

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.00 (unch.)	GNMA (30 Yr) 6% Coupon:	114-21/32 (1.52%)
6 Mo. T-Bill:	0.10 (+03 bps)	Duration:	3.97 years
1 Yr. T-Bill:	0.25 (-04 bps)	Bond Buyer 40 Yield:	4.49 (+01 bps)
2 Yr. T-Note:	0.52 (-08 bps)	Crude Oil Futures:	56.54 (-3.09)
3 Yr. T-Note:	0.99 (-10 bps)	Gold Futures:	1165.70 (-7.20)
5 Yr. T-Note:	1.64 (-12 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.39 (-09 bps)	U.S. High Yield:	
30 Yr. T-Bond:	3.19 (-05 bps)	BB:	5.30% (+13 bps)
		B:	6.97% (+09 bps)

Treasury prices rose significantly during the holiday-shortened week thanks to the biggest one-day decline in Treasury yields since November 2011 on Monday. Greece introduced capital controls which, along with the upcoming referendum, fueled flows into the safer U.S. Treasuries. In order to prevent capital flight, Greek banks will be closed until July 6<sup>th</sup> as Greece prepares for the July 5<sup>th</sup> referendum determining if Greece will accept the reform measures demanded by its creditors. This caused U.S. and European stock markets to tumble and U.S. Treasury demand to spike. The concern is that if Greece defaults and exits the Eurozone it might encourage others to do the same and put the entire Eurozone at risk. Treasury prices then pulled back on Tuesday and Wednesday, as last-minute efforts between Greece and its creditors to reach an agreement fueled optimism before Greece's creditors rejected a proposal late Thursday. This marked the first time in 5 quarters that Treasury yields had a quarterly increase. Several better than expected economic reports on Wednesday also added to the rise in Treasury yields. On Friday, poor employment data erased much of the rebound in Treasury yields as investors believed the data-dependent Federal Reserve was now less likely to increase interest rates sooner. Oil dropped 5% over the course of the week. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: June ISM Non-Manf. Composite (56.4); Tuesday: May Trade Balance (-\$42.5B); Wednesday: July 3 MBA Mortgage Applications; Thursday: July 4 Initial Jobless Claims (277,000).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,730.11 (-1.15%)	Strong Sectors:	Utilities, Cons. Staples.
S&P 500:	2,076.79 (-1.14%)		Cons. Discretionary
S&P Midcap:	1,505.76 (-1.73%)	Weak Sectors:	Energy, Materials,
S&P Smallcap:	717.55 (-2.29%)		Industrials
NASDAQ Comp:	5,009.21 (-1.38%)	NYSE Advance/Decline:	977 / 2,260
Russell 2000:	1,248.26 (-2.45%)	NYSE New Highs/New Lows:	115 / 514
		AAll Bulls/Bears:	22.6% / 35.1%

During the 4<sup>th</sup> of July holiday shortened trading week equity markets soured. The S&P 500 returned -1.15% for the week as headlines were dominated by Greece's continued financial troubles. Late last Friday, bailout talks between Greece and their creditors deteriorated. As a result on Monday, Greece took actions to control capital flows by closing their banks and imposing €60 per day cash withdrawal limit at ATMs. The biggest concern for the Greece economy is that their current measures might deepen their recession and solidify a potential exit from the euro. Greece is due to vote on a referendum to accept or reject their latest rounds negotiations with creditors on Sunday. A 'yes' vote on this referendum would force Greece's politicians to accept the current negotiated deal with their creditors, a 'no' vote could be the trigger to start a Greece exit from the euro. The Chinese government surprised markets by relaxing transit visa rules in Macau, which sent most Hong Kong casino companies higher; **MGM China Holdings LTD** was up nearly 16%, **Wynn Macau LTD** was up nearly 14%, **Galaxy Entertainment Group** was up 13% and **SJM Holdings LTD** was up 7% on the news. Domestically, despite the weakest quarter since 4Q2012, the S&P 500 Index was up 0.3% in 2Q15 and closed its 10<sup>th</sup> straight positive quarter. On Wednesday, property and casualty company **The Chubb Corp** announced that **ACE Ltd** would be acquiring them for cash and stock at a 30% premium. **BP Plc** jumped over 5% on Thursday, as the oil giant agreed to a final \$18.7b settlement for the 2010 Gulf of Mexico oil spill. Global uncertainty from Greece created a small flight to safety in the U.S. as Utilities and Treasuries both rallied. The Utility sector, measured by the Philadelphia Stock Exchange Utility Index, had its best week since April up 1.4%. Monday, the current 10 Year U.S. Government bond saw a drop in yield of nearly 15bps, sending the price up 1.84%. In the near term, global equity markets may remain choppy as headwinds from Europe persist, however, long term equity markets continue to be the best option for investors to accumulate wealth as fundamentals remain attractive against historical averages.