

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.695 (-10.6 bps)	Bond Buyer 40 Yield:	4.78 (4 bps)
6 Mo. T-Bill:	3.677 (-12.6 bps)	Crude Oil Futures:	60.08 (1.58)
1 Yr. T-Bill:	3.590 (-8.7 bps)	Gold Spot:	4,197.78 (-41.65)
2 Yr. T-Note:	3.560 (-1.3 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.584 (0.6 bps)	US High Yield:	7.10 (-3 bps)
5 Yr. T-Note:	3.711 (2.4 bps)	BB:	5.95 (6 bps)
10 Yr. T-Note:	4.135 (5.8 bps)	B:	7.31 (-2 bps)
30 Yr. T-Bond:	4.792 (14.1 bps)		

Treasury yields ended the week mixed, with short-term maturities drifting lower while longer-dated yields moved higher. Soft labor-market signals put downward pressure on rates, but this was offset by rising global yields and reduced demand for safe-haven assets, which pushed long-term yields upward. Manufacturing activity softened again in November, with the ISM Manufacturing Index slipping to a four-month low of 48.2 and missing expectations. This marks the ninth straight month below 50, extending the contraction seen throughout 2023 and 2024. Only four of eighteen industries reported growth in October, while eleven contracted, reflecting weaker demand, softer hiring, and quicker supplier deliveries. In contrast, the ISM Services Index surprised to the upside, rising to a nine-month high of 52.6. Services have now expanded in ten of the past twelve months. The headline increase was driven largely by a jump in supplier deliveries—likely tied to air-traffic disruptions from the government shutdown—which pushed that component to a thirteen-month high. Industrial production posted a modest 0.1% gain in September and manufacturing output was flat, but sizeable downward revisions left both measures sharply negative for the month. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: September Housing Starts (1329k, 1307k), September Leading Index (-0.3%, N/A), October Personal Income (N/A, 0.4%), October Personal Spending (N/A, 0.3%), September Construction Spending MoM (0.1%, 0.2%), October PPI Final Demand MoM (0.2%, 0.3%), September New Home Sales (709k, 800k), Wednesday: MBA Mortgage Applications (N/A, -1.4%), Dec 10 FOMC Rate Decision (Upper Bound) (3.75%, 4.00%), Thursday: Dec 6<sup>th</sup> Initial Jobless Claims (220k, 191k), September Trade Balance (-\$63.1b, -\$59.6b), September Final Wholesale Inventories MoM (0.1%, N/A).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	47,954.99 (0.62%)	Strong Sectors:	Energy, Info. Tech,
S&P 500:	6,870.4 (0.35%)		Cons. Discretionary
S&P Midcap:	3,320.12 (0.39%)	Weak Sectors:	Real Estate, Health Care,
S&P Smallcap:	1,479.87 (0.62%)		Utilities
NASDAQ Comp:	23,578.12 (0.93%)	NYSE Advance/Decline:	1,373 / 1,461
Russell 2000:	2,521.48 (0.88%)	NYSE New Highs/New Lows:	273 / 72
		AAll Bulls/Bears:	44.3% / 30.8%

Equities posted moderate returns last week, with the S&P 500 index appreciating 0.35% and the Nasdaq 100 index 0.93%. Economic data indicates a resilient economy, as consumer sentiment and spending look stronger; however, employment numbers appear to be weakening. The markets are cautiously pricing in at least one rate cut next week, with the Federal Open Market Committee (FOMC) expected to announce its December rate policy on Wednesday. The key information markets are truly trying to price in is the FOMC's commentary toward future cuts: Have they seen enough economic weakness to cut again in January? Equities will likely move higher if the FOMC indicates a more dovish stance and lower if they indicate a more hawkish approach. The biggest headline news was that **Netflix Inc.** has entered into an agreement to acquire **Warner Bros. Discovery Inc.** for a nearly \$100 billion deal, including debt and equity. Warner, the owner of HBO and its popular streaming service HBO Max, had received competing offers. Netflix indicated that if the deal clears regulatory and shareholder hurdles, they expect to keep HBO Max as a stand-alone streaming app, with most synergies coming from the office and production spaces. **Dollar General Corp.** rallied over 22% last week after announcing earnings of \$1.28 per share versus street expectations of \$0.92. The discount store raised its full-year guidance to \$6.30-\$6.50 (compared to the previous quarter's \$5.80-\$6.30); the old top end of expectations became the new bottom end, which is very impressive. The higher expectations were fueled by positive foot traffic trends and same-store sales rising 2.5%, trends they expect to continue. Looking ahead, all eyes will be on Wednesday's FOMC announcement, as the expectations and economic outlook provided will likely determine the path markets take heading into year-end.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.