

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.00 (unch.)	GNMA (30 Yr) 6% Coupon:	111-24/32 (1.37%)
6 Mo. T-Bill:	0.02 (-01 bps)	Duration:	3.58 years
1 Yr. T-Bill:	0.08 (unch.)	30-Year Insured Revs:	207.3% of 30 Yr. T-Bond
2 Yr. T-Note:	0.23 (+01 bps)	Bond Buyer 40 Yield:	5.00% (+01 bps)
3 Yr. T-Note:	0.39 (+03 bps)	Crude Oil Futures:	98.99 (+4.73)
5 Yr. T-Note:	1.45 (unch.)	Gold Futures:	1788.10 (+32.0)
10 Yr. T-Note:	2.05 (+02 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.13 (+04 bps)	BB, 7-10 Yr.:	6.77% (+15 bps)
		B, 7-10 Yr.:	8.34% (+19 bps)

Treasuries finished the holiday shortened week relatively unchanged after price increases Wednesday reversed course on Thursday as investors reacted to news on Italian austerity possibilities. Prices were mostly unchanged on Monday and Tuesday as Italian Prime Minister Silvio Berlusconi laid plans to step down after the country's parliament approves proposed austerity measures. Treasuries were higher on the longer end of the curve Wednesday as yields on Italian bonds moved above 7% on fears that austerity plans may not be realized. Prices fell on Thursday as Italian yields dropped below 7% and the auction for U.S. 30 year bonds drew lighter demand than expected. The U.S. bond market was closed Friday in observance of the Veteran's Day holiday. Major economic reports (and related consensus forecasts) for next week include: Tuesday: October Producer Price Index (-0.1% MoM, +6.3% YoY) and October Producer Price Index Excluding Food and Energy (+0.1% MoM, +2.9% YoY), October Advance Retail Sales (+0.3%, +0.2% excluding autos), November Empire Manufacturing Index (-2.15) and September Business Inventories (0.1%). Tuesday: October Consumer Price Index (0.0% MoM, +3.7% YoY), October Consumer Price Index Excluding Food and Energy (+0.1% MoM, +2.1% YoY), October Industrial Production (+0.4%) and October Capacity Utilization (77.6%); Thursday: October Housing Starts (610,000, -7.3% MoM), October Building Permits (602,000, +2.1% MoM), Initial Jobless Claims (395,000), and November Philadelphia Fed Index (9.0).

Weekly Index Performance:		Market Indicators:	
DJIA:	12153.68 (170.44, 1.42%)	Strong Sectors:	Cons Disc & Staples, Energy, Health Care
S&P 500:	1263.85 (10.62, 0.85%)	Weak Sectors:	Financials, Information Technology, Materials
S&P MidCap:	892.06 (-7.40, -0.82%)	NYSE Advance/Decline:	1,558 / 1,592
S&P Small Cap:	412.08 (0.89, 0.22%)	NYSE New Highs/New Lows:	154 / 73
NASDAQ Comp:	2678.75 (-7.40, -0.28%)	AAll Bulls/Bears:	44.7% / 24.6%
Russell 2000:	744.64 (-1.85, -0.25%)		

Last week's market felt like a roller coaster. The first two days pushed the market higher almost 2% as the Italian Prime Minister agreed to resign. Negativity quickly came in with delays in the forming of permanent governments in Italy and Greece and reports of possible margin raises on Italian debt by a large clearing house in Europe. This caused the market to open down sharply on Wednesday and finish the day down over 3.50%. As Greece appointed a new Prime minister and concerns over Europe eased, the market began to rise back on optimistic US news to end the week in positive territory. The market pushed higher at the end of the week as jobless claims decreased this week to 390K, the lowest level in seven months. University of Michigan Survey of Consumer Confidence Sentiment came in higher than expected at 64.2 from last month's 60.9. Economist consensus was 61.5. While all the sectors except financials had positive performance, health care stocks led the way. On earnings news this week, several companies outperformed their estimates. **Priceline.com**, **Rockwell Automation**, **Cisco Systems**, **Walt Disney** and **Viacom** are just some of the big names that had positive earnings surprises. **Viacom** turned in the best performance in the S&P 500 with a 9.00% return. **Lowe's Cos** and **Rockwell Automation** returned over 7.00% and **Walt Disney**, **Express Scripts**, **Cisco Systems** and **Merck** were some of the companies that returned over 5.00% for the week. Next week will bring more earnings news from companies such as **Lowe's Cos**, **Staples**, **Wal-Mart Stores**, **Home Depot** and **Sears Holdings**.