

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (-07 bps)	GNMA (30 Yr) 6% Coupon:	111-20/32 (1.95%)
6 Mo. T-Bill:	0.07 (-01 bps)	Duration:	3.64 years
1 Yr. T-Bill:	0.10 (-01 bps)	30-Year Insured Revs:	144.86 % of 30 Yr. T-Bond
2 Yr. T-Note:	0.31 (unch.)	Bond Buyer 40 Yield:	4.89 (unch.)
3 Yr. T-Note:	0.71 (+07 bps)	Crude Oil Futures:	100.03 (+0.42)
5 Yr. T-Note:	1.53 (+06 bps)	Gold Futures:	1,319 (+56.00)
10 Yr. T-Note:	2.74 (+06 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.70 (+02 bps)	U.S. High Yield:	6.24% (-13 bps)
		BB:	4.91% (-14 bps)
		B:	6.23% (-12 bps)

Yields on longer dated Treasury securities moved higher this week as commentary from the Federal Reserve indicated that proposed reductions to the quantitative easing program will move forward as planned. On Monday, a day before a speech by Federal Reserve Chairman Janet Yellen, Treasuries were little changed as investors speculated that U.S. lawmakers would move to increase the nation's borrowing limit and avert future government shutdowns. Yellen's speech delivered on Tuesday stressed the need for reductions in the central bank's bond purchases, which caused Treasuries to drop sharply. In addition, December Wholesale Inventories rose .3% MoM and NFIB Small Business Optimism rose to 94.1 while the slide in Treasuries continued into midweek, pushing yields to their highest levels in days. In a change of course, various data points reported on Thursday showed that U.S. Retail sales unexpectedly fell in January by the most since June 2012 and that initial jobless claims were higher than forecasted, causing Treasuries to rally. On Friday, January Industrial Production missed expectations (likely due to cold weather), falling -.3% against expectations of a .2% gain while the Feb. Univ. of Michigan Confidence number printed at 81.2 and January Capacity Utilization came in at 78.5%. Despite the poor Industrial data, Treasuries still slipped lower to close out the week as investors speculated that the Federal Reserve would continue with its tapering program. Major economic reports (and related consensus forecasts) for the upcoming shortened holiday week include: Tuesday: February Empire Manufacturing (9.0); Wednesday: Jan. PPI Ex Food and Energy (+.1% MoM), Jan. Housing Starts (950k, -4.9% MoM), and Jan. Building Permits (975k, -1.6%); Thursday: Jan. CPI (+.1% MoM) and Jan. Leading Index (+.4% MoM); Friday: Jan. Existing Home Sales (4.67M, -4.1% MoM).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	6,154.39 (2.44%)	Strong Sectors:	Utilities, Health Care, Materials
S&P 500:	1,838.63 (2.39%)	Weak Sectors:	Financials, Cons Disc, Telecom Services
S&P Midcap:	1,346.86 (2.98%)	NYSE Advance/Decline:	2,489/ 722
S&P Smallcap:	648.62 (2.70%)	NYSE New Highs/New Lows:	272/ 67
NASDAQ Comp:	4,244.03 (2.89%)	AAll Bulls/Bears:	40.2% / 27.3%
Russell 2000:	1,149.21 (2.96%)		

Last week the S&P 500 Index closed with a 2.39% return. This beat the previous weeks' performance of 0.90%, which was the best performing week in 2014. With no economic news, stocks were mixed on Monday closing 0.16% higher as investors waited for Fed Chairman Yellen's testimony the next day. On Tuesday, the index increased 1.11% as investors reacted positively to comments from the Federal Reserve Chair and to House Speaker Boehner announcing he would hold a vote on raising the federal borrowing limit without provisions. Wednesday traded relatively flat closing just below the previous day. Thursday returned a positive 0.59%, even with the negative economic news of the January retail sales decline and the US initial jobless claims of 339K which was higher than expected. Claims increased from the previous week's 331K and were higher than the consensus estimate of 330K. Friday finished the upward trend with a 0.49% return. All ten economic sectors had positive performance for the week. The utilities sector was the best performing sector with a 3.64% return. Health care and materials sectors followed with 3.32% and 3.14% returns, respectively. The financials sector's 1.62% return was the worst performance of all the sectors and was followed by consumer discretionary and telecommunication services which returned 1.77% and 1.79%, respectively. **The Goodyear Tire & Rubber Co.**, a developer, manufacturer, and distributor of tires and other rubber products, turned in the best performance in the S&P 500 Index with a 13.73% gain. The stock jumped 11.46% on Thursday's positive earnings announcement. The next two best performers were **NVIDIA Corp.** and **Cliffs Natural Resources Inc.** with returns of 12.85% and 11.24% respectively. This week will bring earnings news from companies such as **Wal-Mart Stores Inc.**, **The Coca-Cola Co.**, **Priceline.com Inc.**, **Express Scripts Holding Co.**, **Hewlett-Packard Co.**, **Waste Management Inc.** and many more.