

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.09 (-02 bps)	GNMA (30 Yr) 6% Coupon:	113-03/32 (0.99%)
6 Mo. T-Bill:	0.15 (unch.)	Duration:	3.48 years
1 Yr. T-Bill:	0.17 (unch.)	30-Year Insured Revs:	150.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.28 (-01 bps)	Bond Buyer 40 Yield:	4.14% (-01 bps)
3 Yr. T-Note:	0.38 (-03 bps)	Crude Oil Futures:	84.86 (-1.42)
5 Yr. T-Note:	0.72 (-04 bps)	Gold Futures:	1675.20 (-35.7)
10 Yr. T-Note:	1.72 (-03 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.90 (unch.)	BB, 7-10 Yr.:	5.41% (-06 bps)
		B, 7-10 Yr.:	6.69% (+04 bps)

Short and medium term treasuries were lower this week in a shortened trading week following hurricane Sandy which closed the bond markets on Tuesday. On Monday, treasuries advanced ahead of the storm which threatened the east coast and closed equity markets, while September Personal Income and Spending were reported at .4% and .8%, respectively. With the U.S. markets closed on Tuesday, the August S&P/CaseShiller Home Price Index was reported at 145.87 and the 20 City Composite rose 2.03% against expectations of a 1.9% increase. Treasuries edged higher on Wednesday as the October Chicago PMI fell to 49.9 against expectations of a 51 reading and investors speculated that Hurricane Sandy would harm economic growth, according to Bloomberg. Yields rose on Thursday, following a slew of economic data that largely beat expectations. Highlights included 3rd quarter Nonfarm Productivity which rose 1.9%, beating the 1.8% survey estimate and October ISM Manufacturing of 51.7 vs. estimates of 51. Treasuries were relatively unchanged on Friday as reports showed that October Nonfarm payrolls beat expectation and rose to 171k, but the unemployment rate ticked higher to 7.9%. Major economic reports (and related consensus forecasts) for next week include: Monday: October ISM Non-Manf. Composite (54.5); Wednesday: September Consumer Credit (\$10.25B); Thursday: September Trade Balance (-\$45B); Friday: November U. of Michigan Confidence (82.9) and September Wholesale Inventories (.4%)

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	13093.16(-14.04, -0.11%)	Strong Sectors:	Cons. Discretionary, Industrials, Financials
S&P 500:	1414.2 (2.26, .18%)	Weak Sectors:	Information Technology, Energy, Utilities
S&P MidCap:	987.8 (13.1, 1.37%)	NYSE Advance/Decline:	1919 / 1222
S&P Small Cap:	461.28 (6.84, 1.51%)	NYSE New Highs/New Lows:	318 / 87
NASDAQ Comp:	2982.132 (-5.80, -.17%)	AAll Bulls/Bears:	35.7% / 41.0%
Russell 2000:	814.37 (1.12, .17%)		

The world's attention turned away from markets last week as Hurricane Sandy devastated parts of the Northeast Monday evening. President Obama declared New Jersey, New York and Connecticut disaster areas enabling the states to receive Federal assistance. Hurricane Sandy shuttered the New York Stock Exchange for two days. Despite the destruction caused by the storm, markets were mixed for the week with the Dow down .11% and the S&P 500 up .18%. The storm forced numerous companies to delay earnings releases to Thursday and Friday. Despite the dangerous weather, **Ford** still reported results on Tuesday, posting earnings of \$.40 per share beating expectations by nearly 10 cents. The stock was up 7.8% for the week. **General Motors** also shared the success of Ford, beating earnings by nearly 56%, shares jumped 9.23% for the week. In contrast, **Western Union** reported abysmal earnings cutting guidance to the surprise of many sell-side analysts. The company's share price fell 31% for the week. While **Cummins Engine** did nearly surpass analyst expectations, the company's share price did fall 3.25% last week. The company cited weakening conditions in their Chinese operations and a gloomy outlook for the region. Outside of earnings, **UBS** announced they would be cutting 10,000 positions in an effort to cut costs. Also, **Apple** shook up its management ranks removing Scott Forestell who was head of iPhone software development and retail director, John Browett. Despite it still being earnings season, next week will be dominated by the Presidential election. Nevertheless, **Time Warner**, **Express Scripts**, **Southern Company** and **Sysco** will all be reporting.