

| US Economy and Credit Markets |                |                                   |                   |
|-------------------------------|----------------|-----------------------------------|-------------------|
| Yields and Weekly Changes:    |                |                                   |                   |
| 3 Mo. T-Bill:                 | 0.17 (+07 bps) | GNMA (30 Yr) 6% Coupon:           | 113-05/32 (1.98%) |
| 6 Mo. T-Bill:                 | 0.37 (+07 bps) | Duration:                         | 3.88 years        |
| 1 Yr. T-Bill:                 | 0.47 (-01 bps) | Bond Buyer 40 Yield:              | 4.29 (-0.02)      |
| 2 Yr. T-Note:                 | 0.92 (+01 bps) | Crude Oil Futures:                | 41.85 (+2.86)     |
| 3 Yr. T-Note:                 | 1.22 (-02 bps) | Gold Futures:                     | 1056.90 (-19.40)  |
| 5 Yr. T-Note:                 | 1.65 (-04 bps) | Merrill Lynch High Yield Indices: |                   |
| 10 Yr. T-Note:                | 2.22 (-04 bps) | U.S. High Yield:                  | 8.25% (+02 bps)   |
| 30 Yr. T-Bond:                | 3.00 (-02 bps) | BB:                               | 6.00% (unch.)     |
|                               |                | B:                                | 8.44% (+04 bps)   |

Treasury yields ended the holiday shortened week with a twist in the yield curve as very short term Treasury yields rose significantly while longer term yields dropped slightly on increased odds of a rate hike in December, geopolitical fears and Chinese market investigations. On Monday, short-term Treasury yields rose dramatically after San Francisco Fed President John Williams took a very hawkish tone over the weekend saying there is a strong case to raise rates in December, which caused the implied likelihood of a rate hike at the next meeting to 74%. However, this likelihood dropped slightly to 72% by the end of the week. On Tuesday, a Russian warplane was shot down by Turkey and led investors to seek the safety of Treasuries as investors feared conflicts in the region, especially in Syria. Yields also pulled back slightly again on Friday when the Chinese market dropped over 5% after Chinese stock regulators launched investigations into two major Chinese brokerages. Overall, this led to higher short term yields in anticipation of a rate hike, but lower longer term yields in a flight to safety. Oil rebounded significantly, rising over 7%, due to the geopolitical fears. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: November Chicago Purchasing Manager (54.0); Tuesday: November F Markit US Manufacturing PMI (52.6), November ISM Manufacturing (50.5); Wednesday: November 27 MBA Mortgage Applications, November ADP Employment Change (190,000); Thursday: November 28 Initial Jobless Claims (269,000), November ISM Non-Manf. Composite (58.0), October Factory Orders (1.2%); Friday: November Change in Nonfarm Payrolls (200,000), November Unemployment Rate (5.0%).

| US Equities               |                    |                          |   |
|---------------------------|--------------------|--------------------------|---|
| Weekly Index Performance: |                    | Market Indicators:       |   |
| DJIA:                     | 17,798.49 (-0.10%) | Strong Sectors:          | Consumer Staples,<br>Energy, Health Care          |
| S&P 500:                  | 2,090.11 (0.08%)   | Weak Sectors:            | Utilities, Industrials,<br>Information Technology |
| S&P Midcap:               | 1,468.98 (1.56%)   | NYSE Advance/Decline:    | 2,052 / 1,157                                     |
| S&P Smallcap:             | 709.50 (2.00%)     | NYSE New Highs/New Lows: | 183 / 203   |
| NASDAQ Comp:              | 5,127.52 (0.46%)   | AAII Bulls/Bears:        | 32.4% / 26.0%                                     |
| Russell 2000:             | 1,202.38 (2.35%)   |                          |   |

The S&P 500 Index closed up 8 basis points for the four day trading week due to the Thanksgiving holiday. Following the rally in the month of October, November has shown its ups and downs though stocks have continued to advance as the index is up 0.76% for the month. The week of November 9 was the second worst week of 2015 returning -3.56% which was followed by the week of November 16 returning 3.34%, the best performing week of the year. Monday's disappointing manufacturing PMI data and slightly lower than expected existing home sales were brushed off as the stocks closed down 12 basis points. Pfizer and Allergan released merger news in a deal valued at \$160 billion. Stocks declined early on Tuesday with personal consumption and consumer confidence data coming in lower than expected, but a rally in the energy sector pushed the S&P 500 Index back up returning 12.5 basis points for the day. Wednesday closed flat on mixed economic news. University of Michigan Consumer Sentiment Index came in lower than expected while durable goods orders and jobless data came in better than expected. US initial jobless claims of 260K were lower than the consensus estimate of 270K and lower than the previous week's 271K. US equity markets were closed on Thursday for Thanksgiving. Stocks stayed in line again on Friday in light trading as markets closed early for the day. The S&P 500 Index returned 8 basis points. Five of the ten economic sectors had positive performance for the week. The consumer staples sector was the best performing sector with a 1.60% return. The energy and health care sectors followed with 1.33% and 0.75% returns, respectively. The utilities sector's -1.48% return was the worst performance of all the sectors and was followed by information technology and industrials which returned -0.72% and -0.54%, respectively. **Tyson Foods Inc.**, a distributor of chicken, beef, pork and other related products, turned in the best performance in the S&P 500 Index with a 16.15% gain. The stock jumped 10.17% Monday on positive guidance due to chicken's rising demand and lower feed costs. The next two best performers were **Hormel Foods Corp.** and **Dollar Tree Inc.** with returns of 10.03% and 9.73%, respectively.