

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.112 (-1.7 bps)	Bond Buyer 40 Yield:	4.31 (-1 bps)
6 Mo. T-Bill:	4.857 (-3.0 bps)	Crude Oil Futures:	73.55 (-1.28)
1 Yr. T-Bill:	4.402 (3.2 bps)	Gold Spot:	2,503.39 (-9.20)
2 Yr. T-Note:	3.917 (0.2 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.778 (5.4 bps)	US High Yield:	7.47 (-2 bps)
5 Yr. T-Note:	3.703 (5.4 bps)	BB:	6.14 (0 bps)
10 Yr. T-Note:	3.903 (10.4 bps)	B:	7.32 (-5 bps)
30 Yr. T-Bond:	4.196 (10.5 bps)		

Treasury yields finished the week mixed, as short duration yields fell slightly while longer duration yields reversed their declines from last week. Following Federal Reserve Chairman Jerome Powell's speech at Jackson Hole last Friday, investors turned to a batch of economic reports this week to gauge the pace at which the Fed will begin cutting rates in September. On Monday, new orders for durable goods rose 9.9%, beating the consensus expected gain of 5.0%. This was the largest monthly gain since July 2020, though the gains were all due to a rebound in the extremely volatile aircraft orders. Thursday's 2<sup>nd</sup> Quarter GDP report was revised upward to a 3.0% annual rate from a prior estimate of 2.8%. The upward revision was due solely to more personal consumption in services and non-durable goods as this more than offset small downward revisions to every other major category. On Friday, personal income rose 0.3% in July, beating the consensus expected 0.2%. The overall PCE deflator rose 0.2% in July and is up 2.5% versus a year ago. Core prices, which exclude food and energy, also rose 0.2% and are up 2.6% versus a year ago. Major economic reports (related consensus forecasts, prior data) for the upcoming holiday-shortened week include: Tuesday: August Final S&P Global US Manufacturing PMI (48.1, 48.0), August ISM Manufacturing (47.5, 46.8); Wednesday: August 30 MBA Mortgage Applications (n/a, 0.5%), July Trade Balance (-\$79.0B, -\$73.1B), July Factory Orders (4.7%, -3.3%), July Final Durable Goods Orders (9.9%, 9.9%); Thursday: August ADP Employment Change (142k, 122k), August 31 Initial Jobless Claims (230k, 231k), August ISM Services Index (51.1, 51.4); Friday: August Change in Nonfarm Payrolls (165k, 114k), August Unemployment Rate (4.2%, 4.3%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	41,563.08 (1.07%)	Strong Sectors:	Financials, Industrials, Materials
S&P 500:	5,648.40 (0.27%)	Weak Sectors:	Real Estate, Cons. Discretionary, Comm. Services
S&P Midcap:	3,091.52 (-0.13%)	NYSE Advance/Decline:	1,623 / 1,254
S&P Smallcap:	1,412.57 (0.08%)	NYSE New Highs/New Lows:	552 / 54
NASDAQ Comp:	17,713.63 (-0.91%)	AAll Bulls/Bears:	51.2% / 27.0%
Russell 2000:	2,217.63 (-0.01%)		

Equity markets experienced a relatively flat week, with the S&P 500 gaining a modest 0.27%. The mid-cap S&P 400 and the small-cap S&P 600 indices saw returns of -0.13% and 0.08% respectively. Despite a challenging start to the month, the S&P 500 managed to close August with a 2.4% return. Economic indicators remained robust, with New Home Sales exceeding expectations and GDP growing at an annualized rate of 3%. Inflation continues to moderate as the PCE Price index, the Federal Reserve's preferred measure, was 2.5%. Earnings season drew to a close, with only 16 names in the S&P 500 reporting results. **NVIDIA Corp.** had a notable announcement, delivering quarterly revenue and earnings that exceeded market expectations. However, the company's guidance for the upcoming quarter was cautious, leading to a 6.4% decline in its share price. CEO Huang addressed concerns about potential production delays for their new Blackwell chipset, reassuring investors that the company remains on track. **Dollar General Corp.** experienced a significant downturn, with shares plummeting 32.8% after reporting disappointing results. The company lowered its full-year guidance, citing challenges faced by its lower-income customer base. In contrast, other discount retailers demonstrated mixed performance with Walmart rising 2%, TJ Maxx falling 1.8%, Target returning -3.1% and Dollar Tree dropping 12.9%. AI server assembler **Super Micro Computer Inc.** faced a turbulent week, with its share price plunging 28.6% following a critical report by short seller Hindenburg Research. The report alleged accounting irregularities and questionable business practices, leading to a delay in the company's 10-K filing with the SEC. Looking ahead, investors will be closely monitoring further economic updates and geopolitical developments in the Middle East, as Israeli forces continue to engage with Iranian proxies in Lebanon.

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