

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.22 (unch.)	GNMA (30 Yr) 6% Coupon:	114-02/32 (1.75%)
6 Mo. T-Bill:	0.51 (+04 bps)	Duration:	3.86 years
1 Yr. T-Bill:	0.66 (+09 bps)	Bond Buyer 40 Yield:	4.22 (-0.04)
2 Yr. T-Note:	0.88 (-06 bps)	Crude Oil Futures:	35.62 (-3.98)
3 Yr. T-Note:	1.16 (-08 bps)	Gold Futures:	1076.90 (-7.60)
5 Yr. T-Note:	1.55 (-15 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.13 (-14bps)	U.S. High Yield:	8.87% (+55 bps)
30 Yr. T-Bond:	2.87 (-14 bps)	BB:	6.46% (+43 bps)
		B:	8.90% (+58 bps)

Government bond prices rose throughout the week on declining oil prices and global growth slow down expectations. Oil prices fell nearly 6% on Monday to the lowest level since 2009, boosting demand for government bonds. Bond prices rose on Wednesday after a strong \$21 billion sale of 10-year notes. Investors scooped up government bonds as plunging oil prices have raised concerns over the already sluggish global growth outlook. Initial jobless claims rose the second consecutive week on Thursday, reaching the highest level since early July. Despite the increase, the four-week moving average is at a level which has been historically consistent with solid job creation. On Friday, retail sales increased reaching the strongest value in four months but held back by auto sales, which have been relatively strong all year. Despite anxiety over global growth, consumer sentiment increased last week signaling a positive sign for upcoming holiday spending. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: December Empire Manufacturing (-5.50) , November CPI MoM (0.0%); Wednesday: December 11th MBA Mortgage Applications, November Housing Starts (1130k), November Industrial Production (-1.0% MoM), December Markit US Manufacturing PMI, December 16th FOMC Rate Decision (0.50%); Thursday: December 12th Initial Jobless Claims, November Leading Index (0.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,265.21 (-3.18%)	Strong Sectors:	Consumer Staples, Utilities, Health Care
S&P 500:	2,012.37 (-3.74%)	Weak Sectors:	Energy, Financials, Materials
S&P Midcap:	1,389.16 (-4.09%)	NYSE Advance/Decline:	386 / 2,844
S&P Smallcap:	666.08 (-4.83%)	NYSE New Highs/New Lows:	80 / 639
NASDAQ Comp:	4,933.47 (-4.04%)	AAll Bulls/Bears:	28.5% / 29.9%
Russell 2000:	1,123.61 (-5.01%)		

The S&P 500 Index declined sharply last week returning -3.74%. This was the second worst week in 2015, trailing only the week ending August 21 which returned -5.71%. The S&P 500 Index hit an all-time closing high on May 21, but has since struggled to maintain its momentum. The index is down approximately 27 basis points YTD. The S&P 500 Index returned -0.69% on Monday with energy and materials leading the way down as sinking crude oil prices drove the decline. With European equity markets down, US stocks declined early on Tuesday and were led by materials, industrials and energy as the index returned -0.64%. Stocks climbed early on Wednesday with the materials sector leading the way, but negative wholesale inventory data had equities quickly turn for the worst about an hour into trading. Materials and energy were up for the day, but all other sectors were flat or down as the S&P 500 Index declined another 77 basis points with information technology and consumer discretionary stocks faring the worst. After three straight days of declines, Thursday brought a sigh of relief as stocks returned 0.24%. Disappointing US initial jobless claims of 282K were higher than the consensus estimate of 270K and higher than the previous week's 269K. This is the highest number since the week ending July 3. Friday brought merger news as The Dow Chemical Company and E.I. du Pont de Nemours & Company announced an agreement to combine. This news was not enough to hold up the equities markets as it showed its worst day of the week returning -1.93%. Crude oil closed the week at \$35.62 a barrel, a new 2015 closing low price and down 10.88% from the previous week. All ten economic sectors had negative performance for the week. The utilities sector was the best performing sector with a -1.67% return. The consumer staples and health care sectors followed with -1.95% and -2.09% returns, respectively. The energy sector's -6.40% return was the worst performance of all the sectors and was followed by financials and materials which returned -5.33% and -4.07%, respectively. **Keurig Green Mountain Inc.**, a specialty coffee and coffee maker business, turned in the best performance in the S&P 500 Index with a 72.07% gain. The stock price jumped on Monday as it agreed to be acquired by JAB Holding Company for approximately \$13.9 billion. The next two best performers were **Whole Foods Market Inc.** and **NRG Energy Inc.** with returns of 15.24% and 12.67%, respectively.