

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.378 (-0.7 bps)	Bond Buyer 40 Yield:	4.30 (-10 bps)
6 Mo. T-Bill:	5.334 (-3.5 bps)	Crude Oil Futures:	78.45 (2.92)
1 Yr. T-Bill:	5.057 (-11.2 bps)	Gold Spot:	2,333.04 (39.26)
2 Yr. T-Note:	4.704 (-18.2 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.439 (-23.0 bps)	US High Yield:	8.03 (-7 bps)
5 Yr. T-Note:	4.238 (-22.4 bps)	BB:	6.65 (-8 bps)
10 Yr. T-Note:	4.221 (-21.3 bps)	B:	7.85 (-7 bps)
30 Yr. T-Bond:	4.349 (-20.6 bps)		

Treasury yields fell last week on signs that inflation cooled in May, raising the market's expectations for rate cuts this year. Both the Consumer Price Index and the core CPI, which excludes food and energy costs, came in below expectations last month. The core CPI rose 3.4% compared to last year, the lowest reading since April 2021. The market's hopes Wednesday morning for two rate cuts this year were quickly dashed by the afternoon, however, when Fed Chair Jerome Powell said the Fed expects to cut rates only once this year. The Fed left rates unchanged at its June meeting, which was expected, while acknowledging modest progress towards its 2% inflation target. A change from what the Fed previously viewed as a lack of progress. Inflation showed further signs of cooling in a report Thursday that producer prices unexpectedly declined from last month. Producer prices increased 2.2% compared to last year, which was also lower than expected. Meanwhile, jobless claims came in higher than expected, helping to send yields lower as the market is currently taking any signs of cooling as leeway for the Fed to cut interest rates. Treasury yields fell again on Friday as investors bought safe-haven assets amid political uncertainty in France. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: June Empire Manufacturing (-10.5, -15.6); Tuesday: May Retail Sales Advance MoM (0.3%, 0.0%), May Industrial Production MoM (0.3%, 0.0%); Wednesday: June 14 MBA Mortgage Applications (N/A, 15.6%); Thursday: June 15 Initial Jobless Claims (235k, 242k), May Housing Starts (1375k, 1360k); Friday: June Preliminary S&P Global US Manufacturing PMI (51.0, 51.3), May Existing Home Sales (4.09m, 4.14m), May Leading Index (-0.4%, -0.6%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow <sup>®</sup> :	38,589.16 (-0.51%)	Strong Sectors:	Information Technology, Real Estate, Comm Services
S&P 500 <sup>®</sup> :	5,431.60 (1.62%)	Weak Sectors:	Energy, Financials, Consumer Staple
S&P MidCap 400 <sup>®</sup> :	2,895.31 (-0.80%)	NYSE Advance/Decline:	1,017 / 1,883
S&P SmallCap 600 <sup>®</sup> :	1,272.44 (-1.79%)	NYSE New Highs/New Lows:	240 / 158
Nasdaq Composite <sup>®</sup> :	17,688.88 (3.27%)	AAll Bulls/Bears:	44.6% / 25.7%
Russell 2000 <sup>®</sup> :	2,006.16 (-0.95%)		

The S&P 500 Index returned 1.62% last week and continues to hit new levels with another all-time closing high last Thursday of 5,433.74. The index is up 3.0% thus far in June with only two weeks of trading left in the month and the first half of the year. The S&P 500 Index is currently up 14.63% year-to-date with all months posting positive performance in 2024 except for April. Equities climbed the most on Wednesday on May inflation data as CPI and core CPI came in lower than expected for both month-over-month and year-over-year. While the inflation data showed signs of the economy cooling, the FOMC left rates unchanged on Wednesday as expected. However, Fed Chair Jerome Powell did imply they now expect to only cut rates once this year versus the previous expectation of three times. U.S. initial jobless claims also showed some evidence of the economy cooling with claims coming in at 242K last week which were higher than the 225K expected and the previous week's 229K. The technology sector benefitted the most last week as nine of the top ten performing stocks in the S&P 500 Index were technology stocks, led by **Broadcom Inc.**'s 23.35% return and other semiconductor names like **Skyworks Solutions Inc.**, **Qorvo Inc.**, **NVIDIA Corp.**, and software names **Adobe Inc.** and **Oracle Corp.**, all returning over 9.0%. S&P 500 Information Technology Index returned 6.43%. Media stock **Paramount Global** was the worst performing name in the S&P 500 Index, declining 15.32% last week. The stock fell late in the trading day on Tuesday on reports that Shari Redstone was ending merger talks with David Ellison's company **Skydance Media** and likely will not seek to merge with another company. Electric utilities stock **Constellation Energy** stock was the only non-information technology sector stock in the top ten performing names last week as it returned 8.54%. The stock rose on Monday as the utilities index led performance that day. Earnings announcements expected this week include **Lennar Corp.**, **The Kroger Company**, **Darden Restaurants Inc.**, **FactSet Research Systems Inc.**, **Jabil Inc.**, and **CarMax Inc.**

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