

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.670 (-2.2 bps)	Bond Buyer 40 Yield:	4.60 (-7 bps)
6 Mo. T-Bill:	3.696 (-0.5 bps)	Crude Oil Futures:	96.57 (-14.97)
1 Yr. T-Bill:	3.675 (-0.2 bps)	Gold Spot:	4,749.75 (72.99)
2 Yr. T-Note:	3.795 (-4.4 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.825 (-4.6 bps)	U.S. High Yield:	7.34 (-21 bps)
5 Yr. T-Note:	3.943 (-4.2 bps)	BB:	6.16 (-19 bps)
10 Yr. T-Note:	4.317 (-2.4 bps)	B:	7.69 (-22 bps)
30 Yr. T-Bond:	4.909 (0.4 bps)		

Oil prices plunged 16% on Wednesday after the US and Iran agreed to a two-week ceasefire. It was oil's largest one-day drop since 2020. The agreement remains fragile and is subject to Iran opening the Strait of Hormuz, a key artery of the global economy that remains effectively closed. The Consumer Price Index rose 0.9% in March from the prior month, the fastest pace since 2022. The CPI rose 3.3% from last year. Most of the increase was due to a surge in gas prices from the war's supply disruption. Excluding food and energy costs, the core CPI rose 0.2% from last month and 2.6% from a year ago. Energy prices increased 12.5% in March year-over-year compared to only 0.5% in February. Treasury yields rose following the inflation report on dimming prospects of a rate cut in the next few months. Consumer sentiment fell to a record low this month, according to the University of Michigan's Consumer Sentiment Index. Supply disruptions from the war in Iran weighed on sentiment, with consumers citing concerns over higher prices and lower asset values. However, most of the survey was completed before the temporary ceasefire was announced. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: March Existing Home Sales (4.06m, 4.09m); Tuesday: March PPI Final Demand MoM (1.1%, 0.7%); Wednesday: April 10 MBA Mortgage Applications (N/A, -0.8%), April Empire Manufacturing (-0.5, -0.2); Thursday: April 11 Initial Jobless Claims (214k, 219k), March Industrial Production MoM (0.1%, 0.2%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	47,916.57 (3.07%)	Strong Sectors:	Communication Services, Consumer Disc. Info Tech.
S&P 500®	6,816.89 (3.58%)	Weak Sectors:	Energy, Health Care, Consumer Staples
S&P MidCap 400®	3,522.63 (3.37%)		
S&P SmallCap 600®	1,584.15 (3.79%)		
Nasdaq Composite®	22,902.89 (4.68%)	NYSE Advance/Decline:	1,876 / 875
Russell 2000®	2,630.59 (3.99%)	NYSE New Highs/New Lows:	220 / 122
		AAll Bulls/Bears:	35.7% / 43.0%

Stocks, measured by the S&P 500, had their best week since November as the index gained over 3.5% last week. The week's gains were driven in large part by a two-week ceasefire agreement reached between the U.S., Iran, and Israel, which sent stocks sharply higher and provided broad relief across equity markets. From a sector perspective, the S&P 500 names in communication services, discretionary, and technology led the index last week. Seventeen of the top 25 best performing stocks in the index are members of the information technology sector. Led by semiconductor names, the technology sector's gains were partially offset by weakness in software. Software stocks dropped last week amid concerns over artificial intelligence's risk to cybersecurity. Those concerns prompted Treasury Secretary Scott Bessent and Federal Reserve Chair Jerome Powell to call a meeting at the Treasury Department to discuss the heightened risks with the leaders of the largest financial institutions. The continued closure of the Strait of Hormuz and unrest in other parts of the Middle East kept volatility elevated in equity markets throughout the week, though the ceasefire announcement on Wednesday evening marked a turning point for sentiment. In energy markets, oil remained high after peaking on Tuesday. Despite the elevated level, crude settled below \$96 on Friday, marking its biggest weekly drop since 2020. The effects of the increase in oil prices have yet to be observed in the core inflation data released on Friday, but investors will look to future prints to gain more insight into inflation's effect on consumer behavior. Energy names in the S&P 500 traded lower last week as the group was the worst performing sector in the broad index. Looking ahead to next week, economic releases on home sales, PPI, import and export prices, and industrial production are all set for release.

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