

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.312 (2.1 bps)	Bond Buyer 40 Yield:	4.79 (-14 bps)
6 Mo. T-Bill:	4.240 (5.0 bps)	Crude Oil Futures:	58.29 (-4.73)
1 Yr. T-Bill:	4.002 (5.9 bps)	Gold Spot:	3,240.49 (-79.23)
2 Yr. T-Note:	3.824 (7.6 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.809 (7.3 bps)	U.S. High Yield:	7.96 (+2 bps)
5 Yr. T-Note:	3.918 (5.9 bps)	BB:	6.58 (-1 bps)
10 Yr. T-Note:	4.308 (7.3 bps)	B:	8.20 (+10 bps)
30 Yr. T-Bond:	4.790 (8.8 bps)		

Treasury yields ended the week higher due to strong jobs data and growing inflation concerns linked to tariffs. On Wednesday, real GDP declined at a 0.3% annual rate in Q1, narrowly lagging the consensus expected -0.2%. The decline was primarily due to a massive increase in imports, as businesses were front-running tariffs by focusing on getting goods into the country as fast as possible. Personal income rose 0.5% in March, following gains of 0.7% in February and 0.6% in January. Early-year growth was largely driven by government transfers—Social Security adjustments in January and health insurance tax credits in February. March marks a more durable trend, with private sector wages up 0.5%, signaling stronger underlying momentum for consumer spending. The ISM Manufacturing Index declined to 48.7 in April, beating the consensus expected 47.9. Manufacturers are facing uncertainty over potential tariffs and their impact on supply chains, a factor clearly reflected in April's data. Despite the headline index dipping to 48.7 from 49.0, most key activity measures rose. The U.S. economy added 177,000 jobs in April, easily beating the expected 138,000. The increase was driven by education and health services, up 70,000 for the month. Despite the job gains, the unemployment rate remained unchanged at 4.2% in April, as the labor force (people who are either working or looking for work), grew by 518,000. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: April ISM Services Index (50.3, 50.8); Tuesday: March Trade Balance (-\$136.7b, -\$122.7b); Wednesday: May 2nd MBA Mortgage Applications (N/A, -4.2%), May 7th FOMC Rate Decision (Upper Bound) (4.50%, 4.50%); Thursday: May 3rd Initial Jobless Claims (230k, 241k), April 26th Continuing Claims (1892k, 1916k), March Final Wholesale Inventories MoM (0.05%, 0.5%)

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	41,317.43 (3.00%)	Strong Sectors:	Industrials, Comm Services, Information Technology
S&P 500®	5,686.67 (2.94%)		
S&P MidCap 400®	2,932.01 (3.56%)	Weak Sectors:	Energy, Health Care, Consumer Staples
S&P SmallCap 600®	1,257.83 (3.21%)		
Nasdaq Composite®	17,977.73 (3.43%)	NYSE Advance/Decline:	2,043 / 783
Russell 2000®	2,020.74 (3.24%)	NYSE New Highs/New Lows:	96 / 72
		AAll Bulls/Bears:	20.9% / 59.3%

Stocks rose by about 1.5% on Friday, and the S&P 500 closed out the week higher by almost 3%. Volatile moves have been prevalent in 2025. The index is higher by more than 14% since the early April low but is still lower by -2.9% since the beginning of the year. The risk-on trade was bolstered by a resilient jobs report and a sign of easing trade tensions between the US and China. Strong performance in Industrials, led by HVAC companies **Carrier Global** and **Trane Technologies**, drove the sector to be the best performing group last week. Both companies reported strong quarterly results and noted their ability to pass on the tariff related costs through price actions. Mixed signals from the "Mag 7" stocks, as **Apple** traded lower again this week on worrying tariff impact and slower growth. **Amazon** echoed a similar story during its quarterly earnings call on Thursday, noting in its forecast that future results could be impacted by "tariff and trade policies" and "recessionary fears" that could slow consumer spending. On the positive side, **Microsoft** and **Meta** both reported quarterly results that beat analyst expectations on Wednesday. The companies also signaled that AI capital expenditures remain robust, giving room for growth in the coming year. Delegates from OPEC+ nations are discussing a roughly 411,000 barrel a day production increase ahead of their scheduled meeting in June. The increase would be welcomed by President Trump, who has called on the group to lower gas prices. The price of oil dipped below \$60 a barrel on Wednesday, testing the drop that coincided with stock market lows in early April. Looking ahead to next week, data on trade balance, consumer credit, along with more jobs and inflation data are all set for release.

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