

US Economy and Credit Markets			
3 Mo. T-Bill:	0.02 (+01 bps)	GNMA (30 Yr) 6% Coupon:	114-08/32 (1.10%)
6 Mo. T-Bill:	0.09 (+01 bps)	Duration:	3.71 years
1 Yr. T-Bill:	0.22 (+02 bps)	Bond Buyer 40 Yield:	4.23 (+01 bps)
2 Yr. T-Note:	0.56 (+06 bps)	Crude Oil Futures:	51.64 (+2.50)
3 Yr. T-Note:	0.91 (+10 bps)	Gold Futures:	1204.60 (+3.7)
5 Yr. T-Note:	1.40 (+10 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.95 (+05 bps)	U.S. High Yield:	6.46% (-14 bps)
30 Yr. T-Bond:	2.58 (+03 bps)	BB:	4.84% (-13 bps)
		B:	6.84% (-14 bps)

Bonds continue trading at historic price levels among falling global yields often approaching and reaching new lows, in many cases with negative yields for developed countries. Relative to other developed economies globally, US treasuries offer some of the highest yields available. During the week US Yields rose slightly with positive economic data and job reports. Oil rose during the week with the US Energy Information Administration saying US crude oil production is set to peak in April or May and fall this Summer and Fall. Even so, US Crude-oil output hit a 42-year high in March. ISM Non-Manufacturing recorded a decline at the start of last week falling to 56.5 from 56.9 – in line with expectations. These levels indicate economic growth in the service sector. On Thursday, Initial Jobless claims were slightly less than anticipated at 281K but rose from the prior week by 14K. The Treasury Department noted fewer Americans applied for unemployment benefits over the last four week period than at any time in nearly 15 years. Investors continue to watch employment changes closely to try and predict what rate decisions the Federal Reserve may make. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: March US Treasury Federal Budget Deficit Summary (-\$43.4B, +\$6.5B); Tuesday: March Retail Sales (+1%, +1.6%) and March PPI (.2%); Wednesday: March Industrial Production (-.3%); Thursday: Housing Starts (1040K, +143K) February Inventories (0.2% MoM), Prior Week Initial Jobless Claims (280K, -1K); Friday: March CPI (.2%, Unch) and March Leading Index (.3%, +.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	18,057.65 (+1.68%)	Strong Sectors:	Industrials, Energy, Health Care
S&P 500:	2,102.06 (+1.74%)	Weak Sectors:	Telecom, Financials, Utilities
S&P Midcap:	1,534.96 (+0.74%)		
S&P Smallcap:	722.79 (+0.21%)		
NASDAQ Comp:	4,995.98 (+2.25%)	NYSE Advance/Decline:	2,072/ 1,155
Russell 2000:	1,264.78 (+0.74%)	NYSE New Highs/New Lows:	335/32
		AAII Bulls/Bears:	28.7% / 24.2%

Stocks grinded higher for the week on low volume as investors await further clarity from earnings reports over the next few weeks. On Wednesday, the Federal Reserve released the minutes from their March 17-18th meeting and **Alcoa Inc.** unofficially kicked off earnings season. The Fed notes showed officials were split on when to raise rates with some officials advocating for June, while others believe the appropriate timing is in the latter half of the year or even into 2016. With only a handful of names reporting earnings, overall reports were disappointing as **Alcoa Inc.** missed top line expectations on weak demand for aluminum and **Bed Bath & Beyond Inc.** posted a 4% decline in earnings. Investors cheered **Walgreens Boots Alliance Inc.** plan to close 200 U.S. drugstores to lower costs as profits have been squeezed by competition and lower reimbursement rates from pharmaceutical insurers. **General Electric** shares surged after announcing the sale of \$26.5 billion of commercial real estate and plans to further shed financial assets. It has become increasingly difficult for the industrial conglomerate to earn returns above the cost of capital as the firm is currently classified as a “systemically important financial institution” and forced to hold additional capital. In merger news, **Mylan NV** tendered an offer to buy competitor **Perrigo Co.** for approximately \$28.9 billion. **Royal Dutch Shell Plc** agreed to acquire **BG Group Plc** for \$70 billion, creating Europe’s largest oil and natural gas company. **FedEx Corp.** advanced after announcing the acquisition of **TNT Express NV** for \$4.8 billion. Looking ahead to earnings season, overall expectations are muted as profits are expected to fall by 5% in the first quarter versus last year, according to FactSet. This would be the first quarterly decline since 2009. The strong dollar, weather and a drop in oil prices, causing a decline in energy profits, have caused analysts to slash estimates. While earnings growth most likely will be negative in the first quarter, the bar is set low and could lead to upside surprises as estimates might be too negative. In addition, results will likely be bifurcated as multinational firms with currency exposure and stocks with oil and gas exposure will be most susceptible to weakness. Earnings season will get into full swing next week with **Johnson & Johnson**, **JPMorgan Chase & Co**, **Fastenal Co.**, **Wells Fargo & Co.** and many others reporting results.

