

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.740 (4.2 bps)	Bond Buyer 40 Yield:	4.59 (-4 bps)
6 Mo. T-Bill:	3.890 (9.8 bps)	Crude Oil Futures:	76.60 (-8.28)
1 Yr. T-Bill:	3.972 (12.8 bps)	Gold Spot:	4,155.71 (-63.62)
2 Yr. T-Note:	4.177 (9.6 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.192 (6.2 bps)	US High Yield:	7.35 (-3 bps)
5 Yr. T-Note:	4.232 (2.7 bps)	BB:	6.21 (-3 bps)
10 Yr. T-Note:	4.453 (-2.6 bps)	B:	7.69 (-5 bps)
30 Yr. T-Bond:	4.898 (-6.9 bps)		

The US and Iran signed an interim peace deal last week that extends the ceasefire between the two countries for two months and allows for continued negotiations over Iran's nuclear program. The US allowed Iran to immediately resume selling oil with the potential for broader sanctions relief, while Iran agreed to reopen the Strait of Hormuz, a key shipping route in the Middle East. It remains to be seen how quickly the waterway will completely reopen. Oil prices fell to below \$80 last week on news of the peace deal, well below the war's high of around \$120 but still up over 30% for the year. The Fed left interest rates unchanged at its June meeting last week, which was widely expected. It was the first meeting chaired by Kevin Warsh. Chairman Warsh pledged to deliver price stability, and the bond market took notice of the Fed's hawkish tone. The two-year Treasury yield rose sharply following the meeting, matching the largest jump since 2008 on the day of a Fed announcement. The market now expects at least one interest rate hike this year, with a 50/50 chance of a second. US markets were closed on Friday for the Juneteenth holiday. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: June Preliminary S&P Global US Manufacturing PMI (54.8, 55.1); Wednesday: June 19 MBA Mortgage Applications (N/A, -3.8%), May New Home Sales (640k, 622k); Thursday: June 20 Initial Jobless Claims (225k, 226k), 1Q GDP Annualized QoQ (1.6%, 1.6%), May Preliminary Durable Goods Orders (-4.9%, 8.0%), May Personal Income (0.4%, 0.0%), May Personal Spending (0.5%, 0.5%); Friday: June U. of Mich. Sentiment (49.9, 48.9), May Preliminary Wholesale Inventories MoM (0.2%, 0.6%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	51,564.70 (075%)	Strong Sectors:	Info. Tech., Industrials,
S&P 500:	7,500.58 (0.96%)		Comm. Services
S&P Midcap:	3,791.48 (-0.08%)	Weak Sectors:	Health Care, Real Estate,
S&P Smallcap:	1,744.11 (0.01%)		Energy
NASDAQ Comp:	26,517.93 (2.44%)	NYSE Advance/Decline:	1,301 / 1,528
Russell 2000:	2,979.77 (1.24%)	NYSE New Highs/New Lows:	273 / 127
		AAII Bulls/Bears:	36.6% / 39.4%

The S&P 500 advanced 0.96% over the four-day holiday-shortened week (markets were closed Friday for Juneteenth), closing Thursday ~7,501 — a modest gain despite the underlying volatility. Two forces dominated sentiment: the signing of a U.S.-Iran memorandum of understanding on Thursday that reopened the Strait of Hormuz on a provisional 60-day basis; and the Federal Reserve's first policy meeting under new Chair Kevin Warsh, which left the federal funds rate unchanged at 3.75% but delivered a hawkish jolt when updated dot plot projections showed nine of eighteen policymakers penciling in at least one rate hike before year-end. Warsh, a vocal critic of the Fed's prior communication style, issued a 130-word post-meeting statement that stripped the easing bias entirely, sending the S&P 500 down 1.21% on Wednesday. Headlines were still focused on **Space Exploration Technologies** (SpaceX), which listed June 12th, and surged to ~\$225 on Tuesday, then fell more than 17% after the company disclosed a \$60 billion all-stock acquisition of Anysphere, the startup behind AI coding agent **Cursor**, with analysts citing roughly 3.4% share dilution and valuation concerns. Semiconductors were the week's clearest thematic winner: the Philadelphia Semiconductor Index rose more than 7% to a record high on Thursday after President Trump announced on Truth Social that **Apple** had agreed to work with **Intel** to design and manufacture chips domestically, driving **Intel** up 10.5% on the day; **Micron Technology** and **Broadcom** were also among the index's top gainers Thursday. Travel names led Monday's opening surge on Iran deal optimism, with **United Airlines** closing up +3.9%, **Delta Air Lines** up +1.2%, **American Airlines** gaining 2.2%, and **Royal Caribbean Cruises** up 6.5% all rallied from lower oil prices. Energy was the week's most consequential loser as the geopolitical premium unwound: WTI crude fell ~10% on the week to \$76.60, while **Exxon Mobil** returned -6.3% and **Chevron** -7.3% last week. Looking ahead, markets will be parsing FOMC member commentary for further clarity on the pace and timing of potential rate hikes, monitoring whether the Strait of Hormuz reopening translates into durable crude supply normalization, and watching the durability of the U.S.-Iran framework as the two sides move toward a final agreement over the next 60 days.

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