

**For The Week Ended November 27, 2009**  
**Weekly Market Commentary & Developments**

**US Economy and Credit Markets:**
**Yields and Weekly Changes:**

<b>3 Mo. T-Bill</b>	0.01 (-01 bps)	<b>GNMA (30 Yr) 6% Coupon:</b> 106-27/32 (1.97%)
<b>6 Mo. T-Bill</b>	0.12 (unch.)	<b>Duration:</b> 3.04 years
<b>1 Yr. T-Bill</b>	0.22 (-04 bps)	<b>30-Year Insured Revs:</b> 167.6% of 30 Yr. T-Bond
<b>2 Yr. T-Note</b>	0.67 (-05 bps)	<b>Bond Buyer 40 Yield:</b> 5.40% (-06 bps)
<b>3 Yr. T-Note</b>	1.12 (-12 bps)	<b>Crude Oil Futures:</b> 76.05 (-0.67)
<b>5 Yr. T-Note</b>	2.02 (-15 bps)	<b>Gold Futures:</b> 1177.80 (+26.80)
<b>10 Yr. T-Note</b>	3.20 (-16 bps)	<b>Merrill Lynch High Yield Indices:</b>
<b>30 Yr. T-Bond</b>	4.20 (-09 bps)	<b>BB, 7-10 Yr.</b> 7.98% (-02 bps)
		<b>B, 7-10 Yr.</b> 9.38% (-02 bps)

In the holiday shortened week, Treasury prices were higher for the third consecutive week of higher prices. The big catalyst was Dubai's proposed six-month delay in debt payments. The news sparked a renewed flight to safety, moving the market away from riskier assets and into the safety of Treasury debt. Most of the news from the economy was positive for the week on a variety of fronts. Sales of both new and existing homes for October easily surpassed forecasts. Personal incomes and personal spending were both higher in October as well. Although 3Q GDP was revised downward slightly from the advance number, it still showed an annual growth rate of 2.8%. Major economic reports (and related consensus forecasts) for next week include: Monday: November Chicago Purchasing Manager Index (53.0); Tuesday: November ISM Manufacturing (54.8, Prices Paid 65.0) and November Total Vehicle Sales (10.50 million); Wednesday: Fed's Beige Book released; Thursday: 3Q Final Nonfarm Productivity (8.5%) and Unit Labor Costs (-4.2%), Initial Jobless Claims (480,000), and November ISM Non-Manufacturing Composite (51.5); and Friday: November Employment report, including Change in Nonfarm Payrolls (120,000), Unemployment Rate (10.2%), Average Hourly Earnings (+0.2%), and Average Weekly Hours (33.1), and October Factory Orders (unch.).

**US Stocks:**
**Weekly Index Performance**

<b>DJIA</b>	10309.92 (-8.24,-0.1%)
<b>S&amp;P 500</b>	1091.49 (+0.11,+0.0%)
<b>S&amp;P MidCap</b>	683.79 (-3.75,-0.5%)
<b>S&amp;P Small Cap</b>	305.38 (-3.69,-1.2%)
<b>NASDAQ Comp</b>	2138.44 (-7.60,-0.4%)
<b>Russell 2000</b>	577.21 (-7.47,-1.3%)

**Market Indicators**

<b>Strong Sectors:</b>	Telecomm Svcs, Health Care, Utilities
<b>Weak Sectors:</b>	Financials, Materials, Technology
<b>NYSE Advance/Decline:</b>	1,454 / 1,699
<b>NYSE New Highs/New Lows:</b>	319 / 15
<b>AAll Bulls/Bears:</b>	41.7% / 41.7%

US stocks were little changed for a second consecutive week as Friday losses on Dubai debt worries erased early week gains. Dubai asked for a six month reprieve on its mountain of debt sending global financial stocks lower. The dollar firmed and commodities fell in reaction. The week's economic data was mostly positive. Housing data painted a positive picture as both new and existing October home sales topped forecasts due to the anticipated end of the first time home buyer tax credit and favorable mortgage rates. In addition, home prices gained for a 2<sup>nd</sup> consecutive quarter. Jobless claims fell below 500k for the first time since January, while 3Q GDP was revised lower and durable goods orders unexpectedly fell. Early indications point toward decent retail sales as the holiday shopping season officially kicked off on Friday. **Hewlett-Packard** reported a solid quarter which it had pre-announced several weeks ago. **Campbell's Soup** surpassed expectations and raised its forecast due to cost cuts. **J Crew** handily topped 3Q estimates on product mix and fewer discounts. **American Eagle** reported in-line results. **Medtronic** shares gained on better than expected defibrillator sales and cost cuts. **Deere** shares rose despite disappointing earnings and a reduced 2010 forecast. The FDIC raised to 552 the number of "problem" banks, a 30% increase from last quarter and the most in 16 years. Looking ahead, further data on Black Friday sales will set the tone for retail stocks for the remainder of the year. Friday's jobs report will also be closely watched. Conditions remain favorable for further equity gains as we head into the final month of the year, though Dubai bears watching closely for indications its debt troubles are an early warning of another round of global financial worries.