

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (unch.)	GNMA (30 Yr) 6% Coupon:	112-25/32 (1.42%)
6 Mo. T-Bill:	0.03 (-01 bps)	Duration:	3.67 years
1 Yr. T-Bill:	0.09 (-02 bps)	30-Year Insured Revs:	164.49% of 30 Yr. T-Bond
2 Yr. T-Note:	0.58 (+01 bps)	Bond Buyer 40 Yield:	4.42 (-03 bps)
3 Yr. T-Note:	1.06 (-03 bps)	Crude Oil Futures:	93.41 (+1.00)
5 Yr. T-Note:	1.80 (-02 bps)	Gold Futures:	1,214.10 (-1.4)
10 Yr. T-Note:	2.53 (-05 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.21 (-07 bps)	U.S. High Yield:	6.69% (+42 bps)
		BB:	5.15 % (+26 bps)
		B:	6.51% (+29 bps)

Yields continue to stay low and while the Federal Reserve is expected to raise rates in the future they have not made clear when that will be. Internationally, the ECB, Bank of Japan and others have signaled continued accommodative monetary policies and though US rates are low on an absolute basis, as foreign bond yields drop the US rates become relatively more attractive, increasing demand. Though bonds sold off on Friday, the markets were volatile and bonds rose for the week. Last week started as Monday's August Existing Home sales were lower than expectations but housing surprised to the positive on Wednesday as new home sales beat expectations. The housing market continues to reflect tepid conditions as low interest rates make mortgages affordable but tighter lending conditions and slow wage growth have not led to the robust growth low rates often provide. On Thursday, August US Durable Goods Orders fell 18.2% but Durable Goods Orders excluding transportation rose .7%, slightly above expectations. The large drop resulted from civilian aircraft order declines and followed a 22.6% rise in the prior month from aviation orders. Excluding transportation provides a picture of the core US economy continuing its slow growth. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: August Personal Income and Spending (.3% and .4% respectively); Tuesday: September Consumer Confidence Index (92.5, +.4); Wednesday: Prior Week MBA Mortgage Applications, September ADP Employment Change (208K, +4K) September ISM Manufacturing (58.3, -.7); Thursday: Prior Week Initial Jobless Claims (297K, +4K); Friday: August Trade Balance (\$-41B, \$-.5B), September Change in Non-Farm Payrolls (215K, +73K) and September Unemployment Rate (6.1%, unch.).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17113.15 (-0.96%)	Strong Sectors:	Materials, Cons. Staples, Health Care
S&P 500:	1982.85 (-1.34%)	Weak Sectors:	Industrials, Energy, Utilities
S&P Midcap:	1386.16 (-2.3%)	NYSE Advance/Decline:	646 / 2,592
S&P Smallcap:	643.65 (-2.18%)	NYSE New Highs/New Lows:	88 / 315
NASDAQ Comp:	4512.194 (-1.46%)	AAll Bulls/Bears:	41.8% / 28.2%
Russell 2000:	1119.331 (-2.34%)		

With fears that the global economy may be cooling, the S&P 500 retreated 1.34% from record highs. Despite last week's losses, the S&P 500 remains up 9.87% year-to-date trading at a P/E multiple of 18 while yielding 1.95%. However, the biggest story of last week belongs to Bill Gross and asset managers, **PIMCO** and **Janus**. The bond investing legend parted ways with PIMCO, the fixed income asset manager he founded in 1971 to join Janus, an asset manager known for growth equity investing. This marks a major coup for the Denver-based asset manager. News of Gross's addition caused shares in Janus to soar more than 40% for the week. Shares in **Apple** fell 3.81% on Thursday, after the company announced sales of the new iPhone 6 exceeded 10 million. However, the company faced criticism after it was reported that the phone could be bent or misshapen after normal use. Also, the company withdrew their new mobile operating system, iOS 8, after receiving complaints that it interfered with the phone's performance and ability to make calls. Much discussed IPO **Alibaba** completed its first full week of trading. Shares in the new issue, closed the week at \$90.46 down \$3.43 from its opening day close on September 19th. In a week when shares in most companies declined, **Nike** was able to declare a victory in the quarter. The company announced that sales in their second fiscal quarter jumped 15% and reported EPS of \$1.09 beating the Street's expectations by more than \$.21/share. Shares in Nike advanced 9.40% last week. This coming week marks the end of the third quarter. Companies reporting earnings include **Cintas**, **Walgreen's** and **McCormick**.