSE New Highs/New Lows:	154 / 93
		AAll Bulls/Bears:	32.1% / 33.9%

Last week, equity markets experienced significant upward momentum following the start of corporate earnings season. The S&P 500 rose by 2.7% fueled by a series of positive quarterly reports from major technology companies. **Microsoft Corp.** found its shares 1.8% higher last Friday after exceeding analyst expectations in their quarterly results. Management expressed confidence in a stabilizing PC market and highlighted their cloud computing division, Azure, is capturing market share from competitors due to strong demand for AI solutions. Microsoft's AI offering, CoPilot, boasts 1.8 million paid subscribers, with 60% of the Fortune 500 companies utilizing the service. Alphabet Inc., the parent company of **Google LLC**, reported strong quarterly results, leading to a 10.2% increase in share price the following trading day. As part of their strategy to enhance shareholder value, Google announced a new quarterly dividend of \$0.20 per share per quarter, and a \$70b share buyback program. Total revenue reached \$80.5b, with Click and Ad revenue at \$62b, Cloud revenue ~\$9.6b, and Youtube Ads revenue \$8.1b. The company achieved a significant milestone by closing Friday with a market capitalization exceeding \$2t for the first time. **Meta Platforms Inc.**, the parent company of Facebook and Instagram, experienced a negative response to its earnings. Shares dropped by over 10.5% last Thursday due to disappointing guidance and increased capital expenditures. While earnings and revenue figures met expectations the company announced increased expenses around their investment in AI which caused investors to bid down the name. Looking ahead to next week, earnings season will continue as 174 names in the S&P 500 are expected to report including: **Apple Inc., Amazon.com Inc., Eli Lilly & Co., Mastercard Inc., The Coca-Cola Co., Advanced Micro Devices Inc., McDonald's Corp, ConocoPhillips, Pfizer Inc.**

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