

For The Week of April 16, 2010
Weekly Market Commentary & Developments

US Economy and Credit Markets:
Yields and Weekly Changes:

3 Mo. T-Bill	0.15 (unch.)	GNMA (30 Yr) 6% Coupon: 107-14/32 (2.63%)
6 Mo. T-Bill	0.22 (-01 bps)	Duration: 3.29 years
1 Yr. T-Bill	0.38 (-05 bps)	30-Year Insured Revs: 147.9% of 30 Yr. T-Bond
2 Yr. T-Note	0.95 (-10 bps)	Bond Buyer 40 Yield: 5.18% (-03 bps)
3 Yr. T-Note	1.54 (-13 bps)	Crude Oil Futures: 83.01 (-1.91)
5 Yr. T-Note	2.47 (-15 bps)	Gold Futures: 1136.30 (-24.80)
10 Yr. T-Note	3.76 (-11 bps)	Merrill Lynch High Yield Indices:
30 Yr. T-Bond	4.67 (-06 bps)	BB, 7-10 Yr. 7.11% (-17 bps)
		B, 7-10 Yr. 8.39% (-18 bps)

Treasury prices were higher this week as continued concerns about Greece and the report on Friday that the SEC charged Goldman Sachs with fraud influenced the flight to safety. Prices were higher Monday and Tuesday and the trade deficit was reported Tuesday to have widened to \$39.7 billion in February vs. the consensus estimate of \$38.5 billion. Treasury prices were modestly lower on Wednesday. Economic news reported on Wednesday included the release of March CPI which increased 0.10% matching expectations. CPI excluding food and energy was unchanged vs. the expectation of a 0.10% increase. Also Wednesday, March retail sales were reported higher than expectations at 1.60% vs. the estimate of 1.20%. Treasury prices closed the week higher on Thursday and Friday on continued concerns about Greece and the SEC fraud charge against Goldman Sachs. March industrial production was reported Thursday at 0.10% vs. the estimate of 0.70% and on Friday, March housing starts were reported at 626,000 vs. the expectation of 610,000. Major economic reports (and related consensus forecasts) for next week include: Monday: March Leading Indicators (1.0%); Thursday: March Producer Price Index MoM (0.50%, Ex Food & Energy 0.10%), March Producer Price Index YoY (6.0%, Ex Food & Energy 0.90%), March Existing Home Sales (5.30M, 5.60% MoM); Friday: March Durable Goods Orders (0.20%, Ex Transportation 0.70%), March New Home Sales (325K, 5.50% MoM).

US Stocks:
Weekly Index Performance

DJIA	11018.66 (+21.31,+0.19%)
S&P 500	1192.13 (-2.24,-0.19%)
S&P MidCap	820.62 (+6.14,+0.75%)
S&P Small Cap	378.78 (+6.37,+1.71%)
NASDAQ Comp	2481.26 (+27.21,+1.11%)
Russell 2000	714.62 (+11.67,+1.66%)

Market Indicators

Strong Sectors:	Technology, Industrials, Consumer Services
Weak Sectors:	Basic Materials, Telecommunications, Health Care
NYSE Advance/Decline:	1,561 / 1,624
NYSE New Highs/New Lows:	950 / 18
AAll Bulls/Bears:	48.5% / 29.7%

Despite retreating on Friday, most US stocks continued their positive trend as investors saw the earnings season off to a strong start with companies so far reporting an average of 10% higher first-quarter revenue. Companies' profits thus far have also increased by 40% as cost-cutting measures put in place last year have benefited the bottom line. Friday's market sell-off was blamed mainly on **Goldman Sachs**. The SEC charged that Goldman defrauded investors in its marketing of a product tied with subprime mortgages which sent the company's shares down almost 13%. **JPMorgan** reported strong first-quarter earnings that rose 55% on record fixed-income trading revenue and a reduction in provisions for credit losses. Shares of **Google** fell almost 8% after the company's first-quarter profit missed some expectations because the company's costs increased as it entered new markets. **Intel's** shares were up over 6% for the week after reporting strong first-quarter profits and stating that businesses have increased their spending on PCs. **United Parcel Service's** stock climbed almost 6% after boosting its full year forecast and posting higher-than-expected earnings for the first quarter on increased international shipping. Shares of **Alcoa** declined over 3% after reporting early in the week a narrower-than-expected loss but the company missed revenue expectations for the quarter as demand slowed. Shares of **Crocs** rose over 20% for the week after an analyst upgraded the company. **Mosaic** shares fell more than 4% after being downgraded by an analyst over concern for weak pricing trends in the industry. Looking ahead to the coming week, earnings reports will continue to dominate investors' attention with **Citigroup, Apple, Coca-Cola** and **UnitedHealth Group** all due to report.