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For The Week Ended April 17th, 2009
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	0.13 (-04 bps)	**GNMA (30 Yr) 6% Coupon:**	104-12/32 (3.50%)
6 Mo. T-Bill	0.34 (-03 bps)	**Duration:**	2.94 years
1 Yr. T-Bill	0.54 (-03 bps)	**30-Year Insured Revs:**	178.8% of 30 Yr. T-Bond
2 Yr. T-Note	0.96 (+02 bps)	**Bond Buyer 40 Yield:**	5.44% (-10 bps)
3 Yr. T-Note	1.34 (-01 bps)	**Crude Oil Futures:**	50.23 (-2.01)
5 Yr. T-Note	1.89 (+01 bps)	**Gold Futures:**	868.20 (-14.00)
10 Yr. T-Note	2.94 (+02 bps)	**Merrill Lynch High Yield Indices:**	
30 Yr. T-Bond	3.79 (+04 bps)	**BB, 7-10 Yr.**	10.94% (-49 bps)
		B, 7-10 Yr.	14.12% (-84 bps)

Treasury yields were mixed this week. Treasury prices rose Monday as the Federal Reserve purchased $7.37 billion in U.S. government bonds and $5.15 billion in agency debt. The rally in Treasury prices continued on Tuesday with additional Fed purchases and lower than expected March Retail Sales data. Most Treasury prices ended modestly higher on Wednesday after being lower most of the day on profit taking and economic data. On Thursday, Treasury prices were lower as the Fed bought fewer TIPS securities than expected, JP Morgan issued $3 billion in 10 year notes and economic data was better then expected sending stocks higher. Prices were lower again Friday on positive earnings announcements and economic data. The Producer Price Index was reported 1.2% lower in March vs. the expectation of no change. The Consumer Price Index was reported down 0.10% on Wednesday when the consensus expected a 0.10% gain. March Housing Starts were reported at 510,000 on Thursday vs. the expectation of 540,000. On Friday, U. of Michigan Consumer Confidence was reported at 61.9, the highest level in seven months. Major economic reports (and related consensus forecasts) for next week include: Thursday: March Existing Home Sales (4.68M), Friday: March Durable Goods Orders (-1.5%), March New Home Sales (340K).

US Stocks:

Weekly Index Performance

DJIA	8131.33 (+47.95,+0.6%)
S&P 500	869.60 (+13.04,+1.5%)
S&P MidCap	550.20 (+13.77,+2.6%)
S&P Small Cap	254.88 (+6.77,+2.7%)
NASDAQ Comp	1673.07 (+20.53,+1.2%)
Russell 2000	479.37 (+11.17,+2.4%)

Market Indicators

Strong Sectors: Financials, Industrials, Consumer Discretionary
Weak Sectors: Telecom Svcs., Utilities, Energy
NYSE Advance/Decline: 2,401 / 802
NYSE New Highs/New Lows: 12 / 20
AAII Bulls/Bears: 44.1% / 35.9%

US stocks extended their winning streak to six weeks as investors found reasons for optimism in the first wave of quarterly earnings reports. Results from Financial and Technology sector bellwethers were generally well-received, indicating a low bar may have been set for earnings season. **Goldman Sachs** reported impressive results boosted by savvy trading but also announced a $5 billion secondary offering partly aimed at funding a repayment of TARP capital. Results from **JPMorgan Chase** surpassed expectations though concerns over the consumer division capped a rise in the share price. **Citigroup** shares sold off following the bank's report which included unexpectedly strong earnings. **General Electric**'s profits fell 35% from the prior year weighed down by GE Capital. GE still beat consensus estimates on strength in the Industrial businesses. **Intel** beat earnings expectations and offered a view the PC market had bottomed. **Google** reported a sequential drop in revenues for the first time but cost cutting helped it post an earnings beat. **Johnson & Johnson**'s report contained no blemishes. In other news, **Boeing** warned of weaker profits on production cuts, evidence of ongoing pressure in the commercial airline industry. The week's economic data was not particularly encouraging but did not dispel a view the pace of deterioration has slowed. **Rosetta Stone** debuted successfully in trading following its IPO. REIT **General Growth Properties** declared bankruptcy. Looking ahead, the coming week will be all about earnings again with a wave of companies set to report results. Economic data due out includes March durable goods on Thursday. On Friday, the government unveils the methodology for its stress test of banks. As stocks continue to defy expectations for a pullback, the pressure on portfolio managers to put cash to work increases, though real estate fundamentals may yet determine the durability of stocks' recent advance.