

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.05 (unch.)	GNMA (30 Yr) 6% Coupon:	112-29/32 (1.44%)
6 Mo. T-Bill:	0.08 (unch.)	Duration:	3.69 years
1 Yr. T-Bill:	0.10 (-01 bps)	30-Year Insured Revs:	152.1% of 30 Yr. T-Bond
2 Yr. T-Note:	0.21 (-02 bps)	Bond Buyer 40 Yield:	4.03 (-02 bps)
3 Yr. T-Note:	0.32 (-03 bps)	Crude Oil Futures:	92.91 (+4.90)
5 Yr. T-Note:	0.68 (-02 bps)	Gold Futures:	1453.60 (+58.30)
10 Yr. T-Note:	1.66 (-04 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.86 (-02 bps)	U.S. High Yield:	6.16% (-13 bps)
		BB:	4.67% (-13 bps)
		B:	6.38% (-12 bps)

Treasury prices were higher last week as soft economic data caused additional concern about the economic outlook driving investors to the safety of U.S. debt. Treasury prices were higher Monday, largely driven by existing home sales that declined 0.6% in March vs. expectations of 0.4% growth. Prices declined modestly Tuesday and then recovered Wednesday as March durable goods orders declined 5.7% vs. expectations of 3.0% and demand for the \$35 billion 5-year note auction was strong. The 7-year auction on Thursday also went well even with better than expected jobless claims. Treasuries were higher Friday as first quarter GDP growth came in at 2.5%, vs. expectations of 3.0%. Major economic reports (and related consensus forecasts) for next week include: Monday: March Personal Income (0.4%), March Personal Spending (0.0%), March Pending Home Sales (1.0% MoM, 6.1% YoY), April Dallas Fed Manufacturing Activity (5.0); Tuesday: February S&P/Case-Shiller Composite Home Price Index (0.80% MoM, 9.0% YoY), April Chicago Purchasing Manager Index (52.5); Wednesday: April ISM Manufacturing Index (51.0), FOMC Rate Decision (0.25%), April Total and Domestic Vehicle Sales (15.30M and 12.00M Annualized), Thursday: March Trade Balance (-\$42.0B), 1Q2013 Nonfarm Productivity (1.5%); Friday: April Change in Nonfarm Payrolls (150,000), April Unemployment Rate (7.6%), April Factory Orders (-2.5%), April Non-Manufacturing Composite (54.0).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	14712.55 (1.17%)	Strong Sectors:	Info Tech, Energy, Materials
S&P 500:	1582.24 (1.76%)	Weak Sectors:	Telecom, Cons. Staples, Health Care
S&P MidCap:	1141.2 (1.80%)	NYSE Advance/Decline:	2,375 / 783
S&P Small Cap:	523 (2.40%)	NYSE New Highs/New Lows:	570 / 75
NASDAQ Comp:	3279.263 (2.29%)	AAll Bulls/Bears:	28.3% / 38.8%
Russell 2000:	935.25 (2.51%)		

Last week, investors continued to be sanguine as the S&P 500 returned 1.76%. However, that is not to say last week was without its turbulence. On Tuesday, intraday stock prices dropped sharply in response to a false tweet originating from the Associated Press's hacked twitter account. The tweet stated that the White House had been bombed and President Obama had been hurt. This tweet triggered a chain reaction that briefly erased \$200 billion in value in stocks. Fortunately, sanity won out, stocks quickly recovered and the S&P 500 would close the day up 1.04%. Thursday, the Chicago Board of Options was closed for nearly three and a half hours preventing traders from purchasing options. **CBOE Holdings** cited a software glitch as the cause. Moving to earnings, on Monday economic bell-weather, **Caterpillar**, reported first quarter results. The equipment maker missed earnings expectations and first quarter EPS dropped 45% from the previous year. In addition, the company reduced 2013 sales forecasts saying they expected revenue in the range of \$57 to \$61 billion down from \$60 to \$68 billion. Nevertheless, the stock was up 5.28% for the week. Media company, **Netflix**, also reported last week. The movie rental company announced much stronger than expected subscriber growth. The stock soared nearly 32% last week alone. Chicago area manufacturer, **Illinois Tool Works** saw its shares climb 6.41% despite seeing net income fall 27% and lowering its full-year organic revenue growth guidance to 0-2% from 1-3%. **Johnson Controls** also saw its shares climb. Despite the company announcing that second quarter profit fell 61% and sales were down 1.3%, shares jumped 7.5% last week. Looking ahead, stocks will likely seek direction from earnings announcements as we move towards the finish line of earnings season. This week, **Buffalo Wild Wings**, **Cummins**, **Pfizer**, **Southern Copper**, **Ecolab**, and **Clorox** will all report.