

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.16 (+04 bps)	GNMA (30 Yr) 6% Coupon:	112-13/32 (1.18%)
6 Mo. T-Bill:	0.13 (+01 bps)	Duration:	3.46 years
1 Yr. T-Bill:	0.18 (+01 bps)	30-Year Insured Revs:	151.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.27 (+03 bps)	Bond Buyer 40 Yield:	4.00%
3 Yr. T-Note:	0.37 (+05 bps)	Crude Oil Futures:	88.28 (+1.61)
5 Yr. T-Note:	0.69 (+08 bps)	Gold Futures:	1727.60 (+22.00)
10 Yr. T-Note:	1.69 (+11 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.83 (+10 bps)	BB, 7-10 Yr.:	5.50% (-09 bps)
		B, 7-10 Yr.:	6.84% (-12 bps)

Treasuries fell during the holiday shortened week as the housing market continued to show signs of improvement and investor confidence that the fiscal cliff would be avoided grew. Prices were modestly lower on Monday as existing home sales were nearly 2.0% higher than expected. Yields were higher again on Tuesday as housing starts were better than projected and Fed Chairman Ben Bernanke stated that a fiscal resolution may help US growth. Treasuries were relatively unchanged Wednesday before moving lower on Friday's early close on speculation that European leaders will once again release bailout funds to aid the region's debt crisis. Major economic reports (and related consensus forecasts) for next week include: Monday: November Dallas Fed Manufacturing Index (2.0); Tuesday: October Durable Goods Orders (-0.8%), Durable Goods Ex Transportation (-0.6%), September S&P/Case-Schiller Composite Home Price Index (+0.4% MoM, +2.9% YoY), November Consumer Confidence (73.0), November Richmond Fed Manufacturing Index (-10); Wednesday: October New Home Sales (390K, +0.1% MoM) and the Fed's Beige Book released; Thursday: 3rd Quarter GDP (2.8%), 3rd Quarter Personal Consumption (2.0%), Initial Jobless Claims (390,000) and October Pending Home Sales (+0.8% MoM); Friday: October Personal Income and Spending (+0.2% and +0.1%, respectively) and November Chicago Purchasing Manager Index (50.5).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	13009.68 (421.37, 3.42%)	Strong Sectors:	Info Tech., Materials, Cons. Discretionary
S&P 500:	1409.15 (49.27, 3.65%)	Weak Sectors:	Utilities, Health Care, Industrials
S&P MidCap:	989.89 (36.96, 3.90%)	NYSE Advance/Decline:	2,804 / 362
S&P Small Cap:	454.28 (16.83, 3.86%)	NYSE New Highs/New Lows:	183 / 77
NASDAQ Comp:	2966.85 (113.72, 4.01%)	AAll Bulls/Bears:	35.8% / 40.8%
Russell 2000:	807.18 (30.9, 4.00%)		

In a Thanksgiving holiday shortened week, the S&P 500 traded up 3.7%. Most of the gains came Monday when the benchmark was up nearly 2% which was the largest gain in two months. Much of the credit for Monday's rally lies with better than forecast housing data and an increase in confidence that Washington can reach a deal to avoid the fiscal cliff. **Lowe's Cos Inc.** announced earnings Monday beating EPS estimates by nearly 14% and revenue by 1.2% as shares surged over 6%. **Tyson Foods Inc.** announced earnings that beat EPS estimates by over 20% and announced a special cash dividend which sent the stock up nearly 11%. **Medtronic Inc.** had earnings that slightly missed estimates however the stock was up 2% as they announced plans to return cash to shareholders in the form of dividends and share buybacks. **Salesforce.com Inc.** also surprised to the upside beating both earnings and sales estimates which sent shares up 8.8%. **Hewlett-Packard Co.** announced an impairment charge of \$8.8b due to their **Autonomy Corp.** acquisition which sent the shares tumbling nearly 12% on Tuesday. **Best Buy Co.** sank 13% as the largest consumer-electronics retailer reported a loss because of weak revenue numbers. Increased tensions between Israel and Gaza had an impact in the oil market which was up 3% on Monday. This week **Big Lots Inc.**, **ADT Corp.**, **Analog Devices Inc.**, **Aeropostale Inc.**, **American Eagle Outfitters Inc.** and **Tiffany & Co.** are all expected to report earnings.