

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.05 (unch.)	GNMA (30 Yr) 6% Coupon:	111-27/32 (1.69%)
6 Mo. T-Bill:	0.07 (-01 bps)	Duration:	3.64 years
1 Yr. T-Bill:	0.12 (unch.)	30-Year Insured Revs:	149.03 % of 30 Yr. T-Bond
2 Yr. T-Note:	0.42 (+08 bps)	Bond Buyer 40 Yield:	4.79 (-02 bps)
3 Yr. T-Note:	0.90 +16 bps)	Crude Oil Futures:	99.64 (+.75)
5 Yr. T-Note:	1.71 (+17 bps)	Gold Futures:	1,334.80 (-44.20)
10 Yr. T-Note:	2.75 (+09 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.61 (+01 bps)	U.S. High Yield:	6.16% (-03 bps)
		BB:	4.81% (-03 bps)

Bond yields rose for the week ended March 21 and prices fell as the Federal Reserve discussed the possibility of a rate increase six months after the end of quantitative easing. Using this timetable, rates could increase as early as next spring. Last week's economic reports led-off strongly on Monday as Industrial Production rose .5% in February beating the consensus estimated gain of .2%. The auto sector was particularly strong in February. Tuesday's reports were mixed as the CPI rose .1% even as energy prices fell .5% and Feb housing starts declined .2% on an annual basis, in line with estimates. The March Federal Reserve meeting held on Wednesday reduced QE's pace by \$10B to a rate of \$55B in Treasury and MBS purchases per month (\$30B and \$25B respectively). The Federal Reserve left the discount rate unchanged but decided to no longer use a 6.5% unemployment rate as an explicit metric for potentially raising the discount rate. Rather, the Fed will reference a wide range of data focusing on "sufficient underlying strength in the broader economy." The Feb leading index rose .5% vs. an expected .2% signaling an expected quickening pace of economic growth. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: March Consumer Confidence Index (78.5), Feb New Home Sales (445,000, -23,000); Wednesday: MBA Mortgage Applications, Feb Durable Goods Orders (.8%, +1.8%); Thursday: GDP Annualized QoQ (2.7%), Prior Week Initial Jobless Claims (325,000, +5,000); Friday: Personal Income (.3%), Personal Spending (.3%) and University of Michigan Confidence (80.5).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	16302.77 (1.48%)	Strong Sectors:	Telecom, Financials, Information Technology
S&P 500:	1866.52 (1.38%)	Weak Sectors:	Utilities, Consumer Discretionary, Health Care
S&P MidCap:	1379.87 (1.17%)	NYSE Advance/Decline:	1,940/1,258
S&P Small Cap:	678.37 (1.32%)	NYSE New Highs/New Lows:	337/65
NASDAQ Comp:	4276.788 (0.75%)	AAll Bulls/Bears:	36.8%/26.2%
Russell 2000:	1193.734 (1.07%)		

In a week when Fed Chair, Janet Yellen, suggested interest rates may rise sooner than originally anticipated, one might expect to see stocks fall. However, the S&P 500 returned 1.48% for the week and major indexes declined only on Wednesday, the day of the Fed's announcement. In addition to Chairwoman Yellen's press conference, the Fed reported the results of their annual test of banks' financial health. Of the nation's 30 largest banks, 29 were judged to have enough capital to withstand severe economic turmoil. The only bank not passing the Fed's test was Salt Lake City's **Zions Bank**. In company news, falling sharply last week was antivirus software designer, **Symantec**. The company announced the firing of CEO, Steve Bennett, who had only been in the job for a year and a half. The company saw its shares fall 9.7% last week. Shares in **General Motors** rose 2.69% last week. This is a welcome sign for a company that has been battling issues related to deaths tied to the delay of a recall of 1.6 million cars due to ignition defects. European telecommunications company, **Vodafone**, announced a \$10 billion deal to acquire Spanish cable television provider, **Ono**. One of last week's strongest performers was solar-products maker, **First Solar**. Shares in the company advanced nearly 36% on much-better-than-expected sales and earning guidance. Looking ahead, on Tuesday, **King Digital Entertainment**, the maker of the hit mobile game, Candy Crush Saga, will debut their shares in an IPO that values the company at \$8 billion. Also, **Microsoft** is planning to release their Office suite of applications for the iPad device. Finally, companies reporting earnings are **Accenture** and **LuluLemon**.