

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.986 (-6.2 bps)	GNMA (30 Yr) 6% Coupon:	110-15/32 (2.73%)
6 Mo. T-Bill:	1.945 (-5.2 bps)	Duration:	3.74 years
1 Yr. T-Bill:	1.786 (-5.5 bps)	Bond Buyer 40 Yield:	3.58 (-6 bps)
2 Yr. T-Note:	1.647 (-6.5 bps)	Crude Oil Futures:	54.50 (-1.16)
3 Yr. T-Note:	1.591 (-7.7 bps)	Gold Spot:	1,496.95 (+56.12)
5 Yr. T-Note:	1.579 (-7.9 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.745 (-10.0 bps)	U.S. High Yield:	6.55 (8 bps)
30 Yr. T-Bond:	2.259 (-12.3 bps)	BB:	4.84 (1 bps)
		B:	7.02 (12 bps)

U.S. Treasury Bonds saw another week of falling yields. Investors continue to prefer government paper over risky assets as global economic sentiment wanes. On Monday, the 2-year Treasury yield fell to its lowest level since the end of October in 2017 as China-United States trade war rhetoric intensified with accusations of China manipulating their currency. Demand for haven assets sparked again on Wednesday as New Zealand, India, and Thailand cut interest rates, furthering concerns for global growth prospects. President Donald Trump's comments on Friday lead yields lower, casting doubt that talks with Chinese officials in September will occur, let alone lead to a quick resolution. Meanwhile, economic data released on Friday showed the Producer Price Index (PPI) increased 0.2% in July, matching expectations, while producer prices are up 1.7% year-over-year. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: July Monthly Budget Statement (-\$120b, -\$76.9b); Tuesday: July CPI MoM (0.3%, 0.1%), CPI YoY (1.7%, 1.6%); Wednesday: August 9 MBA Mortgage Applications (N/A, 5.3%); Thursday: August Empire Manufacturing (1.9, 4.3), August Philadelphia Fed Business Outlook (10.0, 21.8), July Retail Sales Advance MoM (0.3%, 0.4%), August 10 Initial Jobless Claims (212k, 209k), July Industrial Production MoM (0.1%, 0.0%), July Capacity Utilization (77.8%, 77.9%); Friday: July Housing Starts (1253k, 1253k), July Building Permits (1270k, 1232k), August Preliminary University of Michigan Sentiment (97.4, 98.4).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	26,287.44 (-0.61%)	Strong Sectors:	Real Estate, Utilities, Materials
S&P 500:	2,918.65 (-0.40%)	Weak Sectors:	Energy, Financials, Information Technology
S&P Midcap:	1,901.33 (-0.65%)	NYSE Advance/Decline:	1,161 / 1,901
S&P Smallcap:	930.75 (-0.76%)	NYSE New Highs/New Lows:	363 / 398
NASDAQ Comp:	7,959.14 (-0.51%)	AAll Bulls/Bears:	21.7% / 48.2%
Russell 2000:	1,513.04 (-1.32%)		

The S&P 500 index declined 40 basis points last week which appeared mild following the previous week's -3.07% return, the index's worst week of 2019. However, last week's trading wasn't mild as volatility showed a swing of approximately 4% from the week's low to the week's high. The index had its worst day of the year on Monday after declining 2.97% on fears of the trade war escalating further. After U.S. President Trump announced more tariffs on Chinese goods, China responded by freezing purchases of U.S. agricultural products and appearing to allow their currency to devalue, signaling they would respond to any further U.S. tariffs. Equities rallied back throughout the week as the index clawed back most of Monday's loss. U.S. initial jobless claims of 209K were lower than the consensus estimate of 215K and the previous week's claims of 215K. Crude oil had a volatile trading week with over a 9% drop from high to low but rallied back the last two days to shrink the week's loss. Crude oil declined 2.08% last week and closed at \$54.50 per barrel. Crude oil refiner **Marathon Petroleum Corp** declined 9.75% and exploration & production companies like **Apache Corp** and **Occidental Petroleum Corp**, declined 9.18% and 7.91% respectively, as energy stocks came under pressure becoming the worst performing sector of the week. The worst performing stock in the S&P 500 Index last week was biopharmaceutical company **Nektar Therapeutics**. The company declined 32.71% last week as issues with the manufacturing of their experimental cancer treatment were exposed in their earnings release. **DXC Technology Company** declined 30.47% last Friday after reporting earnings and lowering their guidance, inducing cuts in ratings and price targets by some analysts. Semiconductor manufacturer **AMD Micro Device Inc.** was the best performing stock in the index. The stock returned 16.13% last week after the company revealed their new server processor, claiming it has better performance and is cheaper than the competition. Earnings announcements expected this week include **Walmart Inc.**, **Cisco Systems Inc.**, **NVIDIA Corp**, **Deere & Company**, **Applied Materials Inc.** and many others.

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