

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.05 (unch.)	GNMA (30 Yr) 6% Coupon:	112-12/32 (1.44%)
6 Mo. T-Bill:	0.08 (unch.)	Duration:	3.68 years
1 Yr. T-Bill:	0.11 (+01 bps)	30-Year Insured Revs:	146.7% of 30 Yr. T-Bond
2 Yr. T-Note:	0.22 (+02 bps)	Bond Buyer 40 Yield:	4.02 (-01 bps)
3 Yr. T-Note:	0.33 (+01 bps)	Crude Oil Futures:	95.48 (+2.48)
5 Yr. T-Note:	0.72 (+04 bps)	Gold Futures:	1470.00 (+16.4)
10 Yr. T-Note:	1.73 (+07 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.95 (-09 bps)	U.S. High Yield:	6.04% (-12 bps)
		BB:	4.62% (-05 bps)
		B:	6.12% (-13 bps)

Treasuries traded unevenly but ultimately fell this week when better than expected employment data and robust earnings reports prompted investors to sell the securities in favor of riskier assets. On Monday, Treasuries were little changed as reports showed that March Personal Income and Spending both increased slightly (+.2%), while Pending Home Sales rose by 1.5%, beating expectations for a 1% gain. On Tuesday, yields on the benchmark 10-year note dropped to their lowest level of the year when the April Chicago Purchasing Manager index fell to 49.0 and investors speculated The Fed would affirm its commitments to further bond purchases at meetings after the market close. Yields were lower still the next day as the Federal Reserve said it would continue its \$85B per month bond buying program and maintained the Target Fed Funds rate at .25%. Additionally, the April ISM Manufacturing Index came in at 50.7 and Total Vehicle Sales were reported at 14.88M vs. expectations of 15.22M. On Thursday, Treasuries were little changed while the March Trade Balance was announced at -\$38.8B vs. -\$42.3B expectations. Q1 preliminary Nonfarm Productivity was also reported at .7%, missing expectations of 1%. On Friday, Treasuries plunged when the change in April Nonfarm Payrolls was announced at 165K, handily beating 145K expectations, and the unemployment rate dropped to 7.5%. Major economic reports (and related consensus forecasts) for next week include: Tuesday: March Consumer Credit (\$16B); Wednesday: May 4 Initial Jobless Claims and March Wholesale Inventories (.4%); Friday: April Monthly Budget Statement \$106B.

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	14,973.96 (+1.79%)	Strong Sectors:	Information Technology, Energy, Materials
S&P 500:	1,614.42 (+2.06%)	Weak Sectors:	Telecom Services, Utilities, Health Care
S&P MidCap:	1,165.07 (+2.12%)	NYSE Advance/Decline:	2,398/ 785
S&P Small Cap:	535.24 (+2.36%)	NYSE New Highs/New Lows:	789/ 54
NASDAQ Comp:	3,378.63 (+3.07%)	AAll Bulls/Bears:	31.0% / 35.9%
Russell 2000:	954.42 (+2.07%)		

Last week, the S&P 500 Index had a good week with a 2.06% return. Similar to the previous week, four of the five days turned in positive performance. The last two weeks in positive territory were gladly received after the week ending April 19th turned in the worst performance of the year with a -2.11% return. Monday started out strong and climbed during the day on better than expected home sales data. Stocks continued to push higher Tuesday and closed the month of April in positive territory. This marked the sixth straight month of gains for the S&P 500 Index. Wednesday brought the only down day of the week returning -0.93%. Lower than expected ADP employment data, tepid manufacturing growth and some negative corporate earnings were some of the reasons for the slide. Thursday's return of 0.95% brought the index back up to even from the previous day's decline as better than expected jobless numbers helped reverse the direction. US initial jobless claims came in lower than expected at 324K. This was a decrease from the previous week's number of 339K and lower than the consensus of 345K. Equities gained Friday as non-farm payrolls came in at 165K with expectations of 140K and private payrolls came in at 176K with expectations of 150K. The S&P 500 Index closed the week above 1,600. Eight of the ten economic sectors had positive performance for the week. The information technology sector was the best performing sector with a 4.66% return. Energy and materials sectors followed with 2.95% and 2.39% returns, respectively. Telecom service's -0.20% return was the worst performance of all the sectors and was followed by utilities and health care which returned -0.14% and 0.28% respectively. **Advanced Micro Devices Inc.**, a semiconductor products manufacturer, turned in the best performance in the S&P 500 Index with a 36.36% gain. The next two best performers were **Regeneron Pharmaceuticals Inc.** and **Vulcan Materials Co.** with returns of 22.88% and 14.96% respectively. This week will bring earnings news from companies such as **The Walt Disney Co.**, **News Corp.**, **Mondelez International Inc.**, **Anadarko Petroleum Corp.**, **EOG Resources Inc.** and many more.