

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.00 (-01 bps)	GNMA (30 Yr) 6% Coupon:	113-07/32 (1.05%)
6 Mo. T-Bill:	0.03 (-02 bps)	Duration:	3.47 years
1 Yr. T-Bill:	0.09 (-01 bps)	30-Year Insured Revs:	216.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.28 (+04 bps)	Bond Buyer 40 Yield:	4.98% (+06bps)
3 Yr. T-Note:	0.48 (+08 bps)	Crude Oil Futures:	82.84 (+3.64)
5 Yr. T-Note:	1.07 (+11 bps)	Gold Futures:	1634.50 (+14.10)
10 Yr. T-Note:	2.06 (+14 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.00 (+09 bps)	BB, 7-10 Yr.:	7.59% (+11 bps)
		B, 7-10 Yr.:	9.22% (+15 bps)

After falling Monday, Treasury yields rose four consecutive days to end the week higher on optimism that European officials are moving towards a solution to the regional debt crisis and positive U.S. economic data. Treasury prices started the week higher on continued Euro zone debt concerns despite positive U.S. economic news including a higher than expected ISM Manufacturing Index for September reported at 51.6 from 50.6 in August vs. the expectation of 50.5. Also Monday, September total vehicle sales were reported at 13.04 million and domestic vehicle sales were 10.17 million annualized, both were higher than estimates of 12.6 million and 9.75 million respectively. Treasury prices started the weekly decline on Tuesday with expectations that European officials are working on a coordinated bank recapitalization plan. Wednesday, the September ISM Non-Manufacturing Index declined to 53.0 vs. the estimate of 52.8. Jobs data was reported Friday with September non-farm payrolls increasing 103,000, higher than the survey estimate of 60,000. Private payrolls in September also beat expectations of 90,000 by coming in at 137,000. The unemployment rate remained at 9.1% matching expectations. Major economic reports (and related consensus forecasts) for next week include: Wednesday: minutes released from FOMC meeting; Thursday: August Trade Balance (-\$46.0B); Friday: September Import Price Index (-0.4% MoM, 12.4% YoY), September Advance Retail Sales (0.6%, 0.3% excluding autos), October U of M Consumer Confidence (60.4), August Business Inventories (0.4%).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	11103.12 (+189.74, +1.74%)	Strong Sectors:	Basic Materials, Industrials, Technology
S&P 500:	1155.46 (+24.04, +2.12%)	Weak Sectors:	Telecom, Utilities, Financials
S&P MidCap:	799.18 (+17.92, +2.29%)		
S&P Small Cap:	363.75 (+8.36, +2.35%)	NYSE Advance/Decline:	1,581 / 1,559
NASDAQ Comp:	2479.35 (+63.95, +2.65%)	NYSE New Highs/New Lows:	33 / 1,296
Russell 2000:	656.21 (+12.05, +1.87%)	AAll Bulls/Bears:	35.2% / 45.7%

The stock market advanced about 2% for the week, however volatility in the marketplace continued as stocks fell to both start and end the week while advancing nicely midweek. News concerning the debt situation in the euro-zone also remained at the forefront of traders' minds. Tuesday was a particularly volatile day as the S&P 500 briefly fell 20% below its 2011 high in the morning before changing directions and ending the day in positive territory. Economic news in the US was mostly positive this week as the Labor Department reported that 103,000 jobs were added in September surpassing expectations. Shares of **Yahoo** advanced over 17% for the week even as **Microsoft** denied rumors that it was interested in acquiring the company. Chinese advertising company **Focus Media Holdings** boosted its share repurchase program and reaffirmed their third quarter guidance which helped send the shares up over 36% for the week. Speculation that it may be acquired propelled shares of the energy services company **McDermott International** over 29% for the week. **Sprint Nextel** shares fell over 19% on Friday after the troubled wireless carrier told investors that it would need to raise additional capital in order to build a higher-speed data network. Shares of the airline operator **AMR Corporation** hit a new low this week after the company reported that it is trying to avoid a bankruptcy restructuring. Looking ahead to the coming week, investors on Wednesday will be focused on the release of The Federal Open Market Committee's minutes from their latest meeting for any insights into their discussion concerning Operation Twist. Third-quarter earnings season is kicked-off after the close on Tuesday when **Alcoa** reports their results. **Chevron, PepsiCo, JPMorgan, Google** and **Mattel** are also among the companies due to report earnings this week.