

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.00 (+02 bps)	GNMA (30 Yr) 6% Coupon:	112-29/32 (1.90%)
6 Mo. T-Bill:	0.05 (-02 bps)	Duration:	3.86 years
1 Yr. T-Bill:	0.23 (-09 bps)	Bond Buyer 40 Yield:	4.35 (-0.05)
2 Yr. T-Note:	0.58 (-11 bps)	Crude Oil Futures:	45.54(-0.16)
3 Yr. T-Note:	0.83 (-16 bps)	Gold Futures:	1,137.10 (-8.60)
5 Yr. T-Note:	1.28 (-20 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.98 (-18 bps)	U.S. High Yield:	8.36% (+49 bps)
30 Yr. T-Bond:	2.82 (-14 bps)	BB:	6.34% (+36 bps)
		B:	8.52% (+52 bps)

Treasury yields fell throughout the course of the week as weak September employment data and surprise wage declines fueled investors' concerns over global economic growth. On Monday, August personal income was slightly below expectations and personal spending was just above consensus expectations. Treasury yields fell on Tuesday for a second consecutive day as global uncertainties increased demand for safe-haven assets. The ADP employment survey beat expectations on Wednesday, despite the recent pullback in the stock market. Treasury yields continued to decline on Thursday as the number of Americans filing for unemployment benefits increased by more than expected, maintaining a pattern of gains and losses. On Friday, the September employment report showed employers added only 142,000 jobs to nonfarm payrolls, falling well below consensus expectations of 201,000 which coincided with yields in the 10-year Treasury dropping below 2%. The report strengthened the Treasury markets belief that growth and inflation are not strong enough for the Fed to raise short-term interest rates this year. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: August Trade Balance (-\$48.00b); Wednesday: Oct. 2 MBA Mortgage Applications; Thursday: Oct. 3 Initial Jobless Claims (275k); Friday: August Wholesale Inventories (0.0% MoM), September Import Price Index MoM (-0.5%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	16472.37 (0.99%)	Strong Sectors:	Materials, Energy,
S&P 500:	1951.36 (1.1%)		Health Care
S&P Midcap:	1386.08 (-0.09%)	Weak Sectors:	Telecom, Info Tech,
S&P Smallcap:	654.67 (-1.18%)		Financials
NASDAQ Comp:	4707.775 (0.49%)	NYSE Advance/Decline:	1,444 / 1,805
Russell 2000:	1114.12 (-0.69%)	NYSE New Highs/New Lows:	26 / 795
		AAll Bulls/Bears:	28.1% / 39.9%

Stocks were mixed last week with the S&P 500 returning 1.1% and the S&P Smallcap Index falling 1.18%. As of Friday's close the S&P 500 had a P/E ratio of 17.27 and sported a dividend yield of 2.22%. Last week also marked the end of the fiscal third quarter. While equities recovered some losses last week, during the third quarter the S&P 500 retreated 6.44%. Year-to-date, the S&P 500 has dropped 3.72%. Bouncing back from the previous week's drop were Health Care stocks. Members of the Health Care sector of the S&P 500 returned 2.11%. However, one company not sharing in the gains was embattled **Valeant Pharmaceuticals**. Shares in the company fell another 8.60% last week as pressure grew from politicians after it was announced the company had received subpoenas from members of Congress in connection with the company's pricing practices. Another embattled company that saw its shares oscillate was Swiss-based mining and trading firm, **Glencore**. Shares retreated 2.28% last week, but saw daily losses as high as 29.42% and gains of 16.95%. Aluminum maker, **Alcoa**, announced plans to split its company into two separately traded firms. The company seeks to separate its commodity aluminum business from its specialized auto and aerospace parts division. Shares in Alcoa gained 4.96% last week. Looking ahead to the week ahead, investors will get a small break from watching Chinese markets which will remain closed until Wednesday. On Tuesday, shares in **Pure Storage** will make their public debut. While earnings season will not start until next week, **Pepsi**, **Yum Brands**, **Monsanto**, **RPM International** and **Domino's Pizza** will all report earnings.