

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.08 (+01 bps)	GNMA (30 Yr) 6% Coupon:	113-12/32 (0.98%)
6 Mo. T-Bill:	0.12 (-02 bps)	Duration:	4.00 years
1 Yr. T-Bill:	0.16 (-01 bps)	30-Year Insured Revs:	194.2% of 30 Yr. T-Bond
2 Yr. T-Note:	0.26 (-06 bps)	Bond Buyer 40 Yield:	4.56% (-04 bps)
3 Yr. T-Note:	0.40 (-09 bps)	Crude Oil Futures:	102.85 (-0.46)
5 Yr. T-Note:	0.85 (-15 bps)	Gold Futures:	1657.10 (+28.60)
10 Yr. T-Note:	1.98 (-19 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.13 (-19 bps)	BB, 7-10 Yr.:	6.15% (+05 bps)
		B, 7-10 Yr.:	7.50% (+09 bps)

Treasury yields were lower this week and the 10-year note dipped below two percent again in a flight to safety trade amid concern that the European sovereign debt crisis is getting worse and GDP growth in China was lower than expectations. Adding to the tension was a disappointing employment report from last Friday that showed non-farm payrolls increased 120,000 vs. expectations of 205,000. The unemployment rate declined to 8.2% against expectations of 8.3%. The producer price index was unchanged in March, vs. the estimate of 0.3% growth and is 2.8% higher year over year, below consensus estimates of 3.1%. The consumer price index increased 0.3% in March matching expectations and is 2.7% higher year over year also matching estimates. U of M Consumer Confidence was reported Friday at 75.7 vs. estimates of 76.2. Major economic reports (and related consensus forecasts) for next week include: Monday: April Empire Manufacturing (18.00), March Advance Retail Sales (0.3%, 0.6% excluding autos); Tuesday: March Housing Starts (705,000, 1.0% MoM), March Building Permits (710,000, -0.7% MoM), March Industrial Production (0.3%), March Capacity Utilization (78.6%); Thursday: April Philadelphia Fed (12.0), March Existing Home Sales (4.62M, 0.6% MoM), March Leading Indicators (0.2%).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	12849.59 (-210.55, -1.61%)	Strong Sectors:	Materials, Consumer Services, Telecommunications
S&P 500:	1370.26 (-27.82, -1.99%)	Weak Sectors:	Healthcare, Oil & Gas, Financials
S&P MidCap:	964.41 (-19.87, -2.02%)	NYSE Advance/Decline:	915 / 2260
S&P Small Cap:	446.10 (-11.64, -2.54%)	NYSE New Highs/New Lows:	111 / 101
NASDAQ Comp:	3011.33 (-69.17, -2.25%)	AAll Bulls/Bears:	28.1% / 41.6%
Russell 2000:	796.29 (-21.89, -2.68%)		

Stocks dropped last week as worries in Europe shifted to Spain which significantly increased its borrowing from the European Central Bank last month. Other macroeconomic concerns came from China, which announced slowing GDP growth of 8.1%. Economists were expecting their economy to grow 8.3%. Last week also marked the start of earnings season with economic bell-weather, Alcoa, surprising analysts with much-better-than-expected earnings. The aluminum maker was expected to report a loss of \$.03 per share, however the company surpassed analysts' expectations by 12 cents. The stock rose 6% on the announcement. Also reporting was **JP Morgan**, which reported top line growth of 6%, however profit decreased more than 3% from a year earlier. JP Morgan competitor, **Wells Fargo** also reported results, earnings rose more than 13%. However, both banks' share prices fell during the week. **Google** also reported earnings, but it was not the earnings that had investors talking. The company announced a two-for-one split of its common shares. This move is coupled with the creation of a new share class. This new class will give founders Serge Brin and Larry Page greater control over the company's voting shares. Embattled retailer, **Best Buy** accepted the resignation of its CEO, Brian Dunn. While many analysts believed the move was long overdue, the cause may have nothing to do with performance. Revelations surfaced that the board was investigating Dunn for alleged inappropriate behavior. Looking forward, the market will look to Spain and companies reporting earnings this week for direction. Companies reporting include, **Citigroup**, **US Bank**, **Bank of America**, **McDonald's**, **American Express**, and **Intel**. In addition, **Midstates Petroleum** will begin trading on the NYSE. Finally, thanks to Emancipation Day, a holiday celebrated on Monday, tax payers will have until Tuesday, April 17<sup>th</sup> to file their taxes.