

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.04 (-01 bps)	GNMA (30 Yr) 6% Coupon:	109-28/32 (2.87%)
6 Mo. T-Bill:	0.07 (unch.)	Duration:	3.59 years
1 Yr. T-Bill:	0.11 (+01 bps)	30-Year Insured Revs:	140.0% of 30 Yr. T-Bond
2 Yr. T-Note:	0.35 (+05 bps)	Bond Buyer 40 Yield:	5.24 (+12 bps)
3 Yr. T-Note:	0.72 (+10bps)	Crude Oil Futures:	107.75 (+1.78)
5 Yr. T-Note:	1.56 (+20 bps)	Gold Futures:	1373.30 (+60.40)
10 Yr. T-Note:	2.83 (+25 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.84 (+20 bps)	U.S. High Yield:	6.77% (+4 bps)
		BB:	5.41% (+3 bps)
		B:	6.84% (+5 bps)

Treasuries rose during the week on continued discussion regarding the Federal Reserve's debt-purchase program. Investors are weighing the possibility of the central bank reducing its asset purchases starting at the September policy meeting and this pushed the yield on the 10-year to its largest weekly increase in nearly two months and its highest level in over two years. The Federal Reserve possibly winding down the debt purchase program has given rise to higher bond yields and also put pressure on gold. On Monday, the United States Treasury's budget deficit was slightly higher for July at \$97.59 vs. expectations of \$96 billion. Wednesday, the PPI was unchanged but mortgage applications dropped as mortgage rates have risen for potential buyers. Thursday saw jobless claims come in 15,000 below expectations, the lowest since October 2007, as employers fired fewer employees. The jobless rate was reported at 7.4 percent in July. Friday, the Michigan Consumer Sentiment Index fell just over 5 points, from its five year high, and registered the largest decline since December as consumers are concerned about the rising mortgage rates. Although gold is on pace for its first annual decline in 15 years consumer purchases of the metal jumped 53% in the second quarter, from a year earlier, due to lower prices. Next week's major economic reports being released (and related consensus forecasts) include: Wednesday: MBA Mortgage Applications and Existing Home Sales (5.15M, +.07M); Thursday: Initial Jobless Claims (330K, +10K) and Continuing Jobless Claims (2970K, +1K); Friday: New Home Sales (489K, -8K).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	15,081.47 (-2.12%)	Strong Sectors:	Information Technology, Industrials, Materials
S&P 500:	1,655.83 (-2.04%)	Weak Sectors:	Cons Discretionary, Utilities, Cons Staples
S&P MidCap:	1,205.70 (-2.54%)		
S&P Small Cap:	580.24 (-1.95%)	NYSE Advance/Decline:	633/ 2,582
NASDAQ Comp:	3,602.78 (-1.51%)	NYSE New Highs/New Lows:	232/ 544
Russell 2000:	1,024.30 (-2.26%)	AAll Bulls/Bears:	34.5% / 28.2%

Last week the S&P 500 Index closed down with a -2.04% return. This was the second straight week of negative performance following the previous week's -0.98% return and the third time in 2013 with negative performance for two consecutive weeks. The index is currently down -1.61% for the month of August. Monday opened lower, but quickly rebounded and closed slightly down with a -0.11% return. The index slid early on Tuesday on Fed tapering concerns, but began a steady climb after the first hour of trading to close up 0.30% for the day. Apple Inc. increased 4.75% for the day with Carl Icahn saying it is extremely undervalued and revealing his large position in the stock. Worries over tapering by the Fed in the near future continued on Wednesday which pushed the index down another 0.50%. Thursday showed the largest decline of the week with a -1.41% return. Continued economic improvement had investors focused on potential tightening by the Fed. US initial jobless claims came in at 320K. This was a decrease from the previous week's number of 333K and lower than the consensus estimate of 335K. Friday's performance continued the downward trend with a -0.33% return. All ten economic sectors had negative performance for the week. The information technology sector was the best performing sector with a -0.22% return. Industrials and materials' sectors followed with -1.18% and -1.52% returns, respectively. Utilities' -4.11% return was the worst performance of all the sectors and was followed by consumer discretionary and consumer staples which returned -3.28% and -3.16%, respectively. **Apple Inc.**, a manufacturer and marketer of personal computers and mobile devices, turned in the best performance in the S&P 500 Index with a 10.54% gain. The next two best performers were **Newmont Mining Corp.** and **Safeway Inc.** with returns of 9.73% and 6.43% respectively. This week will bring earnings news from companies such as **The Home Depot Inc.**, **Medtronic Inc.**, **Hewlett-Packard Co.**, **Lowe's Cos Inc.**, **Target Corp.**, **TJX Cos Inc.** and many more.