

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.802 (0.3 bps)	GNMA (30 Yr) 6% Coupon:	111-12/32 (2.68%)
6 Mo. T-Bill:	2.004 (0.5 bps)	Duration:	4.00 years
1 Yr. T-Bill:	2.229 (3.9 bps)	Bond Buyer 40 Yield:	4.06 (4 bps)
2 Yr. T-Note:	2.484 (2.6 bps)	Crude Oil Futures:	68.10 (-0.28)
3 Yr. T-Note:	2.618 (0.1 bps)	Gold Spot:	1,324.00 (-12.36)
5 Yr. T-Note:	2.801 (0.1 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.957 (-0.3 bps)	U.S. High Yield:	6.48 (9 bps)
30 Yr. T-Bond:	3.125 (-2.1 bps)	BB:	5.25 (9 bps)
		B:	6.71 (10 bps)

Last week the yield on the benchmark U.S. 10-year Treasury note topped 3% for the first time in over four years and has moved half a percentage point higher in 2018. On Friday, the Commerce Department announced in its first estimate that real GDP grew at a 2.3% annual rate in the first quarter, which was higher than expected but slower than the 2.9% rate in the fourth quarter of 2017. Highlighting the report was that nonresidential fixed investment, or investments in productive assets that support future growth, remained robust. Specifically, nonresidential fixed investment grew at a 6.1% annual rate in the first quarter. Meanwhile, the Labor Department also announced on Friday that the employment cost index rose 2.7% for the last 12 months ending in March, which was the strongest gain since 2008, as a tight labor market pushed wages higher. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: March Personal Income (0.4%, 0.4%), March Personal Spending (0.4%, 0.2%), April Chicago Purchasing Manager (58.0, 57.4); Tuesday: April ISM Manufacturing (58.5, 59.3), April Final Markit US Manufacturing PMI (56.5, 56.5), March Construction Spending MoM (0.5%, 0.1%); Wednesday: May 2 FOMC Rate Decision – Upper Bound (1.75%, 1.75%), April 27 MBA Mortgage Applications (N/A, -0.2%), April ADP Employment Change (195k, 241k); Thursday: April 28 Initial Jobless Claims (220k, 209k), March Final Durable Goods Orders (N/A, 2.6%), March Factory Orders (1.4%, 1.2%), March Trade Balance (-\$50.0b, -\$57.6b); Friday: April Change in Nonfarm Payrolls (190k, 103k), April Unemployment Rate (4.0%, 4.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	24,311.19 (-0.62%)	Strong Sectors:	Utilities, Health Care
S&P 500:	2,669.91 (-0.01%)		Telecom
S&P Midcap:	1,892.23 (-0.40%)	Weak Sectors:	Info Tech., Materials
S&P Smallcap:	956.18 (-0.56%)		Industrials
NASDAQ Comp:	7,119.80 (-0.36%)	NYSE Advance/Decline:	1,446 / 1,621
Russell 2000:	1,556.24 (-0.49%)	NYSE New Highs/New Lows:	169 / 303
		AAll Bulls/Bears:	36.9% / 25.6%

Equities were down slightly last week as the S&P 500 returned -0.01%, Dow Jones Industrial Average -0.62% and the NASDAQ Composite -0.36%. Energy was the top performing sector as oil hovered around \$68 a barrel all week. Risks of a supply shock continue to fluctuate as President Trump has until May 12th to re-impose economic sanctions from the 2015 Iranian nuclear accord. Earnings season was in full swing last week after 180 constituents of the S&P 500 announced quarterly results. **Amazon.com Inc.** made headlines announcing 42% year-over-year revenue growth along with a price hike for their Prime® membership from \$99 per year up to \$119. The positive news pushed Amazon's stock price over \$1600, an all-time high. **Facebook Inc.** announced revenue 50% higher compared to 1Q17 which helped the stock return over 9% on Thursday. Considering the recent consumer privacy issues, the positive news was welcomed relief for beleaguered shareholders. After announcing strong revenue and earnings growth, **Chipotle Mexican Grill Inc.** was up nearly 30% last week making it the top performer in the S&P 500. New Chipotle CEO Brian Niccol announced the mobile orders and delivery segment grew at a "rapid pace" in the first quarter, and he currently does not see franchising or launching a breakfast menu as the right moves for the company. **SVB Financial Group** was up over 20% last week after the bank reported higher profits and sales than sell side analysts estimated. Not all announcements were positive, **Freeport-McMoRan Inc.** returned -20.9% last week after revenue and earnings were below estimates and announcing they received eight environmental inquiries about their Indonesian operations. **LKQ Corp.**, one of the largest automotive component salvaging companies, returned -17.3% for the week after lowering full year guidance because of revenue headwinds from their European operations. Looking ahead to next week earnings season continues as 147 companies in the S&P 500 are expected to release quarterly results. Among them include: **Apple Inc.**, **Berkshire Hathaway Inc.**, **Pfizer Inc.**, **MasterCard Inc.** and **McDonald's Corp.**

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