

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.07 (+07 bps)	GNMA (30 Yr) 6% Coupon:	113-06/32 (1.82%)
6 Mo. T-Bill:	0.23 (+08 bps)	Duration:	3.88 years
1 Yr. T-Bill:	0.32 (+08 bps)	Bond Buyer 40 Yield:	4.34 (-0.01)
2 Yr. T-Note:	0.73 (+09 bps)	Crude Oil Futures:	46.59 (1.99)
3 Yr. T-Note:	1.03 (+09 bps)	Gold Futures:	1141.40 (-21.90)
5 Yr. T-Note:	1.52 (+12 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.14 (+09 bps)	U.S. High Yield:	7.72% (+03 bps)
30 Yr. T-Bond:	2.92 (+05 bps)	BB:	5.62% (+01 bps)
		B:	7.94% (+03bps)

Treasury yields rose last week after Wednesday's Fed announcement that left the door open for a potential rate increase later this year. U.S. government bond yields fell on Monday with expectations that the Federal Reserve would keep interest rates near zero. On Wednesday, U.S. government bonds sold off after the Federal Reserve signaled that an interest-rate increase is still a possibility before the end of the year. U.S. government debt prices continued to decline on Thursday as investors continued to sell off bond holdings after Wednesday's announcement of potential interest rate increases. Initial jobless claims rose less than expectations to 260k, resulting in the lowest four-week moving average since December 15, 1973. US economic growth slowed in the third quarter, falling slightly below expectations and held back by a large inventory drag. On Friday, U.S. consumer spending rose less than expected and reinforced concerns about a downshift in the labor market and overall domestic growth. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: October Markit US Manufacturing PMI (54.0), September Construction Spending (0.5% MoM), October ISM Manufacturing (50.0); Tuesday: September Factory Orders (-0.9%); Wednesday: October 30th MBA Mortgage Applications, October ADP Employment Change (180k), September Trade Balance (-\$41.15b); Thursday: October 31st Initial Jobless Claims (260k); Friday: October Change in Nonfarm Payrolls (181k), October Unemployment Rate (5.0%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,663.54 (0.10%)	Strong Sectors:	Health Care, Materials, Consumer Discretionary
S&P 500:	2,079.36 (0.22%)	Weak Sectors:	Utilities, Industrials, Consumer Staples
S&P Midcap:	1,444.77 (0.37%)	NYSE Advance/Decline:	1,495 / 1,724
S&P Smallcap:	689.36 (-0.18%)	NYSE New Highs/New Lows:	202 / 198
NASDAQ Comp:	5,053.75 (0.45%)	AAII Bulls/Bears:	40.4% / 20.6%
Russell 2000:	1,161.86 (-0.34%)		

Stocks were mixed last week as markets lacked a clear catalyst. However, for the month of October the S&P 500 rewarded investors with an impressive 8.43% return. Last week saw the announcement of multiple mergers of large cap companies. **Pfizer** and **Allergan** announced they were in preliminary discussions to merge. The deal is largely tax motivated and will mark the second time in a year that Allergan or its predecessor company have been involved in a merger seeking its preferable Irish tax status. Shares in Pfizer were down slightly last week. Also **Walgreens Boots Alliance** agreed to acquire **Ride Aid** for \$9.4 billion in cash. In addition to the cash, Walgreens will assume \$7.3 billion in net liabilities with the deal. However, this deal is likely to receive significant regulatory scrutiny and may see Walgreens divest a significant number of stores before completion. Shares in Walgreens fell 5.87% last week. In defense news, **Northrop Grumman** announced they had defeated a joint venture between **Boeing** and **Lockheed Martin** in an effort to develop the next generation stealth bomber for the Pentagon. Shares in the company rose 4.4%. Investors in **Valeant Pharmaceuticals** were not as fortunate. Last week, the company announced they would discontinue their controversial relationship with Philidor Rx Services, a specialty pharmacy that distributed some of Valeant's drugs. Valeant has come under scrutiny by the media and regulators for possible abuses related to its drug pricing and insurance reimbursement practices. Shares in the company fell 19.28% last week. Year to date, shares in Valeant are down 34.48%. Looking ahead to this week, investors make their way to the end of earnings season. **Visa**, **FitBit**, **Kellogg**, **CBS Corp**, will all report quarterly results.