

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.689 (1.0 bps)	Bond Buyer 40 Yield:	4.67 (-11 bps)
6 Mo. T-Bill:	3.692 (-0.5 bps)	Crude Oil Futures:	111.54 (11.90)
1 Yr. T-Bill:	3.654 (-9.1 bps)	Gold Spot:	4,676.76 (182.67)
2 Yr. T-Note:	3.796 (-11.6 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.823 (-11.5 bps)	U.S. High Yield:	7.55 (-28 bps)
5 Yr. T-Note:	3.946 (-12.2 bps)	BB:	6.34 (-24 bps)
10 Yr. T-Note:	4.305 (-12.3 bps)	B:	7.94 (-23 bps)
30 Yr. T-Bond:	4.880 (-8.5 bps)		

Treasury yields declined sharply this week, led by the intermediate maturities, as geopolitical uncertainty surrounding the U.S.-Iran conflict drove demand for safe-haven assets. Retail sales rose 0.6% in February, slightly beating the 0.5% consensus estimate (+0.7% when including prior revisions), and are up 3.7% year-over-year. Autos, nonstore retailers, and health & personal care stores led the gains, while grocery stores saw the biggest decline. Activity in the manufacturing sector beat expectations for the third straight month in March with the ISM Manufacturing Index reaching 52.7, though the prices index showed persistent inflation pressures. Despite improving demand, manufacturing hiring remained weak, with the employment index contracting for the 30th straight month. Pricing pressures intensified, with the prices index jumping to 78.3 in March from 70.5 in February and 59.0 in January. With the U.S.-Iran conflict and the Supreme Court's recent ruling against much of the Trump tariffs, we expect continued volatility ahead. The trade deficit widened slightly to \$57.3 billion in February after a sharp narrowing in January, as a \$12.6 billion rise in exports was more than offset by a \$15.2 billion increase in imports. Notably, much of the export gain came from nonmonetary gold, which is excluded from GDP calculations, limiting its contribution to Q1 GDP. On a year-over-year basis, the deficit is \$62.5 billion smaller, and the inflation-adjusted goods deficit — the most relevant measure for real GDP — is \$52.8 billion smaller year-over-year. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: March ISM Services Index (54.9, 56.61); Monday: February Preliminary Durable Goods Orders (-1.0%, 0.0%); Wednesday: April 3rd MBA Mortgage Applications (N/A, -10.4%); Thursday: February Personal Income (0.3, 0.4%), February Personal Spending (0.6%, 0.4%), April 4th Initial Jobless Claims (210k, 202k), March 28th Continuing Claims (1833k, 1841k), 4Q T GDP Annualized QoQ (0.7%, 0.7%), February Final Wholesale Inventories MoM (-0.2%, -0.5%); Friday: March CPI MoM (1.0%, 0.3%), March CPI YoY (2.7%, 2.4%), February Factory Orders (-0.2%, 0.1%), April University of Michigan Sentiment (51.8, 53.3), February Final February Durable Goods Orders (N/A, 0.0%).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	46,504.67 (2.98%)	Strong Sectors:	Comm. Services, Info Tech
S&P 500®	6,582.69 (3.38%)		Real Estate
S&P MidCap 400®	3,408.16 (3.01%)	Weak Sectors:	Utilities, Cons. Staples
S&P SmallCap 600®	1,526.76 (3.01%)		Energy
Nasdaq Composite®	21,879.18 (4.46%)	NYSE Advance/Decline:	2,119 / 703
Russell 2000®	2,530.04 (3.34%)	NYSE New Highs/New Lows:	151 / 305
		AAll Bulls/Bears:	33.6% / 51.4%

The S&P 500 rallied 3.38% last week as nearly all sectors finished the week in the green. The index was led higher by the Communications Services sector, which shot up 6.41%. The sector was led higher by **EchoStar Corporation** which returned 11.69%, the satellite broadband company benefitted from news of SpaceX's potential IPO. **EchoStar** owns shares of SpaceX in addition to having a partnership with the company, the news of SpaceX targeting a \$2 trillion IPO valuation was seen as positive for the firm. The Communications Services sector was also driven higher by heavy weight **Meta Platforms**, which surged 9.27% driven by the broader risk on attitude last week. The worst performing sector last week was the Energy sector which fell 5.34%. Underperformance was broad based as every Energy company in the S&P 500 experienced a negative return. Energy stocks fell and risk assets gained last week as the market grew optimistic about the potential for a quick resolution to the conflict in Iran. The worst performing Energy company in the S&P 500 was **Texas Pacific Land Corporation**, which fell 13.19%. Despite the steep drop in stock price, Texas Pacific was not the worst performer in the S&P 500. **Nike Inc** fell 13.98% following its 3rd quarter earnings release. The athletic apparel company beat 3rd quarter revenue and EPS estimates, but the company's guidance indicated revenues declining for the rest of the calendar year putting a damper on the mood. Nike's CEO described the company as being in the "middle innings" of a comeback but didn't hold back when describing his frustrations saying he was tired about talking about fixing the business. Upcoming this week **Delta Airlines**, **Constellation Brands**, and **PTC Inc** are expected to report quarterly results.

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