

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.139 (-4.4 bps)	Bond Buyer 40 Yield:	5.05 (-2 bps)
6 Mo. T-Bill:	3.960 (-7.7 bps)	Crude Oil Futures:	64.01 (0.35)
1 Yr. T-Bill:	3.834 (-3.4 bps)	Gold Spot:	3,447.95 (76.09)
2 Yr. T-Note:	3.617 (-8.0 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.577 (-6.8 bps)	U.S. High Yield:	7.04 (-10 bps)
5 Yr. T-Note:	3.696 (-6.3 bps)	BB:	5.98 (-4 bps)
10 Yr. T-Note:	4.228 (-2.5 bps)	B:	7.25 (-11 bps)
30 Yr. T-Bond:	4.927 (5.2 bps)		

The US economy grew faster than previously thought in the second quarter. US real GDP grew 3.3% annualized in the second quarter, which was revised up from 3%. The upward revision was due to higher business investment and consumer spending than initially estimated. Data released Friday also showed the US consumer remains in good shape. Personal spending growth accelerated to 0.5% in July over the prior month, which was the highest increase in four months and reflected higher spending on both goods and services. Personal income rose 0.4% in July from the prior month, which was a pickup from June's 0.3% increase. The core personal consumption expenditures price index, or core PCE, the Fed's preferred inflation measure, rose 2.9% from a year ago. That was in line with expectations. The increase was driven by higher services prices and represented the third month in a row of higher year-over-year increases. Despite inching higher, odds of a rate cut in September, which the market expects, barely budged following the report. Major economic reports (related consensus forecasts, prior data) for the upcoming holiday-shortened week include Tuesday: August ISM Manufacturing (48.9, 48.0), August Final S&P Global US Manufacturing PMI (N/A, 53.3), July Construction Spending MoM (-0.2%, -0.4%); Wednesday: July Final Durable Goods Orders (N/A, -2.8%), August 29 MBA Mortgage Applications (N/A, -0.5%), July Factory Orders (-1.4%, -4.8%); Thursday: August 30 Initial Jobless Claims (228k, 229k), August ADP Employment Change (70k, 104k), July Trade Balance (-\$66.3b, -\$60.2b), August ISM Services Index (50.5, 50.1); Friday: August Change in Nonfarm Payrolls (75k, 73k), August Unemployment Rate (4.3% 4.2%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	45,544.88 (-0.11%)	Strong Sectors:	Energy, Financials
S&P 500®	6,460.26 (-0.08%)		Comm. Services
S&P MidCap 400®	3,254.09 (-0.04%)	Weak Sectors:	Industrials, Cons. Staples
S&P SmallCap 600®	1,437.77 (-0.31%)		Utilities
Nasdaq Composite®	21,455.55 (-0.18%)	NYSE Advance/Decline:	1,368 / 1,463
Russell 2000®	2,366.42 (0.22%)	NYSE New Highs/New Lows:	281 / 25
		AAll Bulls/Bears:	34.6% / 39.4%

The S&P 500 was virtually flat last week falling 8 basis points. The index was led higher by the Energy sector which returned 2.46%. The Energy sector experienced broad based strength with 21 of its 22 constituents posting a positive return for the week. Last Wednesday, the Energy Information Administration or EIA reported national crude stockpiles fell by 2.4 million barrels which was more than expected. Consequently, West Texas Intermediate crude futures settled above \$64 a barrel and Energy stocks caught a bid. The best performing stock in the sector was **APA Corporation** which ended the week up 7.30%. The worst performing sector was the Utilities sector which fell 2.00%. Most constituents in the sector faced pressure as 27 of 31 members ended the week lower. Last week started off hectic for Utility providers after the Trump administration halted construction on an almost completed offshore wind farm. The administration has now halted two offshore wind projects and fears have mounted further actions could be taken. The worst performing stock in the sector was clean energy heavyweight, **NextEra Energy Inc.**, which fell 4.85%. In other news, **Wynn Resorts** ended the week as the top performer in the S&P 500 rallying 10.88%. The casino resort operator caught a bid after UBS upgraded the stock to a Buy and significantly increased their price target to \$147 from \$101. UBS' bullish view is based on Wynn's Al Marjan resort, they anticipate Wynn being the only gaming operator in the UAE in the near term allowing them to get a meaningful head start over competitors and capturing customer loyalty. The worst performing stock in the S&P 500 was **Keurig Dr. Pepper Inc** which fell 17.21% after announcing the acquisition of **JDE Peet** in an all cash transaction for \$18.4 billion. Tech giant **NVIDIA** reported results last week and despite a beat across the board investors remain concerned about future growth especially in China. Despite the Trump administration lifting some export restrictions future sales in China look opaque and some investors worry Chinese consumers may turn to domestic chip makers. Upcoming this week 6 companies in the S&P 500 are expected to report results. Notable names include **Salesforce Dollar Tree**, and **Broadcom**.

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