

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.09 (+02 bps)	GNMA (30 Yr) 6% Coupon:	112-18/32 (1.51%)
6 Mo. T-Bill:	0.13 (+02 bps)	Duration:	3.66 years
1 Yr. T-Bill:	0.16 (+01 bps)	30-Year Insured Revs:	198.7% of 30 Yr. T-Bond
2 Yr. T-Note:	0.30 (+01 bps)	Bond Buyer 40 Yield:	4.58% (+01 bps)
3 Yr. T-Note:	0.43 (+02 bps)	Crude Oil Futures:	109.76 (+6.52)
5 Yr. T-Note:	0.89 (+03 bps)	Gold Futures:	1772.90 (+48.40)
10 Yr. T-Note:	1.98 (-02 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.10 (-04 bps)	BB, 7-10 Yr.:	5.85% (-12 bps)
		B, 7-10 Yr.:	7.47% (-13 bps)

Longer dated Treasury yields were marginally lower by Friday following a strong 7-year auction on Thursday with the market apparently reacting cautiously to higher oil prices and concerns that the European sovereign debt crisis has not yet been settled. Yields were higher Tuesday in a continuation of last week's bailout optimism. This was a large supply week as the Treasury auctioned \$35 billion in 2-year notes Tuesday, \$35 billion in 5-year notes Wednesday, and \$29 billion in 7-year notes Thursday. Existing home sales increased 4.3% in January but the total number came in short of expectations at 4.57 million as December sales were revised lower. New home sales declined 0.9% in January to 321,000, but this was more than the estimate of 315,000. Major economic reports (and related consensus forecasts) for next week include: Monday: January Pending Home Sales (1.0%), February Dallas Fed Manufacturing Activity (15.3); Tuesday: January Durable Goods Orders (-1.0%, 0% Excluding Transportation), December S&P/Case-Shiller Composite-20 Home Price Index (-0.30%, -3.6% YoY), February Consumer Confidence (63.0), February Richmond Fed Manufacturing Index (12); Wednesday: 4th Quarter 2011 GDP (2.8%), 4th Quarter 2011 Personal Consumption (2.0%), February Chicago Purchasing Manager Index (61.3); Thursday: January Personal Income (0.5%), January Personal Spending (0.4%), January Construction Spending (1.0%), February ISM Manufacturing (54.5), February ISM Prices Paid (58.0), February Total Vehicle Sales (14.0 million annualized), February Domestic Vehicle Sales (11.0 million annualized).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	12982.95 (33.08, .26%)	Strong Sectors:	Oil & Gas, Technology, Telecommunications
S&P 500:	1365.74 (4.51, .33%)	Weak Sectors:	Financials, Consumer Services, Health Care
S&P MidCap:	985.36 (.76, .08%)	NYSE Advance/Decline:	2,185 / 972
S&P Small Cap:	459.76 (-2.01, -.44%)	NYSE New Highs/New Lows:	336 / 7
NASDAQ Comp:	2963.75 (11.97, .41%)	AAll Bulls/Bears:	43.7% / 27.5%
Russell 2000:	826.92 (-1.76, -.21%)		

Last week, euro-zone leaders were able to produce a \$172 billion rescue package for Greece. The country must refinance its debt in late March. In a historic move, the Dow Jones Industrial Average did exceed 13,000 for the first time since 2008. While, the Dow was not able to maintain those gains, the index did close at 12,982.95 for the week. The much anticipated annual **Berkshire Hathaway** letter to shareholders was released. In it, Warren Buffett announced that he was "on the prowl" for a large acquisition after making two big acquisitions in the last few years in **Burlington Northern** and **Lubrizol**. He also explained why he's optimistic on the businesses of **IBM** and **Wells Fargo**. In addition, he gave what many would consider unlikely praise to **Bank of America** Chief Executive, Brian Moynihan. In another historic development, **Sears Holdings** held its first earnings conference call in the era of Eddie Lampert's chairmanship. The embattled retailer posted a \$2.4 billion loss for the fourth quarter and announced it was selling stores and spinning off businesses to raise \$770 million in cash to assure investors and bolster its liquidity position. Sears was not the only retailer to struggle this past week, **J.C. Penny** and **Wal-Mart** both disappointed analysts by missing quarterly expectations. In a positive move on Tuesday, internet security provider, **SourceFire** significantly surpassed analyst revenue expectations sending the stock soaring nearly 25%. Cloud computing titan, **Salesforce.com**, also beat expectations. Sales surpassed \$631 million, beating the street's view of \$624 million. The stock increased 7.9% on the positive news. Looking ahead, primaries will be held in Michigan and Arizona, **BP** will begin to defend itself in a civil suit brought against the company related to their involvement in the Horizon Oil Spill, and European banks will seek to refinance 500 billion to 1 trillion euros worth of debt.