US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.038 (-0.5 bps)	GNMA (30 Yr) 6% Coupon:	110-25+/32 (2.84%)
6 Mo. T-Bill:	0.041 (-1.0 bps)	Duration:	3.87 years
1 Yr. T-Bill:	0.058 (-1.8 bps)	Bond Buyer 40 Yield:	3.41 (0 bps)
2 Yr. T-Note:	0.234 (-3.2 bps)	Crude Oil Futures:	75.16 (+1.11)
3 Yr. T-Note:	0.437 (-3.6 bps)	Gold Spot:	1,787.30 (+5.86)
5 Yr. T-Note:	0.857 (-6.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.424 (-10.0 bps)	U.S. High Yield:	4.60 (1 bps)
30 Yr. T-Bond:	2.040 (-10.8 bps)	BB:	3.65 (1 bps)
		B:	5.14 (7 bps)

U.S. Treasury bond yields fell across the yield curve last week with steeper declines on the long end of the yield curve. Treasury yields trended down most of the week on weaker volume leading up to Friday's June jobs report. Treasury yields were lower on Friday in response to the mixed jobs report data. Nonfarm payrolls increased 850,000 in June versus a consensus expected 720,000 as gains in the private sector were higher than expected. Despite the headline beat in jobs, the unemployment rate rose by 0.1% last month to 5.9%. Civilian employment declined in June by 18,000, which contributed to the increase in the unemployment rate. The unemployment rate is expected to decline as the extra unemployment benefits are reduced at the state level and expire at the national level in September. Major economic reports (related consensus forecasts, prior data) for the upcoming holiday-shortened week include Tuesday: June Final Markit US Services PMI (64.8, 64.8), June Final Markit US Composite PMI (n/a, 63.9), June ISM Services Index (63.5, 64.0); Wednesday: Jul 2 MBA Mortgage Applications (n/a, -6.9%); Thursday: July 3 Initial Jobless Claims (350k, 364k), June 26 Continuing Claims (3350k, 3469k), July 4 Langer Consumer Comfort (n/a, 55.1), May Consumer Credit ($18.500b, $18.612b); Friday: May Final Wholesale Inventories MoM (1.1%, 1.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	34,786.35 (1.06%)	Strong Sectors:	Info Tech, Cons. Discretionary,
S&P 500:	4,352.34 (1.71%)		Health Care
S&P Midcap:	2,709.57 (-0.57%)	Weak Sectors:	Utilities, Financials,
S&P Smallcap:	1,369.68 (-1.32%)		Energy
NASDAQ Comp:	14,639.33 (1.96%)	NYSE Advance/Decline:	1,757 / 1,734
Russell 2000:	2,305.76 (-1.18%)	NYSE New Highs/New Lows:	497 / 58
		AAII Bulls/Bears:	48.6% / 22.2%

Another week another all-time high for equities as the S&P 500 index closed at 4350 for the first time. Strong economic data coupled with lower odds of a COVID resurgence fueled equity returns. Last month, the change in nonfarm payrolls surprised to the upside with an 850k gain in jobs, compared to expectations of 720k. Additionally, May was revised up 24k additional jobs. In total there was over 150k more jobs than expected at the end of June. The unemployment rate also went up to 5.9%, as more of those out of work are now looking for a job, adding more evidence of a strong economic recovery. **Johnson & Johnson** announced that their COVID vaccine offers "strong protection" against the more transmissible, but less severe, Delta COVID variant that has been concerning policy makers. Growth bested value last week as the S&P 500 Growth index returned 2.86% compared to 0.44% for the S&P 500 Value index. As the summer driving season heats up WTI Oil passed $75 a barrel for the first time since 2018. **Advanced Micro Devices Inc.** and **Xilinx Inc.** were the two top performing names in the S&P 500 last week, after EU regulators granted unconditional approval for their pending merger. **Boeing Inc.** slumped 4.71% after the FAA said it sees a need for more test flights for Boeing's new 777X wide body plane, potentially delaying their entry into commercial service out to early 2024. **Walgreens Boots Alliance Inc.** returned -7.65% last week after announcing disappointing quarterly results. Despite beating quarterly earnings and revenue estimates management provided underwhelming forward guidance on their business resulting in their loss. 1H21 is now in the books as the S&P 500 index closed with a 15.24% gain. Looking ahead to the 2H21, we remain constrictive on equities and expect the economic picture to remain strong. A recovering consumer is likely to drive overall equity market expectations. However, the answer to 'just how transitory is the inflation we are seeing?' is likely going to drive which parts of equity markets will outperform the remainder of 2021.