

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (unch.)	GNMA (30 Yr) 6% Coupon:	112-26/32 (1.38%)
6 Mo. T-Bill:	0.04 (+01 bps)	Duration:	3.69 years
1 Yr. T-Bill:	0.09 (unch.)	30-Year Insured Revs:	168.7% of 30 Yr. T-Bond
2 Yr. T-Note:	0.56 (-02 bps)	Bond Buyer 40 Yield:	4.39 (-03 bps)
3 Yr. T-Note:	1.03 (-03 bps)	Crude Oil Futures:	89.76 (-3.78)
5 Yr. T-Note:	1.72 (-08 bps)	Gold Futures:	1,191.30 (-22.80)
10 Yr. T-Note:	2.44 (-09 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.13 (-09 bps)	U.S. High Yield:	6.69% (-33 bps)
		BB:	5.03% (-12 bps)
		B:	6.43% (-08 bps)

Treasury prices moved back and forth throughout the week and ultimately ended higher on several events. Treasury prices jumped on Monday due to increased political protests from pro-democracy groups in Hong Kong, causing investors to seek the safety of Treasuries. After slipping slightly on Tuesday, Treasury prices soared again on Wednesday as the equity markets tumbled. Investors cited several reasons for the surge including increased fear of a greater health risk as a case of Ebola was found in Texas and Germany dropping their yields causing U.S. Treasury yields to be more attractive. Treasuries dipped back down on Thursday as investors were disappointed that the European Central Bank President did not show signs of a full-fledged quantitative easing program in his remarks and that the U.S. economy is showing signs of strength, which could lead to a rate hike from the Federal Reserve. Treasuries gave back more of the week's gains on Friday after the jobs report was much better than expected and the unemployment rate dropped to 5.9%. Oil also dropped significantly over the week losing 4%. Major economic reports (and related consensus forecasts) for the upcoming week include: Wednesday: October 3 MBA Mortgage Applications; Thursday: October 4 Initial Jobless Claims (294,000), October 5 Bloomberg Consumer Comfort, August Wholesale Inventories (0.3% MoM); Friday: September Import Price Index (-0.7% MoM, -1.3% YoY).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,009.69 (-0.57%)	Strong Sectors:	Utilities, Cons. Staples
S&P 500:	1,967.90 (-0.72%)		Telecom
S&P Midcap:	1,364.40 (-1.54%)	Weak Sectors:	Materials, Energy,
S&P Smallcap:	636.31 (-1.13%)		Industrials
NASDAQ Comp:	4,475.62 (-0.78%)	NYSE Advance/Decline:	1,235 / 2,021
Russell 2000:	1,104.74 (-1.28%)	NYSE New Highs/New Lows:	92 / 445
		AAll Bulls/Bears:	35.4% / 30.9%

Geopolitical and economic fears drove equity markets down this week as the S&P 500 returned -0.57%. Small and mid-cap stocks were hit particularly hard as the Russell 2000 was down 1.28%. Despite the week's early dip, the S&P 500 marked its 7th straight quarter of gains dating back to 4Q2012. This is the longest quarterly rally for the index since a 14 quarter rally ended in 3Q1998. Geopolitically, China's Communist government continues to threaten Hong Kong's Umbrella Revolution with consequences if their pro-democracy outbursts continue. U.S. continued their bombing of ISIS in Syria and talks of Turkey entering the conflict against the radical Islamic group intensified. Domestically, **Ford Motor Co.** was down nearly 11% this week as they announced their pretax profit will miss their 2014 projections amid weaker results from international sales. **DreamWorks Animation SKG** rallied over 26% Monday, as whispers that **SoftBank Corp.** is looking to buy the movie producer became public. **Athlon Energy Inc.** was up nearly 25% this week as **Encana Corp.** agreed to buy the U.S. exploration and production company for nearly \$6b in cash. **EBay Inc.** rallied over 7% on Tuesday as they announced they will separate their **PayPal** unit sometime next year. Many U.S. airline companies dropped early this week as the first confirmed case of Ebola was detected in Dallas. However, most airline stocks rallied near the end of the week as bookings remained strong and oil prices continued to fall. Publicly traded **AutoNation Inc.** rallied over 6% this week, as **Berkshire Hathaway Inc.** agreed to buy the **Van Tuyl Group**, the largest private auto dealership group in the U.S. **Tesla Motors** was up over 3% for the week as the company said a new product announcement is scheduled for next week. **Cliffs Natural Resources Inc.** fell nearly 24% this week, as the iron-ore and coal mining company continues to see profits slip because of weak end market demand. Looking forward to next week, Brazil's presidential elections will conclude as embattled incumbent Dilma Rousseff hopes to win re-election. The unofficial opening to earnings season starts as **Alcoa Inc.**, **Yum! Brands Inc.**, **Costco Wholesale Corp.**, **PepsiCo Inc.**, **Family Dollar Stores Inc.** and **Safeway Inc.** are all expected to announce 3Q14 results.