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For The Week Ended November 9, 2007
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	3.24 (-35 bps)	**GNMA (30 Yr) 8% Coupon:** 104-26/32 (6.04%)	
6 Mo. T-Bill	3.63 (-16 bps)	**Duration:** 3.00 years	
2 Yr. T-Note	3.42 (-25 bps)	**30-Year Insured Revs**: 100.0% of 30 Yr. T-Bond	
3 Yr. T-Note	3.36 (-29 bps)	**Bond Buyer 40 Yield**: 4.91% (+11 bps)	
5 Yr. T-Note	3.75 (-20 bps)	**Crude Oil Futures**: 96.32 (+0.39)	
10 Yr. T-Note	4.21 (-10 bps)	**Gold Futures**: 834.70 (+26.20)	
30 Yr. T-Bond	4.60 (-01 bps)	**Merrill Lynch High Yield Indices:**	
		BB, 7-10 Yr.	7.68% (+13 bps)
		B, 7-10 Yr.	8.92% (+17 bps)

Treasury yields fell for the second straight week, with the greatest declines seen in 2-Year and 3-Year notes, then narrowing out to the longer end of the yield curve, where the yield on the 30-Year bond fell only a single basis point. Once again, the driving force in the price increases was investors seeking the safety of U.S government debt on concerns with the credit market amid continuing losses on mortgage securities and mortgage-related write-down's by financial institutions. Despite the specter of the subprime woes, there was positive news from the economy. The ISM non-manufacturing index grew in October despite expected declines, and nonfarm productivity grew well in excess of forecasts. Economic reports (and related consensus forecasts) for the coming week include: Tuesday: October Budget Statement (-$58.0 billion); Wednesday: October Producer Price Index (0.3%, less Food & Energy 0.2%), October Advance Retail Sales (0.2%, less Autos 0.3%), and September Business Inventories (0.4%); Thursday: October Consumer Price Index (0.3%, less Food & Energy 0.2%), Initial Jobless Claims (320,000), and November Philadelphia Fed report (5.0); and Friday: October Industrial Production (0.1%) Capacity Utilization (82.0%).

US Stocks:

Weekly Index Performance

DJIA	13042.74 (-552.36,-4.1%)
S&P 500	1453.70 (-55.95,-3.7%)
S&P MidCap	861.55 (-24.97,-2.8%)
S&P Small Cap	399.92 (-13.95,-3.4%)
NASDAQ Comp	2627.94 (-182.44,-6.5%)
Russell 2000	772.38 (-25.40,-3.2 %)

Market Indicators

Strong Sectors: Utilities, Consumer Staples, Energy
Weak Sectors: Technology, Consumer Discretionary, Financials

NYSE Advance/Decline: 670 / 2,870
NYSE New Highs/New Lows: 254 / 821
AAII Bulls/Bears: 36.2% / 51.4%

US stocks tumbled for the second straight week as more losses in the financial sector and doubts as to the strength of the economy sent investors to the sidelines. For the second time in as many weeks a major Wall Street firm fessed up to steep credit losses leading to the ouster of its CEO as Chuck Prince was forced out at **Citigroup** following an $11 billion write-down. In addition, **Wachovia**, **Morgan Stanley**, **JPMorgan** and **Bank of America** all either quantified recent credit market losses or warned of more to come. Tech shares led the markets lower as disappointing news in the group led investors to question their growth forecasts for the group. **Cisco** shares fell sharply to end the week despite in-line earnings after the company gave a cautious outlook for the rest of the year. **Qualcomm** shares also fell after in-line results as forecasts failed to live up to expectations. Recent market leaders **Research in Motion**, **Apple** and **Google** also came under pressure to end the week. Oil and gold both reached new al-time highs above $98/bbl and $833/oz, respectively. **Merck** agreed to settle a significant portion of their Vioxx lawsuits for $5 billion. **IAC/Interactive** announced plans to split into five publicly traded companies. Warm weather was blamed for weaker than expected October chain-store sales. **GM** recorded a $39 billion non-cash charge in announcing earnings that fell short of expectations. Meanwhile **Ford** was able to post a narrower than expected loss. Looking ahead, with earnings season winding down attention will be focused squarely on the economy. With the possibility of an economic slowdown starting to be reflected in equity prices, any indication to the contrary is likely to set up equities for a re-test of recent highs.