

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.800 (5.1 bps)	GNMA (30 Yr) 6% Coupon:	108-19/32 (3.61%)
6 Mo. T-Bill:	1.999 (4.7 bps)	Duration:	4.32 years
1 Yr. T-Bill:	2.190 (9.9 bps)	Bond Buyer 40 Yield:	4.02 (4 bps)
2 Yr. T-Note:	2.457 (10.1 bps)	Crude Oil Futures:	68.38 (+0.99)
3 Yr. T-Note:	2.616 (11.6 bps)	Gold Spot:	1,336.36 (-9.84)
5 Yr. T-Note:	2.800 (12.7 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.960 (13.4 bps)	U.S. High Yield:	6.39 (3 bps)
30 Yr. T-Bond:	3.145 (11.8 bps)	BB:	5.16 (5 bps)
		B:	6.61 (3 bps)

Treasury yields rose across the yield curve last week with the 10-year note reaching the highest level since 2014 on Friday. The spread between the two-year note and 10-year note reached its narrowest since 2007 on Tuesday due to concerns that fiscal policy, through tax cuts coupled with increases in spending, would stall the economy along with the uncertainty surrounding further interest rate hikes. The yield curve widened sharply by the end of the week, easing investor concerns of the yield curve inverting. This was largely a result of commodity prices, such as crude oil, pushing towards multi-year highs subsequently causing higher inflation expectations. The Fed's Beige Book and the Philadelphia Fed business outlook survey, which are also inflation indicators, signaled increases in wages and material costs are forthcoming. Furthermore, after a week of speeches from numerous members of the Federal Reserve, investors believe the central bank will raise rates an additional three times this year. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: April Preliminary Markit US Manufacturing PMI (55.2, 55.6), March Existing Home Sales (5.55m, 5.54m); Tuesday: March New Home Sales (630k, 618k), April Conference Board Consumer Confidence (126.0, 127.7); Wednesday: April 20 MBA Mortgage Applications (N/A, 4.9%); Thursday: April 21 Initial Jobless Claims (230k, 232k), March Preliminary Wholesale Inventories MoM 0.6%, 1.0%), March Preliminary Durable Goods Orders (1.5%, 3.0%); Friday: 1Q Advanced GDP Annualized QoQ (2.0%, 2.9%), April Final University of Michigan Sentiment (98.0, 97.8).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	24,462.94 (+0.46%)	Strong Sectors:	Energy, Industrials, Cons Disc
S&P 500:	2,670.14 (+0.54%)	Weak Sectors:	Cons Staples, Real Estate, Telecom
S&P Midcap:	1,900.50 (+0.89%)	NYSE Advance/Decline:	1,843 / 1,229
S&P Smallcap:	961.76 (+0.95%)	NYSE New Highs/New Lows:	221 / 196
NASDAQ Comp:	7,146.13 (+0.56%)	AAII Bulls/Bears:	37.8% / 29.2%
Russell 2000:	1,564.12 (+0.95%)		

U.S. stocks slipped in the final two days of trading but still notched gains for the week, buoyed by generally strong earnings results and energy shares. With earnings season ramping up, positive results across industrials, energy and financials led to increased investor confidence. Shares of **General Electric Co.** gained after the company reaffirmed fiscal-year guidance and signaled a decision is close on divesting its transportation division. **Baker Hughes** reported better-than-expected operating margins from an improving upstream market. The five largest U.S. banks finished reporting strong first-quarter results this week driven by robust trading revenue. Despite beating on both the top and bottom lines, **Goldman Sachs Group, Inc.** shares lost ground for the week, after the bank said it would not reduce share count next quarter. **American Express Co.** reported solid results as expenses for future charge-offs were lower-than-expected and core growth accelerated in loans and billed business. Shares of **Netflix Inc.** rose sharply after subscribers increased by 7.4 million for the quarter. By contrast, **Apple Inc.** fell sharply for the week after a number of analysts cut their projections for iPhone sales, adding to concern about the technology firm's main source of profit ahead of upcoming financial results next month. Looking ahead, earnings season will swing into full gear next week with **Alphabet Inc., Microsoft Corp., Amazon.com, Inc., Facebook, Inc., Comcast Corp. and Caterpillar Inc.** expected to announce results. In addition, first quarter gross domestic product will be released on Friday. With earnings season off to a strong start, continued momentum in profits could lead to improved market sentiment and lower volatility.

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