

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.907 (0.3 bps)	GNMA (30 Yr) 6% Coupon:	107-13/32 (3.76%)
6 Mo. T-Bill:	2.102 (1.6 bps)	Duration:	3.97 years
1 Yr. T-Bill:	2.282 (2.5 bps)	Bond Buyer 40 Yield:	3.99 (3 bps)
2 Yr. T-Note:	2.498 (2.6 bps)	Crude Oil Futures:	65.74 (-0.07)
3 Yr. T-Note:	2.633 (3.3 bps)	Gold Spot:	1,298.17 (4.77)
5 Yr. T-Note:	2.784 (3.5 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.946 (4.4 bps)	U.S. High Yield:	6.50 (-5 bps)
30 Yr. T-Bond:	3.090 (3.9 bps)	BB:	5.39 (-3 bps)
		B:	6.78 (-5 bps)

Yields moved higher last week across the yield curve ahead of what is expected to be a busy week this week. In economic data, the Institute for Supply Management announced on Tuesday that its non-manufacturing index rose to 58.6 in May from 56.8 in April, which beat expectations and indicates the non-manufacturing sector is growing at a faster rate. The Supplier Deliveries Index, which measures how fast businesses receive deliveries, indicated that deliveries were slower in May for the 29th consecutive month. Slower deliveries indicate strong demand and an improving economy however slow rail service and a shortage of truck drivers also contributed to the slowdown. The Federal Open Market Committee meets on Tuesday and Wednesday of this week and is widely expected to raise interest rates for the second time this year. The Fed last raised rates in March when the unemployment rate was 4.1%. The unemployment rate has improved since then, falling to 3.9% and 3.8% in April and May, respectively. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: May CPI MoM (0.2%, 0.2%); Wednesday: June 13 FOMC Rate Decision – Upper Bound (2.00%, 1.75%), June 8 MBA Mortgage Applications (N/A, 4.1%), May PPI Final Demand MoM (0.3%, 0.1%); Thursday: June 9 Initial Jobless Claims (222k, 222k), May Retail Sales Advance MoM (0.4%, 0.3%); Friday: June Preliminary U. of Mich. Sentiment (98.5, 98), May Industrial Production MoM (0.2%, 0.7%), June Empire Manufacturing (18.5, 20.1).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,316.53 (2.79%)	Strong Sectors:	Telecommunication Services, Consumer Disc, Materials
S&P 500:	2,779.03 (1.66%)	Weak Sectors:	Utilities, Energy
S&P Midcap:	2,000.67 (2.19%)		Information Technology
S&P Smallcap:	1,038.61 (2.30%)	NYSE Advance/Decline:	2,086 / 998
NASDAQ Comp:	7,645.51 (1.22%)	NYSE New Highs/New Lows:	365 / 126
Russell 2000:	1,672.49 (1.51%)	AAII Bulls/Bears:	38.9% / 26.7%

Last week the S&P 500 posted its third consecutive weekly gain. Investors have been looking abroad at emerging markets after fears of contagion reigned in the willingness to accept risk. On Friday, Brazil's central bank pledged to support their currency causing it to strengthen while the dollar remained unchanged. The Group of Seven (G-7) meeting in Canada kicked off on Friday and President Trump dominated the headlines with comments ranging from tariffs to Russia's exclusion from the group. Oil continues to be closely watched as the commodity closed near \$66 a barrel leading up to the OPEC meeting scheduled for later this month. Index heavyweight **Apple** sold off Thursday and Friday after a report by Nikkei detailed the company's plans to reduce iPhone parts orders by 20%. The company still expects iPhone shipments of 80 million units this year. In a reversal of retail trends, **Under Armour** traded higher again last week to clock in as the best performer in the S&P 500. The company is experiencing strong global growth and has returned over 40% since the beginning of the year. Utilities stocks were the only group in the S&P 500 to post losses last week. Interest rates, measured by the 10-year treasury, rose causing the sector to trade lower through Wednesday before regaining some ground through the end of the week. Looking ahead to next week, the G-7 meeting combined with CPI, PPI, and retail sales releases will keep investors supplied with plenty of data points.

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