

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (-02 bps)	GNMA (30 Yr) 6% Coupon:	112-26/32 (1.25%)
6 Mo. T-Bill:	0.10 (-01 bps)	Duration:	3.67 years
1 Yr. T-Bill:	0.23 (-02 bps)	30-Year Insured Revs:	187.90% of 30 Yr. T-Bond
2 Yr. T-Note:	0.74 (+10 bps)	Bond Buyer 40 Yield:	4.31 (+01 bps)
3 Yr. T-Note:	1.17 (+08 bps)	Crude Oil Futures:	54.73 (-1.79)
5 Yr. T-Note:	1.76 (+10 bps)	Gold Futures:	1,195.30 (-0.60)
10 Yr. T-Note:	2.25 (+09 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.81 (+06 bps)	U.S. High Yield:	6.92% (-15 bps)
		BB:	5.24% (-22 bps)
		B:	7.23% (-09 bps)

The 10-year Treasury yield rose throughout the holiday week. Slowing growth overseas and a rising dollar has caused foreign investors to seek safety in U.S Treasury bonds. On Monday, sales of previously owned homes were below expectations after reaching a one-year high in November. On Tuesday, the November Durable Goods report failed to meet expectations, which is primarily due to a sharp drop-off in orders for defense-related capital goods. Personal Income and Personal consumption spending beat expectations with a rise in retail sales, falling gasoline prices and an improving job market being the primarily factor for the increase. The Real GDP in the third quarter beat expectations with the largest positive contributions coming from consumer spending, government purchases, and net exports. On Wednesday, Jobless claims fell to the lowest point since early November as rising demands have caused businesses to take on more workers. Major economic reports (and related consensus forecasts) for the upcoming shortened holiday week include: Monday: Tuesday: December Consumer Confidence Index (94.0); Wednesday: December 27 Initial Jobless Claims (287k), December Chicago Purchasing Manager (60.0); Friday: December Markit US Manufacturing PMI (54.0), December ISM Manufacturing (57.5).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	18053.71 (1.40%)	Strong Sectors:	Utilities, Info Tech,
S&P 500:	2088.77 (0.89%)		Cons. Discretionary
S&P Midcap:	1467.9 (1.26%)	Weak Sectors:	Health Care, Energy,
S&P Smallcap:	699.86 (2.11%)		Materials
NASDAQ Comp:	4806.859 (0.89%)	NYSE Advance/Decline:	2,153 / 1,068
Russell 2000:	1215.211 (1.64%)	NYSE New Highs/New Lows:	478 / 72
		AAll Bulls/Bears:	50.9% / 18.9%

The S&P 500 returned 0.89% last week, closing the week at all-time highs for the second time this month. Year to date, the S&P 500 has returned 15.30% with a dividend yield of 1.92% and a P/E multiple of 18.48 times earnings. This comes amidst turmoil in Russia and domestic oil markets that have hindered parts of the global economy. Two companies grabbing headlines in last week's holiday-shortened trading session were **Abbvie**, a spin-off of Abbott Labs and **Gilead Pharmaceuticals**. Currently, Abbvie and Gilead are locked in a battle for supremacy of Hepatitis C drugs. Gilead, the current leader in Hepatitis C treatment, fell 13.52%, after it was announced that **Express Scripts** reached an exclusive deal with Abbvie to sell the rival drug at a discount. Investors fear that Gilead may have to lower the price of their drug from \$100k per dose to counteract pressure from Express Scripts and other large buyers of pharmaceuticals. Also falling significantly last week was mortgage servicer, **Ocwen Financial**. Last week, it was announced that Ocwen reached an agreement with the New York Department of Financial Services. As part of the agreement, the mortgage servicer's chairman, Bill Erbey, agreed to resign his chairmanship from Ocwen and the four additional publicly traded entities affiliated with the company. This was a surprising setback to the company and worse than many feared that Ocwen would have to endure. Shares in Ocwen fell sharply, down 34.61% for the week. Finally, **Sony's** irreverent comedy, *The Interview*, was pulled from theaters after threats of terrorism from North Korea. However, just as quickly as the film was pulled from theaters, the company reversed course and agreed to distribute the film via the Internet. It was announced the film recorded more than \$15 million in sales since its release last week. As one might expect, news and markets will be slow during the holiday-shortened week. On Wednesday, the New York Stock Exchange will close at 2:00 PM Eastern time for New Year's Eve and be closed on Thursday for New Year's Day. Normal trading will resume Friday, January 2nd.