

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.673 (-0.6 bps)	Bond Buyer 40 Yield:	4.59 (0 bps)
6 Mo. T-Bill:	3.693 (3.1 bps)	Crude Oil Futures:	94.40 (10.55)
1 Yr. T-Bill:	3.658 (3.2 bps)	Gold Spot:	4,709.50 (-120.84)
2 Yr. T-Note:	3.778 (7.0 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.799 (7.5 bps)	US High Yield:	7.22 (7 bps)
5 Yr. T-Note:	3.915 (6.8 bps)	BB:	6.09 (6 bps)
10 Yr. T-Note:	4.301 (5.3 bps)	B:	7.58 (9 bps)
30 Yr. T-Bond:	4.907 (2.3 bps)		

Treasury yields finished the week higher as investors are reassessing the outlook for interest rates amidst renewed tensions in the Middle East. While the Federal Reserve is still widely expected to hold rates steady at the upcoming meeting on Wednesday, the surge in energy prices has reignited inflation concerns and markets are projecting a higher-for-longer rate environment until the conflict is resolved. Crude oil jumped nearly 13% this week, finishing above \$94 a barrel, after President Trump announced that the U.S. military had seized a second Iranian-flagged oil tanker attempting to breach the blockade on Thursday. On Friday, President Trump also announced that Israel and Lebanon have agreed to extend their ceasefire for three more weeks. The United States and Iran are expected to send delegations to meet with Pakistani mediators in an effort to advance peace talks. Meanwhile, March retail sales rose 1.7%, beating the consensus expected 1.4%. This was the largest monthly increase in a year, though much of the increase can be attributed to the 15.5% surge in sales at gas stations. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: April Conference Board Consumer Confidence (89.0, 91.8); Wednesday: April 24 MBA Mortgage Applications (n/a, 7.9%), March Preliminary Wholesale Inventories MoM (0.3%, 0.8%), March Housing Starts (1400k, 1487k), March Preliminary Durable Goods Orders (0.5%, -1.3%), April 29 FOMC Rate Decision (Upper Bound) (3.75%, 3.75%); Thursday: March Personal Income (0.3%, -0.1%), March Personal Spending (0.9%, 0.5%), April 25 Initial Jobless Claims (212k, 214k), 1Q Advance GDP Annualized QoQ (2.2%, 0.5%), April MNI Chicago PMI (55.2, 52.8), March Leading Index (-0.2%, n/a); Friday: April Final S&P Global US Manufacturing PMI (54.0, 54.0), April ISM Manufacturing (53.1, 52.7).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	49,230.71 (-0.41%)	Strong Sectors:	Energy, Info. Tech., Cons. Staples
S&P 500:	7,165.08 (0.56%)	Weak Sectors:	Real Estate, Financials, Health Care,
S&P Midcap:	3,641.32 (-0.13%)	NYSE Advance/Decline:	1,159 / 1,652
S&P Smallcap:	1,659.19 (0.67%)	NYSE New Highs/New Lows:	307 / 56
NASDAQ Comp:	24,836.60 (1.51%)	AAll Bulls/Bears:	46.0% / 34.4%
Russell 2000:	2,787.00 (0.37%)		

The S&P 500 traded up slightly last week, closing at all-time highs, as a peak stretch of first-quarter earnings season buoyed returns despite geopolitical anxiety over the stalled U.S.-Iran peace talks and persistent closure of the Strait of Hormuz. Fed chair nominee Kevin Warsh testified before the Senate Banking Committee on Tuesday, pledging independence from President Trump and calling for what he described as regime change at the Fed. This week's biggest headline was corporate earnings; so far, 1Q26 quarterly earnings have a ~84% beat rate with median earnings beat of 5.5%. **Intel** stole the spotlight Friday, rocketing more than 23% after posting adjusted earnings per share of \$0.29 against expectations of \$0.01, on revenue of \$13.58 billion that topped the \$12.36 billion estimate by more than \$1 billion, driven by a surge in data center and AI revenue. **Advanced Micro Devices** rallied nearly 14% in sympathy on Friday, and the PHLX Semiconductor Index extended its winning streak to 18 consecutive sessions. **United Rentals** was the top performer in the S&P 500 on Thursday, surging nearly 23% after posting adjusted earnings per share of \$9.71 versus the \$9 estimate and revenue of \$3.99 billion that beat consensus by ~3%, with management raising full-year guidance and citing robust demand from data center construction and infrastructure projects. **GE Vernova** rose 13.7% on Wednesday after first-quarter revenue of \$9.34 billion topped expectations. On the losing side, enterprise software was gutted. **ServiceNow** cratered nearly 18% on Thursday after subscription revenue growth was hindered by delayed Middle East deals tied to the Iran conflict, triggering a broad sector rout. **IBM** fell more than 8% despite beating on both the top and bottom lines, as investors punished the company for maintaining rather than raising full-year guidance, with analysts flagging rising concern that AI tools could disrupt its legacy software business. **Salesforce**, **HubSpot**, and **Workday** each fell between 7% and 10% in the contagion. Next week we expect quarterly earnings announcements from **Procter & Gamble**, **Microsoft**, **Meta Platforms**, **Amazon**, and **Apple**.

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