US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.409 (-4.8 bps)	Bond Buyer 40 Yield:	4.64 (-7 bps)
6 Mo. T-Bill:	5.479 (-5.0 bps)	Crude Oil Futures:	85.55 (5.72)
1 Yr. T-Bill:	5.358 (-7.9 bps)	Gold Spot:	1,940.06 (25.10)
2 Yr. T-Note:	4.879 (-19.9 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.578 (-16.2 bps)	U.S. High Yield:	8.54 (-15 bps)
5 Yr. T-Note:	4.296 (-14.3 bps)	BB:	7.21 (-14 bps)
10 Yr. T-Note:	4.179 (-5.7 bps)	B:	8.70 (-14 bps)
30 Yr. T-Bond:	4.294 (1.0 bps)		

Yields mostly fell last week on soft economic data that suggests the Fed may be near the end of its tightening cycle. Second quarter real GDP growth was unexpectedly revised lower from 2.4% to 2.1% annualized due to lower business investment, inventories, and net exports than initially reported. Labor demand also weakened, with US job openings falling more than expected to 8.83 million. New inflation data showed the Fed's preferred inflation measure rose 3.3% in July from a year ago, which is still running above the Fed's 2% target. The jobs report released Friday showed the US economy added 187,000 jobs in August, slightly above expectations, while the June and July gains were revised lower. The unemployment rate increased from 3.5% to 3.8% due to higher labor force participation that increased to levels last seen before the COVID-19 pandemic. Higher participation combined with lower demand brought the supply and demand for labor further into balance. Wage growth slowed, with average hourly earnings growing 0.2% in August from the prior month. The jobs report increased expectations that the Fed won't raise rates at its September meeting and reassess in November. However, with wages up 4.3% compared to a year ago and inflation still running above the Fed's target, the Fed may be near the end of its tightening cycle but still has work to do. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: July Final Durable Goods Orders (N/A, -5.2%), July Factory Orders (-2.5%, 2.3%); Wednesday: September 1 MBA Mortgage Applications (N/A, 2.3%), July Trade Balance (-$68.0b, -$65.5b); Friday: September 2 Initial Jobless Claims (235k, 225k).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	34,837.71 (1.57%)	Strong Sectors:	Information Technology, Energy, Materials
S&P 500®	4,515.77 (2.55%)		
S&P MidCap 400®	2,669.68 (3.55%)	Weak Sectors:	Utilities, Consumer Staples, Health Care
S&P SmallCap 600®	1,239.34 (3.61%)		
Nasdaq Composite®	14,031.81 (3.27%)	NYSE Advance/Decline:	2,388 / 677
Russell 2000®	1,920.83 (3.67%)	NYSE New Highs/New Lows:	214 / 88
		AAII Bulls/Bears:	33.1% / 34.5%

Equity markets had the best week since June with the S&P 500 advancing by 2.55% last week. Year to date, the index is up almost 19% despite being down -1.6% for the month of August. The job report showed the labor market moderating last month. With wage growth slowing and employers continuing to hire, the Federal Reserve could pause interest rate increases this month but keep future hikes on the table for later in the year. The risk-on trade dominated the week with 9 of 11 sectors posting positive returns. Information Technology and Energy names were the best performing groups in the S&P 500; while Utilities and Consumer Staples posted negative returns. Within the Tech sector, Storage maker **Western Digital** was up over 16% last week after demand for the company's NAND flash memory, a type of memory used in computers as well as scientific, industrial, and medical electronics, remains strong despite price increases for September delivery. Two other memory hardware markers, **Seagate Technology** and **Micron Technologies** also posted double digit gains in the in index. On the bottom end of performance, **Dollar General** was the worst performing stock in the S&P 500. On Thursday, the company released its second consecutive quarterly earnings disappointment. The announcement sank the stock by over 12% on Thursday and just under -16% for the week. Looking ahead to the Labor Day holiday shortened week, key reports on the health of the economy will be released. Durable goods, mortgage applications, jobless claims, and inventory data are all set for dissemination starting Tuesday.

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