

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (+01 bps)	GNMA (30 Yr) 6% Coupon:	112-06/32 (1.31%)
6 Mo. T-Bill:	0.06 (+02 bps)	Duration:	3.59 years
1 Yr. T-Bill:	0.11 (+01 bps)	30-Year Insured Revs:	222.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.27 (unch.)	Bond Buyer 40 Yield:	5.01% (-01 bps)
3 Yr. T-Note:	0.41 (-01 bps)	Crude Oil Futures:	96.77 (-0.64)
5 Yr. T-Note:	0.93 (+01 bps)	Gold Futures:	1685.7 (-25.7)
10 Yr. T-Note:	1.96 (-05 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.92 (-08 bps)	BB, 7-10 Yr.:	7.13% (+23 bps)
		B, 7-10 Yr.:	8.79% (+32 bps)

Treasuries closed the holiday shortened week slightly higher on the long end of the curve as investors reacted to continued concerns about European debt and a failure by the US supercommittee to agree upon spending cuts. Prices increased modestly on Monday as the two-year note auction drew its highest demand ever. Yields on 30 year bonds fell to their lowest level in six weeks on Tuesday as US GDP grew at only 2.0% during the 3rd quarter versus the expected 2.5%. Treasuries were modestly higher on Wednesday as yields on the seven year note auction reached record lows even as durable goods orders, durables ex transportation and personal income were all higher than anticipated. Markets were closed on Thursday to celebrate the Thanksgiving holiday. Prices fell in shortened trading on Friday on news that private companies may not be involved in any European debt resolution. Major economic reports (and related consensus forecasts) for next week include: Monday: October New Home Sales (310,000, -1.0% MoM) and Dallas Fed Manufacturing Index (5.0); Wednesday: October Pending Home Sales (+1.2% MoM), November Chicago Purchasing Manager Index (58.5) and the Fed's Beige Book released; Thursday: Initial Jobless Claims (390,000), November ISM Manufacturing Index (51.5), October Construction Spending (+0.4%), November Vehicle Sales – Annualized (13.4M Total, 10.4M Domestic); and Friday: November Change in Nonfarm Payrolls (120,000), November Change in Private Payrolls (145,000) and November Unemployment Rate (9.0%).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	11231.78 (-564.38, -4.78%)	Strong Sectors:	Health Care, Consumer Goods, Consumer Services
S&P 500:	1158.67 (-56.98, -4.69%)	Weak Sectors:	Basic Materials, Oil & Gas, Financials
S&P MidCap:	812.43 (-48.61, -5.65%)	NYSE Advance/Decline:	na / na
S&P Small Cap:	371.31 (-28.55, -7.14%)	NYSE New Highs/New Lows:	99 / 234
NASDAQ Comp:	2441.51 (-130.99, -5.09%)	AAll Bulls/Bears:	32.7% / 38.3%
Russell 2000:	666.19 (-53.26, -7.40%)		

The equity markets had a rough holiday-shortened week after several discouraging reports caused investors to shed some risk sending stocks down almost 5% across the board. The European debt crisis continued to grab headlines as Germany suffered one of its auctions in years and investors sold off 10-year bund futures. Third-quarter GDP in the US was revised down to 2% from 2.5% causing investors to worry that growth in the US will slow to levels seen in the Euro-zone. Then as the congressional supercommittee failed to announce a debt-reduction plan, investors continued to question whether or not Congress is going to be able to accomplish anything meaningful concerning the economy in the months ahead. Shares of **AT&T** fell sharply after the telecom company set aside \$4 billion in cash acknowledging that its proposed takeover of T-Mobile USA has a slim chance of succeeding. Farm-equipment maker **Deere & Co.** reported strong fiscal fourth-quarter results and stated that it expects "substantial growth" in 2012 which gave the shares a nice lift on Wednesday. After reports emerged that the director of **Diamond Foods'** audit committee committed suicide during an important review of its financial statements shares fell about 25% on Wednesday. Shares of shipping company **Frontline** collapsed after the company announced a restructuring plan that will severely dilute existing shareholders. Looking ahead to a busy coming week, investors will be watching for the national purchasing managers' November activity report on Thursday and the US Labor Department's report on November non-farm payrolls on Friday. **Tiffany & Co., Aeropostale, Guess?, H&R Block** and **American Eagle** are among the companies due to report earnings this week.