

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.06 (-02 bps)	GNMA (30 Yr) 6% Coupon:	113-08/32 (0.92%)
6 Mo. T-Bill:	0.12 (unch.)	Duration:	3.95 years
1 Yr. T-Bill:	0.15 (-01 bps)	30-Year Insured Revs:	194.4% of 30 Yr. T-Bond
2 Yr. T-Note:	0.26 (unch.)	Bond Buyer 40 Yield:	4.54% (-02 bps)
3 Yr. T-Note:	0.40 (unch.)	Crude Oil Futures:	103.05 (+0.22)
5 Yr. T-Note:	0.84 (-01 bps)	Gold Futures:	1642.10 (-17)
10 Yr. T-Note:	1.96 (-02bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.12 (-01 bps)	BB, 7-10 Yr.:	6.08% (+07bps)
		B, 7-10 Yr.:	7.50% (+11 bps)

Treasuries nudged slightly higher this week as mixed economic data and concern about the European debt crisis spreading to Spain or Italy kept a bid for the securities in place. Bond markets were relatively quiet on Monday as markets anticipated key economic data releases. Yields rose a little on Tuesday when German investor confidence unexpectedly accelerated and a Spanish short term bond auction drew better than expected demand. In addition, March Advance Retail Sales beat expectations, printing at .8% vs. a .3% estimate. March Housing Starts, however, missed expectations (654K vs. 705K consensus) and Industrial Production figures were flat (0% vs. .3% consensus). The Federal Reserve also continued with "operation twist" buying \$1.88B in long term treasuries. Later in the week treasuries edged higher on the heels of Thursday's housing market data which missed expectations. March existing home sales were 4.48M vs. a consensus 4.61M and the monthly drop was -2.6% vs. an expected increase of .5%. The week closed with yields broadly lower as the U.S. 10 year note traded below 2% for the 6th straight day and negative sentiment regarding the European debt crisis weighed on equities. Major economic reports (and related consensus forecasts) for next week include: Tuesday: April Consumer Confidence (69.8), February Home Price Index MoM (.1%), March New Home Sales (1.6%); Wednesday: March Durable Goods Orders (-1.7%) and Durable Goods Orders ex-transportation (.5%), FOMC Rate Decision (.25%); Thursday: March Pending Home Sales MoM and YoY (1 and 7%, respectively); Friday: 1st Quarter GDP QoQ (Annualized) (2.5%), 1st Quarter Personal Consumption (2.3%), and April U. of Michigan Confidence (75.7)

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	13029.26 (+179.67,+1.40%)	Strong Sectors:	Health Care, Utilities, Telecom
S&P 500:	1378.53 (+8.27,+0.60%)	Weak Sectors:	Technology, Oil & Gas, Financials
S&P MidCap:	976.35 (+11.94,+1.24%)	NYSE Advance/Decline:	2,036 / 1,136
S&P Small Cap:	450.38 (+4.28,+0.96%)	NYSE New Highs/New Lows:	208 / 93
NASDAQ Comp:	3000.45 (-10.88,-0.36%)	AAII Bulls/Bears:	31.2% / 33.8%
Russell 2000:	804.05 (+7.76,+0.97%)		

The Dow Jones Industrial Average advanced for the first time in three weeks as first-quarter earnings results thus far were for the most part in line with analysts' expectations with no major disappointments. Investors however decided to take some risk off the table with the elections looming in France next week in which a result that could be viewed as a negative for capital markets is seen as a possibility. The S&P 500 rose only slightly more than a half a percent and the Nasdaq finished the week in negative territory as shares of **Apple** fell more than 5% as the bearish momentum of recent weeks continued to plague the shares. Bearish traders also focused on shares of companies that have similarly experienced large run-ups in price this year. Shares of **Priceline.com** and **Chipotle Mexican Grill** each fell this past week even as the latter reported impressive first-quarter earnings results. Shares of Argentinean oil producer **YPF** collapsed last week after the country's government began the process of expropriating 51% of the company without due compensation and also eliminating the dividend. Online-auction website **Ebay** reported a 20% rise in first-quarter earnings from a year ago which boosted the shares over 10% for the week. Positive results from a trial for an oral treatment for hepatitis C drove shares of **Gilead** over 10%. Weak demand caused flash memory maker **Sandisk** to report a 24% drop in quarterly revenue and to lower their 2012 revenue forecast which sent the shares tumbling. Looking ahead to the coming week, investors will be watching the French elections on Tuesday and also any insight into the economic health of the U.S. from the Fed which ends its two-day meeting on Wednesday. **Texas Instruments, ConocoPhillips, Boeing, Apple, United Technologies** and **Starbucks** are among the many companies due to report earnings this week.

