

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (-01 bps)	GNMA (30 Yr) 6% Coupon:	112-25/32 (1.55%)
6 Mo. T-Bill:	0.06 (-02 bps)	Duration:	3.68 years
1 Yr. T-Bill:	0.22 (-03 bps)		
2 Yr. T-Note:	0.64 (unch.)	Bond Buyer 40 Yield:	4.24 (+05 bps)
3 Yr. T-Note:	1.04 (+03 bps)	Crude Oil Futures:	52.67 (+0.98)
5 Yr. T-Note:	1.54 (+06 bps)	Gold Futures:	1226.50 (-7.40)
10 Yr. T-Note:	2.05 (+09 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.65 (+12bps)	U.S. High Yield:	6.60% (-02 bps)
		BB:	4.96% (unch.)
		B:	7.06% (-05 bps)

Treasury prices dropped throughout the week on strong equity markets and economic news. Greece dominated the news on Monday and Tuesday as Greek Prime Minister Alexis Tsipras pledged to undo the austerity measures that were part of the country's bailout. Tsipras said that Greece would seek a bridge loan until June and refuse to accept a bailout with the current terms, setting up a confrontation with Greece's creditors. However, the Syriza-led coalition government in Greece still plans to privatize the country's largest port, the Port of Piraeus, which will please creditors. Treasury prices dropped slightly on Monday and Tuesday, and again on Wednesday despite strong demand for the \$24B auction of 10-Year Treasury notes from indirect bidders, a group that includes foreign central banks. Treasury prices rebounded on Thursday due to a weaker than expected retail sales report and more initial jobless claims than the consensus economic projections. On Friday, Treasury prices dropped again as oil prices rose and the Eurozone economic growth slightly exceeded the consensus economist expectations. Oil began the week on a slide, falling over 5% by Wednesday but rebounded to close the week up 2% by Friday. Major economic reports (and related consensus forecasts) for the upcoming holiday shortened week include: Tuesday: February Empire Manufacturing (8.5); Wednesday: Feb 12 MBA Mortgage Applications, January Housing Starts (1,070,000), January PPI Final Demand (-0.4% MoM, 0.4% YoY), January Industrial Production (0.3% MoM), January Capacity Utilization (79.9%); Thursday: February 14 Initial Jobless Claims (290,000), January Leading Index (0.3%); Friday: February P Market US Manufacturing PMI (53.6).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	18,019.35 (1.26%)	Strong Sectors:	Info. Tech, Materials, Energy
S&P 500:	2,096.99 (2.10%)	Weak Sectors:	Utilities, Telecom., Cons. Staples
S&P Midcap:	1,502.78 (1.79%)		
S&P Smallcap:	705.45 (1.28%)		
NASDAQ Comp:	4,893.84 (3.18%)	NYSE Advance/Decline:	2,119 / 1,143
Russell 2000:	1,223.13 (1.50%)	NYSE New Highs/New Lows:	339 / 63
		AAll Bulls/Bears:	40.0% / 20.3%

The nearly six year old bull market in U.S. equities continued to reach all-time highs this week, as the S&P 500 closed Friday with a value of nearly 2,097. Markets rallied on news that Greece would soften their stand on potential changes in austerity measures, Germany announced quarterly GDP of 0.7% higher than economist expectations, and a cease fire in the Russian-Ukraine conflict was reached. Oil prices moved higher for the third straight week, easing some profitability fears among the energy sector's most levered companies. **Hasbro Inc.** rallied over 7% as the toy maker's Transformers and Nerf toy lines posted earnings and revenues higher than analyst expectations. **Qualcomm's** shares surged as Chinese regulators ended a near \$1b antitrust probe into the chipmakers products. **Cisco Systems Inc.** was up over 8% on the week, after the tech giant announced profits and sales that were higher than analyst estimates. **Expedia Inc.** rallied over 15% after they announced an all-cash deal to acquire online travel booking rival **Orbitz Worldwide Inc.** **American Express Co.** was down over 8%, which hit a 52 week low, after talks with **Costco Wholesale Corp.** about their exclusive co-brand relationship have ended without a renewal of their deal that ends March 31, 2016. **Tesla Motors Inc.** fell over 6% for the week, as the company missed expectations for vehicle deliveries and unexpectedly reported a small loss for the quarter. We continue to have a positive outlook in equities as geopolitical risks eased this week and job growth remains strong. Earnings season continues next week as **Wal-Mart Stores Inc.**, **Actavis PLC**, **Priceline Group Inc.**, **Duke Energy Corp.**, **EOG Resources Inc.**, **DirecTV**, **Deere & Co.**, **Hilton Worldwide Holding Inc.**, and **Intuit Inc.** are all expected to announce quarterly results.