

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.654 (-22.6 bps)	Bond Buyer 40 Yield:	4.23 (-1 bps)
6 Mo. T-Bill:	4.460 (-17.2 bps)	Crude Oil Futures:	71.92 (3.27)
1 Yr. T-Bill:	3.935 (-7.5 bps)	Gold Spot:	2,621.88 (44.18)
2 Yr. T-Note:	3.591 (0.9 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.481 (4.2 bps)	U.S. High Yield:	7.25 (-19 bps)
5 Yr. T-Note:	3.498 (6.7 bps)	BB:	5.98 (-11 bps)
10 Yr. T-Note:	3.741 (9.0 bps)	B:	7.47 (-18 bps)
30 Yr. T-Bond:	4.080 (10.4 bps)		

Treasury yields finished with mixed results, with short duration seeing sharp declines and longer duration seeing sharp increases. Yields were impacted by the Fed's decision to cut rates by 50 bps. The rate cuts appear to front-load adjustments that were originally planned. Fed members have indicated a projected additional 50 bps in cuts by year-end, likely to be split evenly between their two upcoming meetings. Looking ahead to 2025, the Fed anticipates a total reduction of 100 bps, aligning with their earlier June forecast. However, the forecast for 2026 has been revised downward from an anticipated 100 bps cut to 50 bps. Retail sales rose 0.1% in August (+0.2% including revisions to prior months), beating the consensus expected decline of 0.2%. The increase was driven by a 1.4% increase at non-store retailers, which helped mask declining sales across most categories. Housing starts rose 9.6% in August to a 1.356 million annual rate, beating the consensus expected 1.318 million, and are up 3.9% versus a year ago. The growth was primarily due to single-family starts. Existing home sales fell 2.5% in August to a 3.86 million annual rate slightly below the 3.9 million forecast and are down 4.2% from last year. This continues the downward trend in existing home sales, bringing activity near its slowest pace since the 2008 financial crisis. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: September Preliminary S&P Global US Manufacturing PMI (48.6, 47.9); Tuesday: September Conf. Board Consumer Confidence (103.0, 103.3); Wednesday: September 20 MBA Mortgage Applications (N/A, -14.2), August New Home Sales (695k, 739k); Thursday: 2Q T GDP Annualized QoQ (2.9%, 3.0%), August Preliminary Durable Goods Orders (-2.7%, 9.8%), September 21 Initial Jobless Claims (225k, 219k); Friday: August Personal Income (0.4%, 0.3%), August Personal Spending (0.3%, 0.5%), September Final University of Michigan Sentiment (69.3, 69.0).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	42,063.36 (1.67%)	Strong Sectors:	Energy, Comm Services, Financials
S&P 500®	5,702.55 (1.39%)	Weak Sectors:	Consumer Staples, Real Estate, Health Care
S&P MidCap 400®	3,103.32 (2.30%)	NYSE Advance/Decline:	1,942 / 928
S&P SmallCap 600®	1,415.08 (2.27%)	NYSE New Highs/New Lows:	792 / 27
Nasdaq Composite®	17,948.32 (1.51%)	AAll Bulls/Bears:	50.8% / 26.4%
Russell 2000®	2,227.89 (2.10%)		

Last week, the S&P 500 gained 1.46% due to increased confidence that the Federal Reserve will successfully achieve a soft landing. Wednesday's fifty basis point interest rate cut caused a risk on rally Thursday as stocks moved higher throughout the day. Both stocks and treasuries have experienced five consecutive months of gains. The parallel movement has some investors skeptical as stretched valuations leave little room for error if the Fed's soft-landing path is derailed by higher-than-expected inflation data. Across the market, unexpected catalysts have raised growth expectations in some sectors. Utilities stocks rallied in the S&P 500 last week after **Constellation Energy Corp** is rebooting the shuttered Three Mile Island nuclear plant in Pennsylvania to produce power for **Microsoft's** artificial intelligence data centers. Dallas-based nuclear power producer **Virtra Corp** also traded higher as investors forecast the enormous future power consumption needed for AI data centers. Late in the trading day on Friday, it was announced that **Qualcomm** approached **Intel** about a takeover. Intel has lagged the rest of the industry as sales have receded due to the company's technological deficit. Qualcomm is the world's largest designer of smartphone processors and has been looking for opportunities in other uses for its chips. Shares of shoe and apparel maker **Nike** rose over 6% on Friday after the company replaced its fledgling CEO John Donahoe with a company veteran Elliott Hill. Nike has struggled with declining sales and inventory issues under Donahoe and is looking to revamp its image as a technical leader under Hill. Looking ahead to next week, data on PMI, GDP, and PCE are all set for release.

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