

**For The Week Ended April 30<sup>th</sup>, 2010**  
**Weekly Market Commentary & Developments**

**US Economy and Credit Markets:**

**Yields and Weekly Changes:**

<b>3 Mo. T-Bill</b>	0.15 (unch.)	<b>GNMA (30 Yr) 6% Coupon:</b> 107-8/32 (2.57%)
<b>6 Mo. T-Bill</b>	0.23 (unch.)	<b>Duration:</b> 3.28 years
<b>1 Yr. T-Bill</b>	0.37 (-05 bps)	<b>30-Year Insured Revs:</b> 152.8% of 30 Yr. T-Bond
<b>2 Yr. T-Note</b>	0.96 (-10 bps)	<b>Bond Buyer 40 Yield:</b> 5.11% (-03 bps)
<b>3 Yr. T-Note</b>	1.48 (-17 bps)	<b>Crude Oil Futures:</b> 85.96 (+0.84)
<b>5 Yr. T-Note</b>	2.42 (-16 bps)	<b>Gold Futures:</b> 1179.00 (+25.90)
<b>10 Yr. T-Note</b>	3.65 (-15 bps)	<b>Merrill Lynch High Yield Indices:</b>
<b>30 Yr. T-Bond</b>	4.52 (-13 bps)	<b>BB, 7-10 Yr.</b> 7.19% (+10 bps)
		<b>B, 7-10 Yr.</b> 8.43% (+04 bps)

Treasury prices were higher this week as concerns about the economic situation in Greece contributed to continued demand for U.S. Treasuries. On Tuesday, S&P cut Greece's credit rating to below investment grade and the two, ten and 30-year yields dropped to their lowest levels since mid to late March. Yields rebounded Wednesday as the Federal Reserve kept the target range for the federal funds rate at 0% to 0.25% and made no changes to its intention to keep short term interest rates at this level for an "extended period." The Fed also made other minor changes to the statement indicating improving confidence in the economy. The week ended with risk averse investors pushing Treasury prices higher through Friday. Additionally on Friday, the advance estimate for 1Q2010 GDP growth was released at 3.20% vs. the estimate of 3.30% and April U of M Consumer Confidence was released at 72.2 vs. the estimate of 71.0. Major economic reports (and related consensus forecasts) for next week include: Monday: March Personal Income and Personal Spending (0.30% and 0.60% respectively), April ISM Manufacturing Index (59.8), April Domestic and Total Vehicle Sales (8.80M and 11.40M respectively); Tuesday: March Factory Orders (-0.10%); Wednesday: April ISM Non-Manufacturing Composite (56.0); Thursday: 1Q2010 Nonfarm Productivity (2.50%), 1Q2010 Unit Labor Costs (-0.50%); Friday: April Unemployment Rate (9.70%), April Change in Nonfarm Payrolls (189,000).

**US Stocks:**

**Weekly Index Performance**

<b>DJIA</b>	11008.61 (-195.67,-1.8%)
<b>S&amp;P 500</b>	1186.69 (-30.59,-2.5%)
<b>S&amp;P MidCap</b>	823.06 (-26.76,-3.2%)
<b>S&amp;P Small Cap</b>	381.09 (-13.56,-3.4%)
<b>NASDAQ Comp</b>	2461.19 (-68.96,-2.7%)
<b>Russell 2000</b>	716.60 (-25.32,-3.4%)

**Market Indicators**

<b>Strong Sectors:</b>	Utilities, Telecom Svcs., Consumer Staples
<b>Weak Sectors:</b>	Financials, Technology, Materials
<b>NYSE Advance/Decline:</b>	934 / 2,259
<b>NYSE New Highs/New Lows:</b>	934 / 38
<b>AAII Bulls/Bears:</b>	41.4% / 28.6%

US stocks fell for only the 3<sup>rd</sup> week in the last 12 as sovereign credit woes spread in Europe and news emerged a federal criminal fraud investigation is underway at **Goldman Sachs**. Nonetheless, April was another winning month for stocks, small-caps especially. Stocks struggled for direction on Monday despite strong earnings from **Caterpillar** and **Whirlpool**. On Tuesday stocks fell hard as S&P cut Greece's credit rating to junk and downgraded Portugal. Good earnings news came from **Ford**, **3M** and **DuPont**. On Wednesday stocks recovered even as S&P cut Spain's credit rating. The FOMC's reiteration it would keep interest rates low for an extended period helped calm fears. **Dow Chemical** and **WellPoint** both reported better than expected results. On Thursday stocks rallied as Europe and the IMF appeared to be finalizing aid to Greece. **Hewlett-Packard** agreed to buy **Palm** for \$1.2 billion cash. **ExxonMobil** fell shy of estimates. **Procter & Gamble's** report was mixed. **Bristol-Myers Squibb** reported a better than expected quarter. Finally, on Friday stocks fell on the Goldman news and slumped into the close. The Q1 GDP report, though shy of consensus, contained good news about consumer spending. Goldman shares ended the week 7.8% lower. **BP** and **Transocean** were under pressure as investors attempted to sort out liability for the Gulf of Mexico spill. The President's decision to suspend new offshore drilling weighed on Energy shares. **Dendreon** surged after the FDA approved its' treatment for prostate cancer. Looking ahead, this week's main event will be Friday's jobs report though developments in the Goldman case, the Gulf of Mexico and Europe will bear close monitoring along with earnings. With the Fed firmly supporting the recovery via low rates it may take a lot of grim news to keep investors out of stocks for more than a pause.