

For The Week Ended April 4, 2008
Weekly Market Commentary & Developments

US Economy and Credit Markets:
Yields and Weekly Changes:

3 Mo. T-Bill	1.36 (unch.)	GNMA (30 Yr) 8% Coupon: 104-18/32 (6.10%)
6 Mo. T-Bill	1.52 (+01 bps)	Duration: 3.05 years
2 Yr. T-Note	1.81 (+16 bps)	30-Year Insured Revs: 117.4% of 30 Yr. T-Bond
5 Yr. T-Note	2.61 (+10 bps)	Bond Buyer 40 Yield: 5.11% (-09 bps)
10 Yr. T-Note	3.46 (+02 bps)	Crude Oil Futures: 106.18 (+0.79)
30 Yr. T-Bond	4.30 (-02 bps)	Gold Futures: 909.00 (-39.60)
		Merrill Lynch High Yield Indices:
		BB, 7-10 Yr. 8.05% (+01 bps)
		B, 7-10 Yr. 10.62% (-03 bps)

Yields on Treasuries were mixed for the week, with increases at the short end of the yield curve and a slight decrease for the 30-year bond. Prices had declined across the board before Friday's unemployment report drove prices higher for all maturities. While forecasters had expected payrolls to decline in March, the consensus was that the drop would be approximately 50,000 jobs. Instead, the report showed that 80,000 jobs had been lost, marking the first time since the time surrounding the start of the Iraq war in 2003 that payrolls have fallen for three straight months. In addition, January and February figures were adjusted downward by an additional 67,000 positions. The unemployment rate rose from to 5.1% from 4.8% during March, the highest it has been since September 2005. Other data for the week showed growth in the ISM Index for both manufacturing and non-manufacturing, while consensus forecasts had seen declines for both. Economic reports (and related consensus forecasts) for the coming week include: Monday: February Consumer Credit (\$5.5 billion); Tuesday: Minutes of March 18 FOMC Meeting released; Wednesday: February Wholesale Inventories (0.5%); Thursday: February Trade Balance (-\$57.5 billion), Initial Jobless Claims (380,000), and March Monthly Budget Statement (-\$73.7 billion); and Friday: March Import Price Index (2.0%) and April Preliminary U of Michigan Consumer Confidence (69.0).

US Stocks:
Weekly Index Performance

DJIA	12609.42 (+393.02,+3.2%)
S&P 500	1370.40 (+55.18,+4.2%)
S&P MidCap	815.17 (+42.69,+5.5%)
S&P Small Cap	378.12 (+16.16,+4.5%)
NASDAQ Comp	2370.98 (+109.80,+4.9%)
Russell 2000	713.73 (+30.55,+4.5%)

Market Indicators

Strong Sectors:	Materials, Financials, Energy, Industrials
Weak Sectors:	Consumer Goods, Health Care, Telecom
NYSE Advance/Decline:	2,968 / 609
NYSE New Highs/New Lows:	119 / 86
AAII Bulls/Bears:	36.7% / 39.4%

US stocks had their best week in two months and their second gain in three weeks as stocks avoided a Friday selloff for the fourth time this year. Financials helped lead the way as there were new signs that the credit crisis has begun to ease. **UBS** shares rose 21% last week signaling the worst may be over as they ask shareholders for \$15 billion through a rights issue. Also raising new capital, **Lehman Brothers** shares rose 14% for the week as they raised \$4 billion by selling four million shares of preferred stock. Health Care related shares continued to lag the market. **Schering-Plough** finished the week down 17% after a study suggested the cholesterol drug medicine Vytarin was no more effective than lower cost alternatives. The approval of a 15 million share buyback lifted **Fortune Brands'** shares 16% for the week. An internal probe finding accounting lapses led to the resignation of the CFO at **Verifone Holdings** and caused a 15% drop in the shares last week. A favorable story in the Wall Street Journal about the CEO led to a 38% increase on the week for **Talbots**. The oil and gas driller **Rowan Cos** rose 12% as they announced a spinoff of their drilling rig maker subsidiary. Crude oil was steady for the week as it gained 0.5%. Looking ahead, **Alcoa** will start the first quarter earnings season as they report on Monday. Financials will attempt to keep the momentum as **Wells Fargo, Merrill Lynch, Citigroup** and **Wachovia** all report earnings this week. **Circuit City** and **Bed Bath & Beyond** will report on Wednesday which will give some insight to the health of the consumer. Investors will be looking forward to the Fed's release of the minutes from its March meeting on Tuesday for an indication on the interest rate movement in April.