For the week ended September 14, 2007

Weekly Market Update

U.S. Stocks	
WEEKLY INDEX PERFORMANCE	
DJIA:	13442.52 (+329.14,+2.5%)
S&P 500:	1484.25 (+30.70,+2.1%)
S&P MidCap:	862.46 (+9.16,+1.1%)
S&P SmallCap:	414.05 (+4.77,+1.2%)
Nasdaq Comp:	2602.18 (+36.48,+1.4%)
Russell 2000:	783.49 (+7.70,+1.0 %)
MARKET INDICATORS	
Strong Sectors:	Energy, Financials, Telecommunications
Weak Sectors:	Technology, Health Care, Consumer Discretionary
NYSE Advance/Decline:	2,063 / 1,441
NYSE New Highs/New Lows:	141 / 199
AAII Bulls/Bears:	40.0% / 35.3%

U.S. stocks posted solid gains last week ending a two week losing streak. Energy shares led the advance as oil closed above $80/bbl for the first time ever before ending the week at $79.10. Financials also gained as anticipation builds that the Fed will cut rates, helping ease the recent credit crunch. **Countrywide** shares ended the week higher, despite revealing plans to trim its workforce by 20%, after announcing it secured $12 billion in funding. News was mostly positive from the tech sector although performance lagged the broader market. **Intel** boosted revenue estimates for the current quarter, while **Texas Instruments** raised EPS and revenue estimates. **Apple** sold its one millionth iPhone. **McDonald's** shares spiked higher thanks to higher August sales and plans to return over $15 billion to investors through dividends and stock buybacks in the next two years. They also raised their dividend 50%. **GM** shares gained on positive broker comments and plans for more environmentally friendly vehicles. Retailers gained on the week despite August sales coming in lower than forecast. Steel maker **Nucor** lowered EPS estimates citing softness in certain key markets. Looking ahead, all eyes will be on the FOMC meeting Tuesday where the Fed is expected to lower the fed funds target rate. Several large brokerage firms will also be reporting earnings throughout the week and investors will be looking for the extent of any damage the sub-prime mortgage meltdown and subsequent credit crunch inflicted. Overall, equities remain attractively valued for investors with a longer-term horizon as forecasts for sustained global economic growth bodes well for equities.

See next page for U.S. Economy and Credit Markets Information.

US Economy and Credit Markets	
YIELDS AND WEEKLY CHANGES:	
3 Mo. T-Bill:	3.98 (-07 bps)
6 Mo. T-Bill:	4.20 (+02 bps)
2 Yr. T-Note:	4.04 (+15 bps)
3 Yr. T-Note:	4.05 (+15 bps)
5 Yr. T-Note:	4.17 (+15 bps)
10 Yr. T-Note:	4.46 (+09 bps)
30 Yr. T-Bond:	4.72 (+03 bps)
GNMA (30 Yr) 8% Coupon:	103-28/32 (6.47%)
Duration:	2.99 years
30 Year Insured Revs:	95.3% of 30 Yr. T-Bond
Bond Buyer 40 Yield:	4.82% (-06 bps)
Crude Oil Futures:	79.10 (+2.40)
Gold Futures:	711.10 (+7.90)
Merrill Lynch High Yield Indices:	
BB, 7-10 Yr.	7.81% (unch.)
B, 7-10 Yr.	8.87% (unch.)

Yields were up across all maturities of Treasury notes and bonds for the week. After opening the week with a gain, prices fell each day as increases in the stock market on three of those four days moved some investors away from their safe haven in Treasuries. The decline in prices was driven by speculation that the Fed will cut rates when it meets on Tuesday. Amid the ongoing mortgage crisis, the decline in August nonfarm payrolls, and last week's below-expectations retail sales report, the market seems certain that the target rate will be cut, with the question now being whether it is lowered by 25 or 50 basis points. According to a Bloomberg survey, the median forecast among economists is a 25 bps cut, but there are substantial numbers who believe that the central bank will opt for the larger move. Economic reports (and related consensus forecasts) for the coming week include: Tuesday: August Producer Price Index (-0.3%, less Food & Energy 0.1%) and FOMC Rate Decision Expected (5.0%); Wednesday: August Consumer Price Index (0.0%, less Food & Energy 0.2%) and August Housing Starts (1,350,000); Thursday: Initial Jobless Claims (321,000), August Leading Indicators (-0.4%), and September Philadelphia Fed report (2.6).

Source: Bloomberg and Barron's