

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.12 (+04 bps)	GNMA (30 Yr) 6% Coupon:	111 (2.28%)
6 Mo. T-Bill:	0.15 (+01 bps)	Duration:	3.59 years
1 Yr. T-Bill:	0.23 (-02 bps)	30-Year Insured Revs:	157.7% of 30 Yr. T-Bond
2 Yr. T-Note:	0.71 (-03 bps)	Bond Buyer 40 Yield:	5.59% (-04 bps)
3 Yr. T-Note:	1.20 (-10 bps)	Crude Oil Futures:	98.23 (+12.08)
5 Yr. T-Note:	2.16 (-10 bps)	Gold Futures:	1410.20 (+22.00)
10 Yr. T-Note:	3.41 (-17 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	4.49 (-19 bps)	BB, 7-10 Yr.:	6.45% (+03 bps)
		B, 7-10 Yr.:	7.48% (+05 bps)

Treasury yields were lower last week, as prices climbed based on the unrest in the Mideast — particularly Libya — and the downward revision of fourth quarter GDP. With the escalating situation in Libya, there are growing concerns that the oil prices will continue to rise and potentially stifle the economic recovery. The risk to the continuing growth of the economy, along with the general fear related to the ongoing chaos in the region sent investors to the safety of Treasuries. Treasury prices were also pushed higher when the estimate of GDP was revised to 3.8% growth for the fourth quarter, down from an earlier estimate of 4.2%. The most anticipated news for the week is Friday's employment report. Major economic reports (and related consensus forecasts) for next week include: Monday: January Personal Income (+0.4%) and Personal Spending (+0.4%) and February Chicago Purchasing Manager Index (67.5); Tuesday: February ISM Manufacturing Index (60.8, ISM Prices Paid 83.0), February Total Vehicle Sales (12.62 million), Fed's Beige Book released; Thursday: Initial Jobless Claims (395,000), 4Q Final Nonfarm Productivity (+2.6%) and Unit Labor Costs (-0.5%), and February ISM Non-Manufacturing Composite (59.4); and Friday: February Employment Report, including Change in Nonfarm Payrolls (+190,000) Unemployment Rate (9.1%) Avg. Hourly Earnings (+0.2%), and Avg. Weekly Hours (34.3), and January Factory Orders (+2.0%).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	12130.45 (-260.80, -2.10%)	Strong Sectors:	Oil & Gas, Utilities, Consumer Goods
S&P 500:	1319.88 (-23.13,-1.72%)	Weak Sectors:	Industrials, Basic Materials, Consumer Services
S&P MidCap:	964.21 (-17.96,-1.83%)	NYSE Advance/Decline:	943 / 2,196
S&P Small Cap:	433.51 (-7.77,-1.76%)	NYSE New Highs/New Lows:	269 / 46
NASDAQ Comp:	2781.05 (-52.90,-1.87%)	AAll Bulls/Bears:	36.6% / 36.1%
Russell 2000:	821.95 (-12.87,-1.54%)		

The stock market suffered its largest weekly loss in three months after investors reduced their equity holdings as multiple Middle East conflicts sent crude oil prices up over 9% for the week. Stocks rebounded on Friday after Saudi Arabia raised its oil output, however investors remained concerned that a spike in prices at the pump could curtail consumer spending in the coming months. Shares of **Boeing** climbed on Friday after the Department of Defense awarded the company a contract to build aerial refueling tankers that could be worth as much as \$35 billion. Investors sent shares of **Salix Pharmaceuticals** down over 23% after the company announced that it needs to provide the FDA with more information before gaining approval for its drug XIFaxan. First quarter revenue growth that fell short of analysts' expectations and a weak outlook for the current quarter at **Hewlett-Packard** caused the shares to shed over 9% on Wednesday. Better-than-expected 4Q earnings propelled shares of **Priceline.com** about 8% higher on Thursday. **Wellpoint** announced its first ever dividend this week and increased its share buyback program after reporting strong 2011 earnings guidance. Shares of **Wal-Mart** fell over 3% on Tuesday after the company reported that sales at its U.S. stores declined last quarter for the seventh straight time. Looking ahead to the coming week, investors will be focused on jobs as ADP's February private sector job report is released on Wednesday, followed by weekly initial jobless claims data on Thursday and the government's February job report on Friday. **AutoZone**, **Staples**, **Kroger** and **Costco** are among the companies due to report earnings this week.