

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.346 (1.8 bps)	Bond Buyer 40 Yield:	5.15 (-1 bps)
6 Mo. T-Bill:	4.267 (1.1 bps)	Crude Oil Futures:	65.16 (-2.18)
1 Yr. T-Bill:	4.093 (3.0 bps)	Gold Spot:	3,337.30 (-12.64)
2 Yr. T-Note:	3.923 (5.4 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.869 (3.3 bps)	U.S. High Yield:	7.31 (-7 bps)
5 Yr. T-Note:	3.957 (1.1 bps)	BB:	6.10 (-6 bps)
10 Yr. T-Note:	4.388 (-2.8 bps)	B:	7.48 (-10 bps)
30 Yr. T-Bond:	4.930 (-5.8 bps)		

Treasury yields were volatile throughout the week, with short-term yields ending higher and long-term yields edging lower, as investors weighed trade developments and looked ahead to next week's pivotal Fed policy decision. Existing home sales declined 2.7% in June to a 3.930 million annual rate, falling short of the consensus expected 4.000 million and hitting a nine-month low as persistently high prices continue to dampen activity. New single-family home sales rose 0.6% in June to a 0.627 million annual rate, falling short of the expected 0.650 million and down 6.6% from a year ago. While sales ticked up slightly, they remain well below pandemic highs and have declined year-over-year for six consecutive months, highlighting continued challenges in the housing market. Durable goods orders in the U.S. fell 9.3% in June, reversing much of May's aircraft-driven surge, which had been revised up to a 16.5% gain. The sharp decline was largely due to a 22.4% drop in transportation equipment, including a 51.8% plunge in nondefense aircraft orders. However, excluding transportation, durable goods orders edged up 0.2%, indicating underlying demand remained stable. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: June Preliminary Wholesale Inventories MoM (-0.1%, -0.3%), July Conference Board Confidence (96.0, 93.0); Wednesday: July 25th MBA Mortgage Applications (N/A, 0.8%), July ADP Employment Change (80k, -33k), 2Q Annualized GDP Annualized QoQ (2.4%, -0.5%), July 30th FOMC Rate Decision (Upper Bound) (4.50%, 4.50%); Thursday: June Personal Income (0.2%, -0.4%), June Personal Spending (0.4%, -0.1%), July 26th Initial Jobless Claims (223k, 217k), July MNI Chicago PMI (42.0, 40.4); Friday: July Change in Nonfarm Payrolls (109k, 147k), July Unemployment rate (4.2%, 4.1%), July Final S&P Global US Manufacturing PMI (49.7, 49.5), July ISM Manufacturing (49.5, 49.0), June Construction Spending MoM (0.0%, -0.3%), July Final University of Michigan Sentiment (61.8, 61.8)

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	44,901.92 (1.28%)	Strong Sectors:	Health Care, Materials, Industrials
S&P 500®	6,388.64 (1.47%)	Weak Sectors:	Consumer Staples, Info Tech, Utilities
S&P MidCap 400®	3,218.31 (1.49%)		
S&P SmallCap 600®	1,377.40 (0.92%)		
Nasdaq Composite®	21,108.32 (1.02%)	NYSE Advance/Decline:	1,872 / 953
Russell 2000®	2,261.07 (0.95%)	NYSE New Highs/New Lows:	273 / 62
		AAll Bulls/Bears:	36.8% / 34.0%

Positive economic data and strong earnings propelled stocks, measured by the S&P 500, higher all five days last week to finish Friday at an all-time high. Over 80% of the companies in the S&P 500 that have reported have exceeded expectations according to Bloomberg. Quarterly reports will continue to pour in next week as 167 names in the index are slated for release. Investors have felt a confidence boost due to positive corporate announcements after uncertainty about tariffs and interest rates proliferated during the first half of the year. On Wednesday **Alphabet Inc.**, the parent company of Google and YouTube, reported strong results after the bell that sent its stock higher by over 4% after hours. Chief Executive Officer Sundar Pichai said "Our AI infrastructure investments are crucial to meeting the growth in demand from cloud customers." The company committed \$85 billion to capital expenditures which exceeded analyst estimates by \$10 billion. Steep competition in the AI space has Alphabet chasing **Microsoft**, **OpenAI**, and **Meta Platforms** in the race to build AI systems that could rival Google's flagship search product. Next week, investors will gain more insight into how these companies are positioning themselves as Microsoft, Meta, and Apple all are set to release quarterly results. On Thursday, President Trump paid a visit to the Federal Reserve's new building with Chair Jerome Powell. As the cameras followed the tour, the President echoed his earlier statement that he wants lower interest rates, while the Chair would like to see where tariff rates settle in the ongoing negotiations and how prices are affected. According to the CME FedWatch, there is a very low probability of rate cut during next week's FOMC meeting, but many investors still see a September cut on the horizon. Looking ahead to next week, economic releases on mortgages, GDP, and employment are all slated for release.

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