

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.08 (unch.)	GNMA (30 Yr) 6% Coupon:	112-17/32 (1.65%)
6 Mo. T-Bill:	0.14 (+01 bps)	Duration:	3.64 years
1 Yr. T-Bill:	0.19 (+01 bps)	30-Year Insured Revs:	180.8% of 30 Yr. T-Bond
2 Yr. T-Note:	0.36 (+04 bps)	Bond Buyer 40 Yield:	4.67% (+06 bps)
3 Yr. T-Note:	0.56 (+12 bps)	Crude Oil Futures:	107.26 (-0.14)
5 Yr. T-Note:	1.11 (+21 bps)	Gold Futures:	1659.10 (-52.40)
10 Yr. T-Note:	2.29 (+26 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.40 (+22 bps)	BB, 7-10 Yr.:	5.99% (+06 bps)
		B, 7-10 Yr.:	7.44% (-01 bps)

Treasury yields surged this week as investors relinquished the safe haven of government debt for riskier assets. Tuesday's statement from the Fed referenced improving economic growth with no indication of additional quantitative easing and they kept the target range for the federal funds rate at 0.0 – 0.25%. February retail sales increased 1.1%, in line with expectations. Excluding autos, sales increased 0.9% which was better than the estimate of 0.7%. Both the Philadelphia Fed Survey and Empire Manufacturing Index beat expectations, coming in at 12.5 and 20.21 respectively against estimates of 12.0 and 17.50. The Producer Price Index increased 0.4% in February, in line with estimates and is 3.3% higher year over year. Excluding food and energy, PPI increased 0.2% in February and 3.0% year over year. The Consumer Price Index increased 0.4% in February and 2.9% year over year, both in line with estimates. Excluding food and energy, CPI increased 0.1% in February vs. the estimate of 0.2% and increased 2.2% year over year matching expectations. Industrial production was flat in February as the survey expected 0.4% growth and capacity utilization was 78.7% vs. the estimate of 78.8%. U of M Consumer Confidence was reported at 74.3 vs. the estimate of 76.0. Major economic reports (and related consensus forecasts) for next week include: Tuesday: February Housing Starts 700,000, 0.1% MoM, February Building Permits (686,000, 0.5% MoM); Wednesday: February Existing Home Sales (4.60M, 0.7% MoM); Thursday: January House Price Index (0.2%), February Leading Indicators (0.6%); Friday: February New Home Sales (325,000, 1.3% MoM).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	13232.62 (+310.60,+2.40%)	Strong Sectors:	Financials, Technology, Industrials
S&P 500:	1404.17 (+33.30,+2.43%)	Weak Sectors:	Utilities, Consumer Goods, Telecom
S&P MidCap:	1000.73 (+15.92,+1.62%)	NYSE Advance/Decline:	1,777 / 1,395
S&P Small Cap:	461.77 (+8.08,+1.78%)	NYSE New Highs/New Lows:	355 / 39
NASDAQ Comp:	3055.26 (+66.92,+2.24%)	AAll Bulls/Bears:	45.6% / 27.2%
Russell 2000:	830.18 (+13.18,+1.61%)		

Investors cheered the news on Tuesday that the Federal Reserve approved share buybacks and dividend increases propelling both the S&P 500 and the Dow to new 52-week highs. **JPMorgan** appeared to jump the gun and released the information ahead of the Fed's planned release on Thursday. The Federal Open Market Committee's press release on Tuesday also excited investors as a reference to "slowing global growth" that was included in January's release had been removed. Shares of **Bank of America** benefited the most from the Fed's approval as the shares soared 22% for the week leading both the Dow and the S&P 500 higher. Even failing the Fed's stress test couldn't stop shares of **Citigroup** from rising over 7% for the week. **Apple** shares continued their climb higher as demand for the new iPad 3 seemed to be higher than investors' initial expectations. Demand for the new iPad also helped flat panel maker **Corning's** shares climb almost 8% for the week. Disappointing first quarter earnings expectations at **Guess?** sent the shares down over 10% on Thursday. Tougher price competition and higher wages hurt earnings at the Chinese pork processor **Zhongpin** whose shares fell over 20% on Wednesday. Looking ahead to the coming week, investors will be watching for information on the condition of the housing market as the release of the February U.S. housing starts is set for Tuesday, followed by the existing February Home Sales report on Wednesday and the February New Home Sales report to be released on Friday. **Adobe Systems, Cintas, Jabil Circuit, Oracle** and **Tiffany & Co.** are among the companies due to report earnings this week.