

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.13 (-02 bps)	GNMA (30 Yr) 6% Coupon:	110-03/32 (1.35%)
6 Mo. T-Bill:	0.18 (-01 bps)	Duration:	3.18 years
1 Yr. T-Bill:	0.25 (-01 bps)	30-Year Insured Revs:	157.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.46 (-03 bps)	Bond Buyer 40 Yield:	5.32% (+06 bps)
3 Yr. T-Note:	0.76 (unch.)	Crude Oil Futures:	89.44 (+5.68)
5 Yr. T-Note:	1.61 (+08 bps)	Gold Futures:	1412.20 (+49.80)
10 Yr. T-Note:	3.01 (+14 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	4.32 (+11 bps)	BB, 7-10 Yr.:	6.69% (+02 bps)
		B, 7-10 Yr.:	8.02% (-07 bps)

Longer dated Treasury prices ended the week lower while the short end of the curve remained relatively stable. Early in the week, prices were driven higher as a result of increasing concern about Irish debt and the potential for the crisis to spread further into Portugal and Spain. Bond prices fell Wednesday, sending the 10 year yield over 3.0% for the first time since July as equities rallied sharply on positive economic news and easing euro zone concerns. In economic news this week, the ADP Employment Change report for November showed better than expected results, 3rd Quarter Non-Farm Productivity matched expectations of 2.3%, the November ISM Manufacturing Index narrowly beat expectations coming in at 56.6 vs. the estimate of 56.5 and November domestic and total vehicle sales beat analyst estimates. Additionally, the November ISM Non-Manufacturing Index was reported at 55.0, beating the estimate of 54.8, November non-farm payrolls were reported on Friday to have increased 39,000 vs. analyst expectations of 150,000 and the unemployment rate increased from 9.6% to 9.8%. Major economic reports (and related consensus forecasts) for next week include: Tuesday: October Consumer Credit (-\$1.0 billion); Thursday: October Wholesale Inventories (0.90%); Friday: October Trade Balance (-\$43.8 billion), November Import Price Index (0.80%, 2.90% YoY), December Preliminary U of M Consumer Confidence (72.5), November Monthly Budget Statement (-\$132.0 billion).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	11382.09 (+290.09, +2.62%)	Strong Sectors:	Basic Materials, Oil & Gas, Financials
S&P 500:	1224.71 (+35.31, +2.97%)	Weak Sectors:	Utilities, Health Care, Consumer Goods
S&P MidCap:	886.74 (+27.31, +3.18%)	NYSE Advance/Decline:	2,208 / 946
S&P Small Cap:	401.74 (+11.94, +3.06%)	NYSE New Highs/New Lows:	457 / 53
NASDAQ Comp:	2591.46 (+56.90, +2.24%)	AAll Bulls/Bears:	49.7% / 26.2%
Russell 2000:	756.42 (+23.69, +3.23%)		

Investors shook off November's minor stock market correction and pushed stocks up 3.7% over the first three trading days in December. Even Friday's disappointing jobs report that showed only 39,000 new hires in November failed to stop the winter rally. Instead investors focused on stronger than expected November retail sales, strong consumer confidence which reached a five-month high and impressive vehicle sales over the past two months. Materials and Energy stocks led the week's rally with shares of oil-services company **Halliburton** and miners **Newmont Mining** and **Rio Tinto** leading the way. Shares of coal miner **Walter Energy** surged almost 5% on Friday after the company agreed to buy Canadian miner **Western Coal**, becoming a major supplier of coal for the iron and steel industries. Despite strong demand from bird-loving Americans, shares of **Sanderson Farms** dropped over 5% after management told investors rising feed prices and increasing supply will keep chicken prices low next year. On Tuesday, **Baldor Electric** agreed to be swallowed whole by the Swiss industrial company **ABB Ltd.** for a 44% premium. Retailers **Abercrombie & Fitch**, **Limited Brands** and **Target** each reported sales that grew more than analysts' expectations as consumers responded to discounts that began in stores earlier in November this shopping season. However, shares of the discount retailer **Big Lots** took a pelican-like nose dive on Friday after reporting a huge profit decrease in the 3rd quarter which led them to cut their earnings forecast for the year. Looking ahead to the coming week, investors will be watching the Senate for a vote on extending the Bush-era tax cuts. Traders will also be keeping an eye on Ireland as the government's 2011 budget is presented to Parliament on Tuesday. **Autozone** and **Costco** will report quarterly earnings this week while **Texas Instruments**, **Cenovus Energy** and **Roche** will provide investors with an update to their outlooks this week.