

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.01 (-03 bps)	GNMA (30 Yr) 6% Coupon:	114-08/32 (1.10%)
6 Mo. T-Bill:	0.07 (-05 bps)	Duration:	3.71 years
1 Yr. T-Bill:	0.20 (-04 bps)	Bond Buyer 40 Yield:	4.22 (unch.)
2 Yr. T-Note:	0.48 (-12 bps)	Crude Oil Futures:	49.14 (+0.27)
3 Yr. T-Note:	0.73 (-15 bps)	Gold Futures:	1200.90 (+1.1)
5 Yr. T-Note:	1.25 (-18 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.84 (-12 bps)	U.S. High Yield:	6.60% (+02 bps)
30 Yr. T-Bond:	2.49 (-05 bps)	BB:	4.97% (+02 bps)
		B:	6.98% (unch.)

Treasury 10-year yields reached the lowest level in two months last week as investors believe that the Federal Reserve will wait longer to tighten monetary policy due to signs the U.S. labor market is slowing. On Monday, consumer spending fell for the first time in almost a year when adjusted for inflation. Colder temperatures were likely the primary factor to the decline as personal incomes rose for a second consecutive month. Consumer confidence exceeded expectations on Tuesday, which helped ease concerns over the consumer spending reports released on Monday. On Wednesday, payrolls for all nonfarm employers increased by the largest amount since 2001, although other indexes showed slow growth in hiring at companies with fewer than 20 workers, signaling disconnect in the job market. On Thursday, applications for unemployment benefits fell to 268,000 for the week, resulting in the second lowest figure since April 2000. Major economic reports (and related consensus forecasts) for the upcoming week include: Wednesday: April 3rd MBA Mortgage Applications; Thursday: April 4th Initial Jobless Claims (282k), February Inventories (0.2% MoM).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,763.24 (0.32%)	Strong Sectors:	Telecommunication Services, Utilities, Energy
S&P 500:	2,066.96 (0.32%)	Weak Sectors:	Health Care, Industrials, Information Technology
S&P Midcap:	1,523.94 (1.05%)	NYSE Advance/Decline:	2,145 / 1,070
S&P Smallcap:	721.27 (0.94%)	NYSE New Highs/New Lows:	261 / 57
NASDAQ Comp:	4,886.94 (-0.06%)	AAll Bulls/Bears:	35.4% / 32.0%
Russell 2000:	1,255.66 (1.25%)		

Last week, the S&P 500 Index returned 0.32% for the four day trading week. Stocks changed direction from the previous week's decline of -2.20% as China's central bank made comments suggesting a possible stimulus. Stocks pushed up 1.24% on Monday. On Tuesday the Chicago Purchasing Manager Index was lower than expected, but the Consumer Confidence Index came in higher than expected. A volatile trading day came along with the mixed economic data as the index fell 87 bps. More weak economic data was released on Wednesday as the ADP employment report came in approximately 16% lower than expected and the ISM Manufacturing Index also came in lower than expected. The S&P 500 Index returned -0.38% for the day. Thursday had positive economic news in US initial jobless claims which came in at 268K. This was a decrease from both the previous week's 282K and the consensus estimate of 286K. The S&P 500 index returned 0.36%. On Friday, the U.S. Labor Department released the U.S. Nonfarm Payrolls number of 126K for March, which was much lower than the expected 245K. The equity markets were closed in observation of Good Friday. Crude oil bounced over \$50 a barrel a couple of times during the week, but as of Thursday it remained below \$50 a barrel. Seven of the ten economic sectors had positive performance for the week. The telecommunication services sector was the best performing sector with a 1.64% return. The utilities and energy sectors followed with 1.63% and 1.53% returns, respectively. The health care sector's -1.46% return was the worst performance of all the sectors and was followed by industrials and information technology which returned -0.25% and -0.25%, respectively. **CarMax Inc.**, a used car and light truck retailer, turned in the best performance in the S&P 500 Index with a 12.06% gain. The stock increased over 9% on Thursday on positive earnings news that beat estimates. The next two best performers were **CONSOL Energy Inc.** and **CBRE Group Inc.** with returns of 8.71% and 8.24%, respectively. This week will bring earnings news from **Walgreens Boots Alliance Inc.**, **Constellation Brands Inc.**, **Alcoa Inc.**, **Bed Bath & Beyond Inc.** and **Family Dollar Stores Inc.**