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For The Week Ended November 23, 2007
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	3.21 (-20 bps)	**GNMA (30 Yr) 8% Coupon:** 104-56/32 (5.95%)	
6 Mo. T-Bill	3.36 (-01 bps)	**Duration:** 3.16 years	
2 Yr. T-Note	3.06 (-28 bps)	**30-Year Insured Revs**: 103.2% of 30 Yr. T-Bond	
3 Yr. T-Note	3.01 (-24 bps)	**Bond Buyer 40 Yield**: 4.85% (-02 bps)	
5 Yr. T-Note	3.40 (-29 bps)	**Crude Oil Futures**: 98.15 (+3.05)	
10 Yr. T-Note	4.01 (-17 bps)	**Gold Futures**: 824.70 (+37.70)	
30 Yr. T-Bond	4.42 (-09 bps)	**Merrill Lynch High Yield Indices:**	
		BB, 7-10 Yr.	7.90% (+13 bps)
		B, 7-10 Yr.	9.28% (+20 bps)

Treasurys showed their fourth straight week of gains during a shortened week of trading. In addition, the yield curve grew steeper, with declines in yields more pronounced at the short end of the curve. The increasing spread between the yield on the 2-Year and 10-Year Treasury notes is based on increased demand for the shorter debt, indicating another anticipated cut in rates by the Fed. With little new economic data for the week, the Treasury market was most affected by the continuing effects relating to subprime mortgages and by the stock market. Also aiding in the Treasury rally was the Fed's 2008 economic forecast, which predicts slower growth and tame inflation. Economic reports (and related consensus forecasts) for the coming week include: Wednesday: October Durable Goods Orders (0.0%, less Transportation 0.4%), October Existing Home Sales (5.00 million), and Fed's Beige Book released; Thursday: 3Q Preliminary GDP (4.9%, rice Index 0.8%), Initial Jobless Claims (330,000), and October New Home Sales (750,000); and Friday: October Personal Income (0.4%) and Personal Spending (0.3%) and November Chicago Purchasing Manager Index (50.5).

US Stocks:

Weekly Index Performance

DJIA	12980.88 (-195.91,-1.5%)
S&P 500	1440.70 (-18.04,-1.2%)
S&P MidCap	834.48 (-17.36,-2.0%)
S&P Small Cap	392.22 (-6.36,-1.6%)
NASDAQ Comp	2596.60 (-40.64,-1.5%)
Russell 2000	755.03 (-14.47,-1.9 %)

Market Indicators

Strong Sectors: Energy, Utilities, Consumer Staples
Weak Sectors: Telecomm, Financials, Materials
NYSE Advance/Decline: 1,104 / 2,428
NYSE New Highs/New Lows: 71 / 942
AAII Bulls/Bears: 25.6% / 52.7%

US stocks fell last week, hitting their mid-summer lows, as the strength of the financial sector was called into question and mixed consumer related news weighed on the markets. Trading was volatile and volumes light for the holiday-shortened week. The end result was that investors continued to favor the less economically-sensitive sectors and Treasuries were bid higher. The Fed lowered its projection for 2008 economic growth on Wednesday sending stocks lower. **Freddie Mac** shares tumbled 35% for the week on speculation they will have to raise capital after reporting a record quarterly loss. **Fannie Mae** fell in sympathy. **Citigroup** shares hit a 52 week low after a broker downgraded the shares and raised the possibility of further significant write-downs. **Hewlett-Packard** reported strong earnings gains. Retail news was a mixed bag. **Lowe's** shares fell after lowering 2008 earnings forecasts. **Target** disappointed with EPS below forecasts. **Gap** shares lost ground despite in-line earnings and an increased 2008 forecast. **Nordstrom** and **Abercrombie & Fitch** both gained on quarterly results ahead of expectations. **Deere** shares gained on earnings ahead of expectations and an upbeat outlook for 2008. Oil flirted with $100 before ending the week below $98/bbl. In merger news, **EchoStar** shares surged on speculation **AT&T** will buy the satellite cable operator. Looking ahead, the coming week will provide important insights into the state of consumer spending as early reports from the first weekend of Christmas shopping are released. Expectations are that spending will be curtailed this holiday season so any evidence to the contrary will likely lead to higher equity prices.