

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.08 (+02 bps)	GNMA (30 Yr.) 6% Coupon:	112-17/32 (1.98%)
6 Mo. T-Bill:	0.24 (+03 bps)	Duration:	3.82 years
1 Yr. T-Bill:	0.38 (+02 bps)	Bond Buyer 40 Yield:	4.37 (unch.)
2 Yr. T-Note:	0.72 (+01 bps)	Crude Oil Futures:	42.13 (-1.74)
3 Yr. T-Note:	1.08 (+03 bps)	Gold Futures:	1,114.90 (+20.50)
5 Yr. T-Note:	1.58 (+02 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.20 (+03 bps)	U.S. High Yield:	
30 Yr. T-Bond:	2.84 (+02 bps)	BB:	5.62% (+08 bps)
		B:	7.54% (+14 bps)

Treasury prices ended the week slightly down amid conflicting views on the timing of interest rate increases by the Federal Reserve. On Monday, Treasury prices dropped significantly after Atlanta Fed President Dennis Lockhart said he believed the economy could handle a gradual increase in rates. This contradicted Fed Vice Chairman Stanley Fisher's concern about inflation and waiting for inflation to return to normal levels before a rate hike. Treasury prices then rebounded on Tuesday as a surprise devaluation of the Chinese yuan by the People's Bank of China, the largest one-day drop in the yuan in two decades, caused investors to seek the safety of Treasuries. Investors speculated that this would lead the Fed to push back the planned rise in interest rates. China's central bank stepped in to prevent a second straight day of large losses for the yuan on Wednesday, which caused Treasuries to be flat. Treasury prices had dropped significantly Wednesday morning before rebounding due to the efforts of the central bank. On Thursday and Friday, strong economic data led investors to believe that GDP would remain strong and the Federal reserve would stay the course on increasing interest rates soon, which caused Treasury prices to drop slightly. Oil continued its slide, losing another 4% over the course of the week. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: August Empire Manufacturing (4.8); Tuesday: July Housing Starts (1,186,000); Wednesday: August 14 MBA Mortgage Applications, July CPI (0.2% MoM, 0.2% YoY); Thursday: August 15 Initial Jobless Claims (271,000), July Existing Home Sales (5.42M), July Leading Index (0.2%); Friday: August P Markit US Manufacturing PMI (53.7).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,477.40(0.67%)	Strong Sectors:	Energy, Utilities, Industrials
S&P 500:	2,091.54 (0.73%)	Weak Sectors:	Cons. Staples, Health Care, Cons. Discretionary
S&P Midcap:	1,501.72 (0.95%)	NYSE Advance/Decline:	1,890 / 1,362
S&P Smallcap:	706.90 (0.86%)	NYSE New Highs/New Lows:	164 / 379
NASDAQ Comp:	5,048.24 (0.12%)	AAll Bulls/Bears:	30.5% / 36.1%
Russell 2000:	1,212.69 (0.52%)		

The S&P 500 eked out a gain for the week returning 0.7%. China continued to dominate global market headlines. Monday, Chinese equities rallied as economic data showed a surge in energy and material imports. Tuesday, Chinese equities retreated as the government announced the largest Yuan devaluation in over 20 years of 1.9%; news that further deepened concerns of a broader economic slowdown. Domestic equity markets were abuzz to start the week as news that **Berkshire Hathaway Inc.**'s CEO Warren Buffett had agreed to buy **Precision Castparts Corp.** for more than \$32b in cash. **Fidelity National Information Services Inc.**, a leading U.S. payment service provider jumped nearly 8.5% this week, as they announced plans to acquire **SunGard Data Systems Inc.** for over \$9b in cash and stock. **Google Inc.** was up over 3.4% this week as they announced a new corporate holding structure. This new structure should generate more transparency on how previous corporate acquisitions are performing, which may allow them to more easily seek attractive acquisitions in the future. **News Corp.** announced their quarterly earnings on Wednesday, sending the stock up over 7.5% as they reported earnings that beat estimates and raised their full year guidance for 2015. **Cisco Systems Inc.** rallied 3% as the company announced earnings above expectations and guidance that sales would have 2%-4% year over year growth next quarter. **Kohl's Corp.** fell nearly 9% as the department store announced earnings below analyst estimates, and updated their full year guidance towards the lower end of their previously announced range. With the majority of the S&P 500 members reporting results to date, earnings are now expected to fall 2.1% for 2Q 2015. However, according to Bloomberg, earnings were initially expected to fall by 6.4% for the quarter. So far, roughly 75% of companies that have reported have beat earnings per share estimates, and nearly 50% have topped sales projections.