

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.03 (+01 bps)	GNMA (30 Yr) 6% Coupon:	112-24/32 (1.93%)
6 Mo. T-Bill:	1.12 (-01 bps)	Duration:	4.06 years
1 Yr. T-Bill:	1.20 (-01 bps)	Bond Buyer 40 Yield:	4.07 (-04 bps)
2 Yr. T-Note:	1.36 (-04 bps)	Crude Oil Futures:	46.54 (+2.31)
3 Yr. T-Note:	1.55 (-05 bps)	Gold Spot:	1,228.70 (+16.24)
5 Yr. T-Note:	1.87 (-08 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.33 (-05 bps)	U.S. High Yield:	6.06% (-12 bps)
30 Yr. T-Bond:	2.92 (-01 bps)	BB:	4.61% (-10 bps)
		B:	6.14% (-13 bps)

Treasury prices rose over the course of the week as top officials from both the U.S. Federal Reserve and European Central Bank weighed in about their respective monetary policies. Fed Chairwoman Janet Yellen gave prepared congressional testimony which implied that rate hikes would continue to be gradual and depend on how inflation evolved. This testimony combined with a flat reading of inflation for June on Friday led investors to believe that another rate hike may be delayed until next year. Yellen also said that “rates would not have to rise all that much further to get to a neutral policy stance.” On Monday, an ECB chief economist said that “we still need a long period of accommodative policy before we are ready,” which caused Treasury prices to rise. However, the Wall Street Journal reported on Thursday that ECB President Mario Draghi will signal optimism for the Eurozone economy and a reduced need for stimulus when he speaks at the upcoming Jackson Hole meeting of central bankers. This caused Treasury prices to fall for the one and only time during the week. Geopolitical concerns also increased demand for Treasuries as Donald Trump Jr. released emails about a meeting he had with ties to Russia, leading to further speculation of collusion on Tuesday. Retail sales that were slightly negative on Friday when estimates called for a slight increase also led to increased demand for Treasuries. Oil rose over 5% during the week on increased Chinese demand and a larger-than-expected drop in U.S. crude stockpiles. Major economic reports (related consensus forecasts; prior data) for the upcoming week include: Monday: July Empire Manufacturing (15.0); Tuesday: June Import Price Index (-0.2%, -0.3% MoM, 1.3%, 2.1% YoY); Wednesday: July 14 MBA Mortgage Applications (-7.4%), June Housing Starts (1.155M, 1.095M); Thursday: July 15 Initial Jobless Claims (245k, 247k), July Philadelphia Fed Business Outlook (23.7, 27.6), June Leading Index (0.4%, 0.3%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	21,637.74 (1.04%)	Strong Sectors:	Information Technology, Energy, Materials
S&P 500:	2,459.27 (1.42%)	Weak Sectors:	Telecommunication Services, Financials, Consumer Staples
S&P Midcap:	1,765.32 (1.05%)	NYSE Advance/Decline:	2,174 / 902
S&P Smallcap:	862.70 (0.95%)	NYSE New Highs/New Lows:	323 / 83
NASDAQ Comp:	6,312.47 (2.59%)	AAll Bulls/Bears:	28.2% / 29.6%
Russell 2000:	1,428.82 (0.93%)		

The S&P 500 Index hit a new all-time closing high of 2,459.27 on Friday and returned 1.42% last week, continuing its advance into the second half of 2017. The index returned 9.34% in the first half of 2017, recording the best performance since the index returned 13.82% for the first six months of 2013. Equity markets climbed higher after Wednesday’s comments by Federal Reserve Chair Janet Yellen before the US Congress of a gradual approach for any future rate hike decisions that would need to be data dependent. US initial jobless claims of 247K were higher than the consensus estimate of 245K, but lower than the previous week’s 248K. Crude oil advanced 5.22% for the week, increasing \$2.31 and closing at \$46.54 per barrel. **NVIDIA Corp.**, a technology company that designs and develops three dimensional graphics processors and software, returned 12.39% last week. The stock jumped on Monday and again on Wednesday after a SunTrust technology analyst increased their price target and upgraded them to a buy. **NetApp Inc.**, a provider of storage and data management solutions, climbed 13.10% last week. Shares of the company climbed steadily through most of the week but jumped 5.64% on Friday after being placed on a large investment bank’s buy list. **NRG Energy Inc.**, an operator of power-generating facilities, showed the best performance for the week in the S&P 500 Index with a 43.10% return. The stock jumped 29.39% on Wednesday after announcing a plan to transform the company by selling assets and cutting costs to strengthen their balance sheet. In bank earnings news, **JPMorgan Chase & Co.**, **Citigroup Inc.**, and **Wells Fargo & Co.** all beat earnings estimates. Earnings ramp up next week with 68 S&P 500 Index members reporting including **Microsoft Corp.**, **Bank of America Corp.**, and **General Electric Co.**

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