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For The Week Ended April 24, 2008
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	0.09 (-04 bps)	**GNMA (30 Yr) 6% Coupon:** 104-12/32 (3.30%)	
6 Mo. T-Bill	0.29 (-05 bps)	**Duration:** 2.99 years	
1 Yr. T-Bill	0.47 (-07 bps)	**30-Year Insured Revs**: 172.1% of 30 Yr. T-Bond	
2 Yr. T-Note	0.94 (-02 bps)	**Bond Buyer 40 Yield**: 5.38% (-06 bps)	
3 Yr. T-Note	1.35 (+01 bps)	**Crude Oil Futures**: 51.62 (+1.39)	
5 Yr. T-Note	1.93 (+04 bps)	**Gold Futures**: 912.10 (+43.90)	
10 Yr. T-Note	2.98 (+04 bps)	**Merrill Lynch High Yield Indices:**	
30 Yr. T-Bond	3.87 (+08 bps)	**BB, 7-10 Yr.**	10.92% (-02 bps)
		B, 7-10 Yr.	14.01% (-11 bps)

Treasury prices were mixed for the week, increasing for longer maturity debt. Prices fell on the long end of the yield curve on supply concerns as the Treasury prepares to auction $101 billion in two-, five-, and ten-year notes this week. Prices were higher Monday as equity indexes fell, and climbed again Tuesday ahead of the Federal Reserve's purchase of U.S. debt maturing in seven to ten years. Prices fell Wednesday, pushing yields to their highest levels in more than a month as California issued $6.85 billion in taxable debt (much under the Build America program) with markedly higher yields than Treasuries. Prices were higher Thursday on strong auction demand for inflation-linked Treasuries, and the decline continued on Friday on better-than-expected sales of new homes and durable goods. Both new and existing home sales declined in March, but both were better than consensus estimates. Likewise, durable goods orders declined by 0.8%, bettering consensus forecasts of a 1.6% drop. Major economic reports (and related consensus forecasts) for next week include: Tuesday: April Consumer Confidence (29.0); Wednesday: 1Q Actual GDP (-5.0%, Price Index 1.8%) and FOMC Rate Decision (0.13%); Thursday: March Personal Income (-0.2%) and Personal Spending (-0.1%), Initial Jobless Claims (637,000), and April Chicago Purchasing Manager Index (34.3); and Friday: April final U of Michigan Confidence (61.7), April Factory Orders (-0.8%), April ISM Manufacturing (38.0, Prices Paid 33.5), and April Total Vehicle Sales (9.6 million).

US Stocks:

Weekly Index Performance

DJIA	8076.29 (-55.04,-0.7%)
S&P 500	866.23 (-3.37,-0.4%)
S&P MidCap	550.32 (+0.12,+0.0%)
S&P Small Cap	255.74 (+0.86,+0.3%)
NASDAQ Comp	1694.29 (+21.22,+1.3%)
Russell 2000	478.74 (-0.63,-0.1%)

Market Indicators

Strong Sectors: Materials, Technology, Industrials
Weak Sectors: Health Care, Consumer Staples, Telecomm
NYSE Advance/Decline: 1,653 / 1,527
NYSE New Highs/New Lows: 19 / 7
AAII Bulls/Bears: 31.8% / 38.6%

U.S. stocks posted mixed results last week. The broader market suffered marginal losses in ending a six week winning streak while smaller cap stocks managed a small gain. Corporate earnings reports offered a varied view on the future outlook though most came in ahead of forecasts for the reported quarter. **Bank of America** sent stocks tumbling Monday following comments that credit conditions remain difficult and are likely to get worse before they get better. The company reported EPS ahead of forecasts although charge-offs for bad loans increased significantly. **Morgan Stanley** reported results that trailed expectations due to fixed income trading that lagged its peers. Friday brought the much anticipated release of the government's bank stress test methodology. Though volatile following the release, bank shares ended the day firmly in positive territory. In healthcare, **Gilead Sciences** reported strong results while **Merck** was hurt by weak global sales. **Ford** reported a $1.4 billion Q1 loss but maintained it will not need government assistance. **GM** received additional government funds and will reportedly shutter its Pontiac unit as it seeks to avoid bankruptcy. Tech shares justified their leadership position year-to-date as **Apple**, **Amazon**.**com** and **eBay** all posted strong results. **Yum! Brands** continued the string of strong results from the restaurant sector. **UPS** earnings disappointed and the company guided 2009 lower on weak volumes while **Caterpillar** and **Eaton** also reduced 2009 forecasts. In merger news, **Oracle** will acquire **Sun Microsystems** for $7.4 billion after its deal with **IBM** fell apart. Looking ahead, earnings will continue to be in focus again this week. Results of the bank stress test also loom on May 4. Of late, equities have shown an ability to shrug off negative news to continue the rally that started in early March. Confidence that the financial sector and economy have turned the corner will be keys to a move higher from current levels.