

## US Economy and Credit Markets

### Yields and Weekly Changes:

3 Mo. T-Bill:	4.537 (4.6 bps)	Bond Buyer 40 Yield:	4.30 (-1 bps)
6 Mo. T-Bill:	4.486 (2.6 bps)	Crude Oil Futures:	71.24 (4.22)
1 Yr. T-Bill:	4.403 (8.4 bps)	Gold Spot:	2,716.19 (152.94)
2 Yr. T-Note:	4.373 (7.0 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.311 (3.7 bps)	U.S. High Yield:	7.43 (-7 bps)
5 Yr. T-Note:	4.295 (-1.2 bps)	BB:	6.34 (-6 bps)
10 Yr. T-Note:	4.400 (-3.9 bps)	B:	7.53 (-8 bps)
30 Yr. T-Bond:	4.588 (-2.9 bps)		

Treasury yields were little changed last week on mixed economic data and heightened geopolitical risks. An escalation in the Russia-Ukraine war prompted a flight to safety on Tuesday, sending Treasury yields lower. Treasury yields then rose on Wednesday following weak demand for the 20-year bond auction, suggesting the market may be concerned with the effect tariffs and tax cuts could have on inflation and the nation's budget deficit. Jobs data released last week showed that continuing claims, or the number of people receiving unemployment benefits, reached a three-year high. However, the increase was tied to the recent strike at Boeing, which is now resolved. The University of Michigan's Consumer Sentiment Index rose in November, notching its fourth consecutive improvement. Sentiment varied on party lines based on the results of the election. Business activity in November expanded at the fastest pace since April 2022, according to the S&P Global Flash US PMI Composite Output Index. The service sector continued to boost growth while manufacturing remained in contraction. However, sentiment improved in manufacturing based on the expectation of supportive policies from the incoming Trump administration, including protection measures and looser regulation. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: November Conf. Board Consumer Confidence (112.0, 108.7), October New Home Sales (720k, 738k); Wednesday: November 23 Initial Jobless Claims (217k, 213k), 3Q Second GDP Annualized QoQ (2.8%, 2.8%), October Preliminary Durable Goods Orders (0.4%, -0.7%), November 22 MBA Mortgage Applications (N/A, 1.7%), October Personal Income (0.3%, 0.3%), October Personal Spending (0.3%, 0.5%), November MNI Chicago PMI (44.1, 41.6).

## US Equities

### Weekly Index Performance:

### Market Indicators:

The Dow®	44,296.51 (2.03%)	Strong Sectors:	Cons. Staples, Materials
S&P 500®	5,969.34 (1.72%)		Utilities
S&P MidCap 400®	3,341.77 (4.21%)	Weak Sectors:	Info Tech, Cons. Discretionary
S&P SmallCap 600®	1,517.34 (3.75%)		Comm. Services
Nasdaq Composite®	19,003.65 (1.77%)	NYSE Advance/Decline:	2,065 / 780
Russell 2000®	2,406.67 (4.49%)	NYSE New Highs/New Lows:	394 / 140
		AAll Bulls/Bears:	41.3% / 33.2%

The S&P 500 gained 172 basis points last week experiencing broad based strength as all sectors finished the week in the green besides the Communications Services sector. The top performing sector was the Consumer Staples sector which returned 3.15%. The sector was led higher by **Estee Lauder** which returned 9.69% last week. While the beauty manufacturer was the top performer in the sector it still sits near an 11 year low after reporting disappointing earnings on Halloween which resulted in an over 20% drop in share price. The bottom performing sector was the Communications Services sector which fell 30 basis points. The sector was led lower by **Alphabet A Class** shares which fell 4.48%. The Google parent company tumbled after news came out that the US Justice Department was proposing a forced sales of the firm's Chrome web browser following a judge's ruling in August that it has an illegal monopoly on internet search. While **Nvidia** finished last week virtually flat, dropping 2 basis points, there was plenty of coverage regarding the chip maker as it reported 3<sup>rd</sup> quarter results. Nvidia beat on the top and bottom line in addition to providing guidance above estimates but struggled to gain momentum as the bar keeps getting higher for the world's largest company. Prior to the earnings call reports came out stating Nvidia's next generation Blackwell chips have hit engineering snags causing overheating issues. During the call CEO Jensen Huang hit back saying that production has avoided major issues and will start boosting the company's top line ahead of schedule. In other news, Bitcoin continued to climb higher last week and came within \$300 of the \$100,000 mark Friday afternoon. Bitcoin and the broader crypto market has experienced strength following the election as President Elect Donald Trump has been vocal about his support for the asset class. Additionally, the crypto industry viewed the news last week that SEC Chair Gary Gensler would step down in January following Trump's inauguration as a win. Under Gensler's watch there has been a flurry of SEC crypto enforcement actions. While the Thanksgiving holiday this Thursday will result in reduced trading hours there will still be news for investors to parse this week. On the economic front we can expect preliminary October durable goods data in addition to personal spending and PCE data. On the earnings front, 24 companies in the S&P 500 are expected to report results. Notable companies include **Best Buy**, **Dick's Sporting Goods**, **CrowdStrike**, and **Workday**.

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