

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.02 (+01 bps)	GNMA (30 Yr) 6% Coupon:	110-04/32 (2.65%)
6 Mo. T-Bill:	0.04 (+01 bps)	Duration:	3.60 years
1 Yr. T-Bill:	0.10 (+01 bps)	30-Year Insured Revs:	141.3% of 30 Yr. T-Bond
2 Yr. T-Note:	0.33 (unch.)	Bond Buyer 40 Yield:	5.13 (+04 bps)
3 Yr. T-Note:	0.62 (-01 bps)	Crude Oil Futures:	103.84 (+0.97)
5 Yr. T-Note:	1.41 (+01 bps)	Gold Futures:	1309.70 (-28.70)
10 Yr. T-Note:	2.64 (+02 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.72 (+03 bps)	U.S. High Yield:	6.72% (unch.)
		BB:	5.34% (+02 bps)
		B:	6.73% (-01 bps)

Treasuries were slightly lower this week and traded in a tight range. Investors speculated about the duration of the government shutdown and that an accord would be reached to extend the Federal Debt limit. Congress remained deadlocked Monday ahead of the pending shutdown, boosting demand for the safety of treasuries. The September ISM Manufacturing Index was reported at 56.2, beating expectations, while Total and Domestic vehicle sales printed at 15.6M and 12.1M, missing expectations, on Tuesday. Still, treasuries were lower as investors speculated that a deal would be reached to resolve the government shutdown. On Wednesday, Treasuries rallied again when the September ADP Employment Change report which measures corporate hiring showed a 166K job gain, widely missing expectations for 180K in gains. The rally extended through Thursday when the September ISM Non-Manufacturing Composite was reported at just 54.4 against expectations for a reading of 57, suggesting weaker than expected growth in the service sector. On Friday, the rally in Treasuries reversed as the US prepared to auction \$64B in bonds next week and investors bet the debt limit would be extended ahead of its October 17th deadline. Major economic reports (and related consensus forecasts) for next week include: Monday: August Consumer Credit (\$12B); Tuesday: August Trade Balance (-\$39.5B), Sept. Change in Private and Nonfarm Payrolls (182K and 180K, respectively), Sept. Change in Manuf. Payrolls (5K); Wednesday: August Wholesale Inventories (+.3% MoM); Thursday: September Import Price Index (+.2% MoM); Friday: Sept. PPI and PPI Ex-Food/Energy (+.2% and +.01% MoM), Sept Retail Sales Advance (+0%), Oct. P Univ. of Michigan Confidence (76.0).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	15072.58 (-1.18%)	Strong Sectors:	Health Care, Materials, Info Tech
S&P 500:	1690.5 (-0.04%)	Weak Sectors:	Cons. Staples, Industrials, Utilities
S&P MidCap:	1255.44 (0.92%)	NYSE Advance/Decline:	1,502 / 1,673
S&P Small Cap:	608.28 (0.29%)	NYSE New Highs/New Lows:	342 / 118
NASDAQ Comp:	3807.754 (0.73%)	AAll Bulls/Bears:	37.8% / 30.1%
Russell 2000:	1078.25 (0.39%)		

It is hard to tell what impact the Government shutdown had on equity markets, as major indexes were mixed for the week. While many agencies were shut down last week, the absence of the weekly jobs report released by the Bureau of Labor Statistics is likely what many investors noticed as missing. In addition to the shutdown, this past week marked the launch of health insurance exchanges, one of the most controversial aspects of the Patient Protection and Affordable Care Act, better known as Obamacare. One company that will be heavily involved in private health exchanges is insurance broker, **Aon**. The company has signed 15 corporate clients with at least 5,000 employees to provide health exchanges in 2014. On Thursday, social media company, **Twitter** filed its prospectus in anticipation of its IPO. The company will raise \$1 billion which implies the company will be valued at approximately \$15 billion. Despite the valuation, the company is not profitable. In the last twelve months, the company lost \$99.55 million. However, the company has displayed impressive sales growth. Since fiscal year 2010 the company's trailing year revenue has grown from \$28 million to \$448 million. Also tapping the public markets was sandwich maker, **Potbelly's**. The company whose shares trade under the ticker, PBPB, were priced Thursday at \$14. Impressively, shares closed Friday at \$30.77 representing an almost 120% one-day return on its debut. Moving ahead, this week marks the start of earnings season. As is customary, **Alcoa** will kick it off Tuesday after the bell. The aluminum maker is expected to earn \$0.055 EPS after turning a small loss this time last year. The company will be joined later in the week by **Yum Brands, Costco, Wells Fargo** and **JP Morgan**.