

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.10 (+01 bps)	GNMA (30 Yr) 6% Coupon:	113-06/32 (0.93%)
6 Mo. T-Bill:	0.15 (+01 bps)	Duration:	3.49 years
1 Yr. T-Bill:	0.17 (unch.)	30-Year Insured Revs:	151.7% of 30 Yr. T-Bond
2 Yr. T-Note:	0.30 (unch.)	Bond Buyer 40 Yield:	4.14% (-01 bps)
3 Yr. T-Note:	0.40 (unch.)	Crude Oil Futures:	86.15 (-3.90)
5 Yr. T-Note:	0.76 (+01 bps)	Gold Futures:	1710.90 (-11.90)
10 Yr. T-Note:	1.75 (-01 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.90 (-03 bps)	BB, 7-10 Yr.:	5.47% (+05 bps)
		B, 7-10 Yr.:	6.65% (+09 bps)

Treasuries ended generally flat this week following higher prices Friday as the unemployment rate in Spain was reported over 25% sending investors to the safety of U.S. debt. September new home sales increased 5.7% to an annual rate of 389,000 vs. the estimate of 385,000. The Federal Reserve kept the target range for the federal funds rate at 0.0 – 0.25%, and reiterated expectations to hold back from raising rates until mid-2015. The Fed also maintained its open ended commitment to purchase \$40 billion of mortgage backed securities per month. Durable goods in September increased 9.9%, easily beating expectations of 7.5%. Pending home sales in September increased 0.3%, lower than the estimate of 2.5%. Year over year, pending home sales for September increased 8.5%, much lower than the estimate of 17.4%. The preliminary estimate for 3rd quarter GDP growth was reported at 2.0% annualized, slightly higher than the 1.8% estimate. Final October U of M Consumer Confidence came in at 82.6, slightly below the 83.0 estimate. Major economic reports (and related consensus forecasts) for next week include: Monday: September Personal Income and Spending (0.4% and 0.6% respectively); Tuesday: August S&P/Case-Shiller 20 City Home Price Index (0.5% MoM, 1.9% YoY), Wednesday: October Chicago PMI (51.4); Thursday: 3rd Quarter Nonfarm Productivity (1.5%), October ISM Manufacturing (51.1), September Construction Spending (0.7%), October Total and Domestic Vehicle Sales (15.0 and 11.5 million annualized); Friday: October Change in Nonfarm and Private Payrolls (124,000 and 123,000 respectively), October Unemployment Rate (7.9%).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	13107.2 (-236.3, -1.77%)	Strong Sectors:	Health Care, Cons. Staples, Industrials
S&P 500:	1411.9 (-21.25, -1.48%)	Weak Sectors:	Materials, Energy, Financials
S&P MidCap:	974.7 (-12.66, -1.28%)	NYSE Advance/Decline:	1,151 / 1,998
S&P Small Cap:	454.4 (-4.4, -0.93%)	NYSE New Highs/New Lows:	231 / 113
NASDAQ Comp:	2987.9 (-17.67, -0.58%)	AAll Bulls/Bears:	29.3% / 43.1%
Russell 2000:	813.3 (-7.75, -0.94%)		

Last week, the S&P 500 experienced losses in three out of the five trading sessions, which resulted in a -1.5% return for the week. The Dow Jones Industrial Average experienced its worst one day decline in months on Tuesday as a result of poor earnings announcements from **3M Co.** and **DuPont Co.** On Monday, **Caterpillar Inc.** had a favorable earnings announcement with EPS of \$2.26 vs. \$2.22 est., however they slightly missed revenues with \$16.4b which mitigated the stock's rally to only 1.5%. **Facebook Inc.** eased some earnings fears when they announced increased mobile revenues which sent shares surging over 19%. **Texas Instruments Inc.** had a positive announcement with EPS of \$0.52 vs. \$0.47 est. and revenues of \$3.39b vs. \$3.33b est. On Thursday **Apple Inc.** announced EPS of \$8.67 vs. \$8.75 est. and revenues of \$35.97b vs. \$35.82b est. Apple sold 14m iPad's (15m est.), 5.3m iPod's (5.8m est.), 4.9m Mac computers (4.9m est.) and 26.9m iPhone's (26.3m est.) on the quarter. The material space experienced a mixed week as **Freeport-McMoRan Copper & Gold Inc.** announced they had missed earnings, yet **Peabody Energy Corp.** announced a sizeable outperformance of both earnings and revenue estimates. Poor earnings announcements in the material sector contributed to the S&P GSCI spot gauge of 24 raw materials to fall -2.6% for the week. **Monster Beverage Corp.** saw their shares slump over 14% as its energy drinks have been cited in lawsuits over the deaths of five people. **Procter & Gamble Co.**, the largest consumer-products maker, announced EPS of \$1.06 vs \$0.96 est. which sent the stock up over 2.9%. Next week earning season continues in full swing with **Exxon Mobile Corp.**, **Pfizer Inc.**, **Ford Motor Co.**, **Starbucks Corp.** and **Allstate Corp.** all expected to report.