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For The Week Ended November 21, 2008
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	0.01 (-12 bps)	**GNMA (30 Yr) 7% Coupon:** 102-18/32 (5.99%)
6 Mo. T-Bill	0.31 (-56 bps)	**Duration:** 3.50 years
1 Yr. T-Note	0.84 (-16 bps)	**30-Year Insured Revs**: 168.1% of 30 Yr. T-Bond
2 Yr. T-Note	1.08 (-12 bps)	**Bond Buyer 40 Yield**: 6.01% (+17 bps)
3 Yr. T-Note	1.34 (-19 bps)	**Crude Oil Futures**: 50.50 (-6.03)
5 Yr. T-Note	2.01 (-20 bps)	**Gold Futures**: 799.70 (+57.80)
10 Yr. T-Bond	3.19 (-52 bps)	**Merrill Lynch High Yield Indices:**
30 Yr. T-Bond	3.67 (-53 bps)	**BB, 7-10 Yr.** 14.06% (+102 bps)
		B, 7-10 Yr. 20.00% (+206 bps)

Treasury prices were higher for all maturities for week, with the sharpest declines in yield at the long end of the yield curve. Despite prices falling back late in Friday's trading as equity markets rallied, the benchmark ten-year note had its biggest one-week gain since the 1987 stock market crash. As investors sought the safety of Treasuries amid growing fears of a deepening global recession, the three-month T-bill ended the week with a yield of 0.01%. Reports showed that both consumer and producer prices fell in October, although when food and energy are excluded producer prices were 0.4% for the month. Housing starts declined once again in October, although not as sharply as forecasts. Industrial production rebounded from September, levels which were driven lower by Hurricanes Gustav and Ike. Economic reports (and related consensus forecasts) for the coming week include: Monday: October Existing Home Sales (5.00 million); Tuesday: 3Q Preliminary GDP (-0.5%, Price Index 4.2%) and Personal Consumption (-3.2%) and November Consumer Confidence (38.1); and Wednesday: October Durable Goods Orders (-2.6%, Ex Transportation -1.5%), October Personal Income (0.1%) and Personal Spending (-1.0%), Initial Jobless Claims (533,000), November Chicago Purchasing Manager (37.3), November Final U of Michigan Confidence (57.7), and October New Home Sales (443,000).

US Stocks:

Weekly Index Performance

DJIA	8046.42 (-450.89,-5.3%)
S&P 500	800.03 (-73.26,-8.4%)
S&P MidCap	441.51 (-56.01,-11.3%)
S&P Small Cap	220.10 (-25.26,-10.3%)
NASDAQ Comp	1384.35 (-132.50,-8.7%)
Russell 2000	406.54 (-49.98,-11.0%)

Market Indicators

Strong Sectors: Utilities, Consumer Staples, Precious Metals, Energy
Weak Sectors: Financials, Materials, Consumer Discretionary
NYSE Advance/Decline: 262 / 3,035
NYSE New Highs/New Lows: 5 / 1,727
AAII Bulls/Bears: 24.4% / 57.1%

US stocks slid further as investors continued to shed risk. The week's economic data including reports on monthly producer and consumer prices and weekly jobless claims point to a sharp reduction in economic activity. Crude oil prices sank below $50/bbl, though natural gas prices rose on anticipation of colder weather. Gold rose 6.6% in a flight to safety. A report out late Friday indicating the current head of the New York Federal Reserve would be named Treasury Secretary sent stocks soaring, a positive conclusion to a tough week. The market's reaction was a sign investors had been anxious for action from President-elect Obama. Overall, defensive sectors fared best last week. Financials acted poorly in the wake of the Treasury Department's decision to abandon efforts to purchase troubled assets from struggling institutions. **Citigroup** shares tumbled 60% to a fifteen-year low despite the financial giant's assurance it is adequately capitalized. Automakers **Ford**, **General Motors** and **Chrysler** were turned away by Congress in their immediate attempt to secure bailout funds. In earnings news, **Hewlett-Packard** preannounced strong results and maintained guidance. HP shares advanced 13%. **Dell**'s earnings beat estimates but revenues were light and growth concerns weighed down its shares. **Lowe's** beat estimates but noted very weak recent sales trends. **Target** echoed those concerns. **Yahoo!**'s CEO stepped down but the shares ended the week lower as **Microsoft** quashed any notion it would re-bid for the company. Looking ahead, the retail sector will inevitably be in focus this holiday-shortened week as Friday marks the traditional kick-off for the Christmas shopping season. Third-quarter GDP and data on home sales are also due out this week. Despite many measures pointing to equities being cheap at present depressed levels, investors may choose to remain on the sidelines until the trajectory of the economy improves.