

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.13 (-01 bps)	GNMA (30 Yr) 6% Coupon:	108-18/32 (1.48%)
6 Mo. T-Bill:	0.18 (unch.)	Duration:	3.06 years
1 Yr. T-Bill:	0.23 (-01 bps)	30-Year Insured Revs:	171.2% of 30 Yr. T-Bond
2 Yr. T-Note:	0.57 (-06 bps)	Bond Buyer 40 Yield:	4.90% (unch.)
3 Yr. T-Note:	0.88 (-10 bps)	Crude Oil Futures:	76.49 (+2.15)
5 Yr. T-Note:	1.57 (-09 bps)	Gold Futures:	1246.00 (-1.30)
10 Yr. T-Note:	2.79 (-09 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.86 (-08 bps)	BB, 7-10 Yr.:	6.89% (-05 bps)
		B, 7-10 Yr.:	8.51% (-07 bps)

Treasury prices were lower across the width of the yield curve in the holiday-shortened week, sending yields higher, particularly for intermediate- and long-maturity debt. Renewed concerns regarding European banks fueled safe haven support for Treasuries coming out of the holiday weekend, sending prices higher. Prices declined Wednesday as some of those European fears were eased and stock markets rose in the U.S. Downward pressure on prices continued Thursday, driven by weak response to an auction of \$13 billion in 30-year bonds and stronger-than-expected jobless claims. Rising stock markets helped push prices lower to close the week. Major economic reports (and related consensus forecasts) for next week include: Monday: August Monthly Budget Statement (-\$95.0 billion); Tuesday: August Advance Retail Sales (+0.3%, Less Autos +0.3%) and July Business Inventories (+0.5%); Wednesday: August Import Price Index (+0.2%), August Industrial Production (+0.2%) and Capacity Utilization (75.0%); Thursday: August Producer Price Index (+0.3%, Ex Food & Energy +0.1%), Initial Jobless Claims (460,000), and September Philadelphia Fed report (0.8); and Friday: August Consumer Price Index (0.3%, Ex Food & Energy +0.1%), and September Preliminary U of Michigan Consumer Confidence (70.0).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	10462.77 (+14.84, +0.14%)	Strong Sectors:	Health Care, Telecomm, Oil & Gas
S&P 500:	1109.55 (+5.04, +0.46%)	Weak Sectors:	Utilities, Financials, Technology
S&P MidCap:	763.79 (-2.73, -0.36%)	NYSE Advance/Decline:	1,665 / 1,464
S&P Small Cap:	339.45 (-4.37, -1.27%)	NYSE New Highs/New Lows:	453 / 26
NASDAQ Comp:	2242.48 (+8.73, +0.39%)	AAII Bulls/Bears:	43.9% / 31.6%
Russell 2000:	636.46 (-6.90, -1.07%)		

The stock market's positive momentum in September continued as stocks closed up on Friday for the third straight session and is now up almost 6% for the month. Stocks were buoyed on Friday by a report from the Commerce Department that showed wholesale inventories rose 1.3% in July which easily surpassed analysts' expectations of a 0.4% increase. The S&P 500 is approaching 1116, the 200-day moving average, which could be the market's short-term catalyst if it is sustained. **Adobe Systems'** shares advanced more than 9% for the week after Apple announced it would allow apps created with Adobe's Flash software to be used with its iPhone and iPad products. Investors' responding positively to **Nokia's** decision to make current Microsoft executive Stephen Elop their President and CEO, sent the company's shares up over 7% for the week. An explosion of a natural gas pipeline owned by utility **Pacific Gas & Electric** that leveled several city blocks and caused at least 4 deaths sent the shares down over 8% on Friday. Shares of **Lululemon** jumped over 15% after the yoga-wear retailer reported quarterly earnings that doubled and then raised their earnings guidance for the year. After Thursday's close, **Texas Instruments'** shares fell after the company cut their revenue guidance for the year. Reports of an expanded probe by U.S. investigators into an alleged kickback scheme in Germany caused shares of **Hewlett-Packard** to decline on Friday. Looking ahead to the coming week, investors will be watching on Tuesday when the August retail sales number are released to see if they rose 0.3% from July as expected. **Best Buy, FedEx, Kroger** and **Oracle** are among the companies due to report earnings this week.