

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.310 (unch.)	Bond Buyer 40 Yield:	4.85 (-15 bps)
6 Mo. T-Bill:	4.190 (0.8 bps)	Crude Oil Futures:	64.68 (3.18)
1 Yr. T-Bill:	3.963 (-5.2 bps)	Gold Spot:	3,326.85 (89.24)
2 Yr. T-Note:	3.798 (-16.2 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.797 (-20.9 bps)	US High Yield:	8.23 (-38 bps)
5 Yr. T-Note:	3.938 (-22.2 bps)	BB:	6.83 (-33 bps)
10 Yr. T-Note:	4.325 (-16.5 bps)	B:	8.42 (-40 bps)
30 Yr. T-Bond:	4.798 (-7.2 bps)		

Retail sales surged 1.4% in March from the prior month as consumers rushed to get ahead of tariffs. The monthly increase was the highest in more than two years, with sales of cars and building materials posting strong gains. Both industries are expected to be highly impacted by tariffs. Spending at restaurants and bars also posted its highest gain in more than two years, suggesting consumers remain on strong footing. Federal Reserve Chair Jerome Powell reiterated on Wednesday that the Fed is in wait-and-see mode on how trade policy affects the economy and is in no rush to cut interest rates, prioritizing price stability over cushioning the economy. The hawkish, tough-on-inflation message helped send Treasury yields lower. Conversely, the European Central Bank cut interest rates on Thursday, its seventh cut since last June, citing increased downside risks to economic growth due to escalating global trade tensions. Europe's economy, however, has grown slower than the US in recent years with lower inflation. Initial jobless claims fell in the week ended April 12, while the four-week moving average also fell to the lowest level in two months, suggesting the labor market remains strong and has yet to see the impacts, if any, from tariffs. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: March Leading Index (-0.5%, -0.3%); Wednesday: April 18 MBA Mortgage Applications (N/A, -8.5%), April Preliminary S&P Global US Manufacturing PMI (49.3, 50.2), March New Home Sales (680k, 676k); Thursday: April 19 Initial Jobless Claims (N/A, 215k), March Preliminary Durable Goods Orders (1.4%, 1.0%), March Existing Home Sales (4.13m, 4.26m); Friday: April Final U. of Mich. Sentiment (50.7, 50.8).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	39,142.23 (-2.66%)	Strong Sectors:	Real Estate, Energy,
S&P 500:	5,282.70 (-1.49%)		Cons. Staples
S&P Midcap:	2,744.39 (0.82%)	Weak Sectors:	Comm. Services, Cons. Disc.,
S&P Smallcap:	1,174.88 (0.89%)		Info. Tech.
NASDAQ Comp:	16,286.45 (-2.62%)	NYSE Advance/Decline:	1,961 / 875
Russell 2000:	1,880.62 (1.11%)	NYSE New Highs/New Lows:	45 / 124
		AAII Bulls/Bears:	25.4% / 56.9%

Last week, large-cap equities experienced a decline, while mid- and small-cap stocks recorded gains. The trading week, shortened by Good Friday, commenced with an upward movement on Monday, followed by declines on Tuesday and Wednesday, and a nearly flat performance on Thursday. The S&P 500 index marked its seventh decline in the past nine weeks. Headlines were dominated by the implications of tariffs and ongoing trade negotiations. President Trump met with Italian Prime Minister Giorgia Meloni, expressing optimism about securing a trade agreement with the European Union. Meanwhile, Federal Reserve Chairman Jerome Powell, speaking at the Economic Club of Chicago, emphasized the need for the central bank to mitigate the risk of tariffs causing sustained inflation. On Thursday, President Trump publicly criticized Powell, stating that the Fed Chair's termination was overdue, accusing him of being "... always TOO LATE AND WRONG..." in his decisions. Earnings reports also shaped market sentiment. **UnitedHealth Group Inc.** saw a significant 22.4% drop in its stock price on Thursday after reporting profits below expectations and revising its forecasts downward. The company attributed the shortfall to a surge in first-quarter care costs, though analysts speculate that increased scrutiny from the Department of Government Efficiency (DOGE) on waste, fraud, and abuse in healthcare may be impacting profitability. Recent investigative reports by The Wall Street Journal have highlighted potential ethical concerns regarding government reimbursements to health insurance companies. **United Airlines Holdings Inc.** reported earnings and revenue in line with expectations, with its stock remaining largely unchanged. Notably, the company provided dual guidance, outlining projections for both recessionary and non-recessionary economic scenarios, while indicating they have not seen a significant slowdown in customer demand. Looking ahead, the upcoming week will see an acceleration in earnings season, with 121 S&P 500 companies scheduled to release their quarterly results.

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