

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.043 (unch.)	GNMA (30 Yr) 6% Coupon:	110-16/32 (2.90%)
6 Mo. T-Bill:	0.046 (unch.)	Duration:	3.86 years
1 Yr. T-Bill:	0.066 (-0.5 bps)	Bond Buyer 40 Yield:	3.37 (0.01)
2 Yr. T-Note:	0.198 (-2.3 bps)	Crude Oil Futures:	72.07 (0.26)
3 Yr. T-Note:	0.372 (-5.5 bps)	Gold Spot:	1802.15 (-9.90)
5 Yr. T-Note:	0.712 (-6.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.276 (-1.4 bps)	U.S. High Yield:	4.60 (-1 bps)
30 Yr. T-Bond:	1.915 (-0.4 bps)	BB:	3.61 (-2 bps)
		B:	5.18 (-1 bps)

Treasury yields were down moderately among medium term bonds but otherwise unchanged as investors weighed the impact of rising COVID-19 cases on the economy. On Monday, yields dropped significantly as the 10-year yield hit its lowest level since February as concern over the Delta variant and the effect it would have on reopening economies caused investors to seek the perceived safety of Treasuries. Yields rebounded moderately on Tuesday and again on Wednesday as investors fears over the Delta variant waned. The decline in Treasury yields for the last week has shown that investors may not believe that inflation is the biggest problem facing the U.S. economy and instead are worried about slowing growth. Even though Federal Reserve officials have signaled that they will hold off raising interest rates until after inflation climbed above their 2% target rate, eroding job growth has shown investors that the economy may not run as fast as anticipated. On Thursday, yields edged lower as initial jobless claims of 419k were higher than analyst expectations of 350k, which gave legitimacy to that concern. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: June New Home Sales (800k, 769k); Tuesday: June Prelim. Durable Goods Orders (2.1%, 2.3%), July Conf. Board Consumer Confidence (124.1, 127.3); Wednesday: July 23 MBA Mortgage Applications (n/a, -4.0%), July Prelim. Wholesale Inventories MoM (1.2%, 1.3%), July 28 FOMC Rate Decision Upper Bound (0.25%, 0.25%); Thursday: July 24 Initial Jobless Claims (380k, 419k), 2Q Advance GDP Annualized QoQ (8.5%, 6.4%); Friday: June Personal Income (-0.5%, -2.0%), June Personal Spending (0.7%, 0.0%), July MNI Chicago PMI (63.0, 66.1), July Final U. of Mich. Sentiment (80.8, 80.8).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	35,061.55 (1.11%)	Strong Sectors:	Communication Services,
S&P 500:	4,411.79 (1.97%)		Cons Disc, Info Tech
S&P Midcap:	2,672.74 (2.14%)	Weak Sectors:	Utilities, Energy,
S&P Smallcap:	1,318.56 (1.63%)		Real Estate
NASDAQ Comp:	14,836.99 (2.84%)	NYSE Advance/Decline:	1,837 / 1,619
Russell 2000:	2,209.65 (2.15%)	NYSE New Highs/New Lows:	284 / 158
		AAII Bulls/Bears:	30.6% / 30.6%

The S&P 500 Index returned 1.97% last week, climbing to an all-time closing high on Friday of 4,411.79. The Dow Jones Industrial Average also set a closing record on Friday, closing over 35,000 for the first time. Equity markets had a rough start to the week on Monday as the S&P 500 Index declined 1.59%, its worst trading day since May 12. Rising COVID-19 cases globally due to the Delta variant increased concerns of future economic growth as energy, financials, and materials were hit the hardest. Oil prices also declined on Monday, losing 7.51% on the economic concerns and OPEC+ agreeing to increase daily supply. By Tuesday's close, the large-cap index had recovered most of Monday's loss and continued its upward trend the remainder of the week as the communications services, information technology, and consumer discretionary sectors led the rally, leaving only utilities and energy to post losses for the week. Crude oil also rallied back from Monday's decline, closing at \$72.07 per barrel on Friday, gaining 36 basis points for the week. U.S. initial jobless claims of 419K were much higher than the expected 350K and the previous week's claims of 360K. Biotech company **Moderna Inc.**, known for its mRNA COVID-19 vaccine, was the best performing member of the S&P 500 Index last week, returning 21.79%. The company had several announcements including receiving emergency use authorization in India, in Japan for children 12 to 17 years old, and an authorization recommendation for use in adolescents 12 years and up by the European Medicines Agency. The company had a few analysts raise their price targets last week and was added to the S&P 500 Index on Wednesday. Other top performers included **Chipotle Mexican Grill Inc.** and **HCA Healthcare Inc.**, returning 17.33% and 13.35% respectively. Both companies announced positive second quarter earnings surprises. Earnings announcements are in full swing and companies expected this week include **Apple Inc.**, **Microsoft Corp.**, **Amazon.com Inc.**, **Alphabet Inc.**, **Facebook Inc.**, **Tesla Inc.**, **Visa Inc.**, and many more.

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