

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.602 (-0.5 bps)	Bond Buyer 40 Yield:	4.79 (-2 bps)
6 Mo. T-Bill:	3.598 (2.1 bps)	Crude Oil Futures:	56.66 (-0.78)
1 Yr. T-Bill:	3.501 (-1.5 bps)	Gold Spot:	4,338.88 (39.25)
2 Yr. T-Note:	3.483 (-3.9 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.525 (-5.3 bps)	U.S. High Yield:	7.07 (-8 bps)
5 Yr. T-Note:	3.693 (-4.8 bps)	BB:	5.92 (-8 bps)
10 Yr. T-Note:	4.147 (-3.7 bps)	B:	7.28 (-7 bps)
30 Yr. T-Bond:	4.824 (-2.0 bps)		

The US economy added 64,000 jobs in November, beating estimates, and the unemployment rate ticked up to 4.6% from 4.4% in September. The October unemployment rate will not be released due to the government shutdown. Tuesday's report also showed that the US lost 105,000 jobs in October, which was the largest loss since 2020. However, most of the contraction was due to a decline in federal government employees that is unrelated to the government shutdown. Private-sector payrolls grew in both November and October. Retail sales were unchanged in October. However, sales grew 0.5% excluding car dealers and gas stations, where the expiration of the EV tax credit weighed on sales. New inflation data showed the core Consumer Price Index, which excludes food and energy, rose 2.6% in November from a year ago. That was the slowest pace since 2021. The headline CPI increased 2.7%. Both were lower than expected. The data was affected by the government shutdown, leading to questions about the magnitude of the slowdown, but showed inflation cooled, nonetheless. Treasury yields fell on the report that offered inflation relief. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: October Housing Starts (N/A, N/A), September New Home Sales (709k, 800k), September Construction Spending MoM (0.0%, 0.2%); Tuesday: 3Q GDP Annualized QoQ (3.2%, 3.8%), December Conf. Board Consumer Confidence (92.0, 88.7), October Preliminary Durable Goods Orders (-1.5%, 0.5%), November Industrial Production MoM (0.1%, 0.1%); Wednesday: December 20 Initial Jobless Claims (225k, 224k), December 19 MBA Mortgage Applications (N/A, -3.8%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	48,134.89 (-0.64%)	Strong Sectors:	Cons. Discretionary, Materials
S&P 500®	6,834.50 (0.13%)		Health Care
S&P MidCap 400®	3,350.25 (0.03%)	Weak Sectors:	Cons. Staples, Real Estate
S&P SmallCap 600®	1,495.86 (-0.87%)		Energy
Nasdaq Composite®	23,307.62 (0.5%)	NYSE Advance/Decline:	1,214 / 1,597
Russell 2000®	2,529.43 (-0.83%)	NYSE New Highs/New Lows:	233 / 98
		AAll Bulls/Bears:	44.1% / 33.2%

Despite ending the week on a high note, the S&P 500 ended last week relatively flat only returning 13 basis points. The index was led higher by the Consumer Discretionary sector which rose 1.02%. The sector was led higher by **Carnival Corporation** and **Norwegian Cruise Lines** which returned 12.67% and 10.45%, respectively. The top five performers in the sector were all travel related. Carnival caught a bid after reporting fiscal Q4 results. The cruise line operator beat on the bottom line and provided upbeat commentary. The firm posted its highest net income ever and indicated they expect continued growth in 2026. Josh Weinstein, Carnival's CEO, said the firm remains at its highest booked occupancy for the upcoming year at about two-thirds booked at higher prices. The company also reinstated its dividend which has been discontinued since 2020. The bottom performing sector was the Energy sector which fell 2.9%. Underperformance was broad based as only 1 of the 22 constituents in the sector had a positive return. The worst performer in the sector was **Marathon Petroleum Corporation** which fell 9.39%. Energy companies came under pressure as oil prices continued to slide. Brent Crude slipped below \$60 a barrel for the first time since May on indications that supply is outpacing demand against the backdrop of efforts to end the Ukraine war. The top performer in the S&P 500 overall was **SanDisk Corporation** which returned 15.24%. The computer storage device maker caught a bid after **Micron Technology** reported strong fiscal Q1 results. The strong demand Micron reported gave a bullish indication for SanDisk's results. On the opposite side, **Lamb Weston** was the worst performer in the S&P 500 sinking 26.35%. The potato product maker reported fiscal Q2 results that beat consensus estimates on both the top and bottom line but failed to give hopeful guidance. Management indicated sales volumes rose led by new customer wins, but price fell 8% due to high competition as well as customer support through pricing and trade actions. In other news, **Oracle Corporation** finally felt some reprieve at the end of last week. The name has struggled in recent months and still sits over 40% off its highs from September but caught a bid after it was reported the company along with other investors would be the buyer of TikTok's US Operations.

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