

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.399 (5.1 bps)	GNMA (30 Yr) 6% Coupon:	105-10/32 (4.35%)
6 Mo. T-Bill:	2.525 (2.9 bps)	Duration:	4.15 years
1 Yr. T-Bill:	2.665 (1.2 bps)	Bond Buyer 40 Yield:	4.21 (-3 bps)
2 Yr. T-Note:	2.830 (4.1 bps)	Crude Oil Futures:	50.42 (-6.04)
3 Yr. T-Note:	2.855 (2.4 bps)	Gold Spot:	1,223.05 (-0.31)
5 Yr. T-Note:	2.892 (2.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	3.063 (unch.)	U.S. High Yield:	7.37 (9 bps)
30 Yr. T-Bond:	3.315 (-0.7 bps)	BB:	5.92 (5 bps)
		B:	7.72 (10 bps)

Treasury prices were mixed over the course of the week with long-term Treasury prices rising slightly and short-term Treasury prices dropping slightly. Investors believe the Federal Reserve is even more likely to raise rates at the December meeting as the market implied probability of a rate hike increased from 66% to 73%. However, a sell-off in the equity markets led by concerns over U.S. technology company earnings and a slowdown in global growth caused investors to seek the perceived safety of Treasuries, leading Treasury prices to remain steady. Homebuilder confidence dropped, and housing starts only met expectations. In Europe, Italy clashed with the European Commission in Brussels as Italian officials said their budget would remain intact, but they would be willing to make some changes to appease Brussels. Investors also believed that the concern that tariffs would negatively impact the economy through decreased investment spending was evident in the 4.4% drop in durable goods orders. Oil dropped 11% over the course of the week on concerns for weak demand out of China and oversupply coming from the U.S. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: November Conf. Board Consumer Confidence (135.5, 137.9); Wednesday: November 23 MBA Mortgage Applications (n/a, -0.1%), October Prelim. Wholesale Inventories MoM (0.4%, 0.4%), 3Q Second GDP Annualized QoQ (3.5%, 3.5%), October New Home Sales (580k, 553k); Thursday: October Personal Income (0.4%, 0.2%), October Personal Spending (0.4%, 0.4%), November 24 Initial Jobless Claims (220k, 224k); Friday: November Chicago Purchasing Manager (58.8, 58.4).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,285.95 (-4.40%)	Strong Sectors:	Utilities, Real Estate,
S&P 500:	2,632.56 (-3.77%)		Consumer Staples
S&P Midcap:	1,824.88 (-2.15%)	Weak Sectors:	Info Technology, Energy,
S&P Smallcap:	937.56 (-2.47%)		Consumer Discretionary
NASDAQ Comp:	6,938.98 (-4.25%)	NYSE Advance/Decline:	690 / 2,392
Russell 2000:	1,488.68 (-2.53%)	NYSE New Highs/New Lows:	73 / 684
		AAll Bulls/Bears:	25.3% / 47.1%

Last week the S&P 500 Index continued its downward trend with a 3.77% drop. While the index returned 10.56% in the first three quarters of 2018, the decline in the fourth quarter has currently erased those gains. Equity markets started the week on a sour note after US Vice President Mike Pence and Chinese President Xi Jinping exchanged harsh rhetoric and gave differing views for the direction of future trade at the APEC summit over the previous weekend. President Trump and President Xi are expected to meet this weekend at the G20 summit in Argentina. In economic news, University of Michigan Consumer Sentiment Index remains high while US initial jobless claims of 224K were higher than expected. Information technology and energy led the decline last week with all sectors in negative territory. Crude oil prices declined 10.70% last week and closed at \$50.42 per barrel, the lowest close since early October 2017. Signs of oversupply continue to weigh on crude and the energy sector. Technology giant **Apple Inc.**, known for their iPhones and iPads, dropped 3.96% on reports that the company cut production orders of iPhones as demand appears to be declining. The stock lost 10.98% last week. **Nvidia Corp**, a developer of graphics processors and software, resumed being punished last Monday with a 12% decline. The stock dropped 18.76% the previous Friday after missing earnings and sales estimates and lowering fourth quarter revenue guidance. **Rockwell Collins Inc.**, a commercial and military aviation electronics manufacturer, was the week's best performing stock in the S&P 500 Index returning 6.89%. The stock's trading volume was elevated as it jumped on Friday after reports that **United Technologies Corp** received their final regulatory approval from China to acquire the company. **Rockwell** is expected to release earnings on Tuesday. Companies reporting earnings this coming week include **salesforce.com**, **HP Inc.**, **Dollar Tree Inc.**, and a few others.

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