

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.02 (-06 bps)	GNMA (30 Yr) 6% Coupon:	112-24/32 (1.94%)
6 Mo. T-Bill:	0.19 (-05 bps)	Duration:	3.81 years
1 Yr. T-Bill:	0.35 (-03 bps)	Bond Buyer 40 Yield:	4.38 (+01)
2 Yr. T-Note:	0.62 (-11 bps)	Crude Oil Futures:	40.45 (-2.05)
3 Yr. T-Note:	0.94 (-14 bps)	Gold Futures:	1,150.50 (+46.70)
5 Yr. T-Note:	1.43 (-17 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.04 (-16 bps)	U.S. High Yield:	7.69% (+29 bps)
30 Yr. T-Bond:	2.72 (-12 bps)	BB:	5.76% (+17 bps)
		B:	7.75% (+21 bps)

Treasury yields fell sharply throughout the week, reaching three month lows, amid a global equity markets sell-off, declining oil prices, and declines in some currencies. On Monday, U.S treasury bonds rallied as the Empire manufacturing report showed a sharp drop in activity. Treasuries pulled back on Tuesday as U.S housing starts exceeded expectations. U.S Treasuries rallied on Wednesday as the federal reserve did not signal interest-rate increases next month and oil prices hit a six-year low, boosting demand for ultra-safe U.S. government debt. On Thursday, concerns over global economic growth sent the yield on the benchmark 10-year note to its lowest closing value since May. Purchases of previously owned homes unexpectedly rose in July, reaching the highest level since February 2007. Yields continued to decline on Friday with plunging global stocks, falling oil prices, and a report showing China's manufacturing sector dropped to the lowest level in over six years. The U.S. manufacturing purchasing index for August fell to its lowest reading since October 2013. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: July New Home Sales (5.8% MoM), August Consumer Confidence Index (93.1); Wednesday: August 21st MBA Mortgage Applications, July Durable Goods Orders (-0.4%); Thursday: Second Quarter GDP Annualized (3.2% QoQ), August 22nd Initial Jobless Claims (275k); Friday: July Personal Income (0.4%), July Personal Spending (0.4%), August University of Michigan Sentiment.

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	16,459.75 (-5.70%)	Strong Sectors:	Utilities, Consumer Staples, Telecommunication Services
S&P 500:	1,970.89 (-5.71%)	Weak Sectors:	Energy, Financials, Information Technology
S&P Midcap:	1,423.20 (-5.20%)	NYSE Advance/Decline:	384 / 2,878
S&P Smallcap:	676.91 (-4.23%)	NYSE New Highs/New Lows:	143 / 697
NASDAQ Comp:	4,706.04 (-6.73%)	AAll Bulls/Bears:	26.8% / 33.3%
Russell 2000:	1,156.79 (-4.59%)		

The S&P 500 Index posted its worst performance of 2015 last week with a return of -5.71%, pushing the index into negative territory for the year. The index declined last week more than twice the previous worst performance of -2.75% for the week ending January 30, 2015. Stocks opened lower on Monday on negative manufacturing data, but turned positive early after the release of July NAHB data which implied increased confidence in home builders. The index returned 0.54%, the only positive performance for the week. Positive July housing starts data released on Tuesday morning wasn't enough to push the index higher as the S&P 500 Index returned -0.24%. Equities continued to decline as they opened lower on Wednesday following weakness in Chinese and European stock markets. Stocks rose briefly midday after the release of the Federal Open Market Committee minutes, but quickly lost steam and declined as the index returned -0.82%. Thursday's higher than expected US initial jobless claims of 277K brought negative economic news, compounding investors' concerns over the global economy. Claims were higher than the previous week's 274K and the consensus estimate of 271K. US existing home sales of 5.59 million (SAAR) for July came in higher than expected and is the highest level in the last eight years. However, the positive housing data wasn't enough to change the trend as the index continued to sink and returned -2.11%, the second worst day of 2015. The equity slide continued on Friday as investors' concerns increased over the possible deceleration of global growth. Friday's -3.17% return was the worst performing day of the year for the index. Crude oil closed the week at \$40.45 a barrel, a closing low for 2015 and a 34.15% decrease from the 2015 closing high price of \$61.43 a barrel set on Wednesday, June 10. All ten economic sectors had negative performance for the week. The utilities sector was the best performing sector with a -1.16% return. The telecommunication services and consumer staples sectors followed with -2.63% and -4.79% returns, respectively. The energy sector's -8.48% return was the worst performance of all the sectors and was followed by information technology and financials which returned -7.30% and -5.88%, respectively. **Newmont Mining Corp.**, a mining and gold producer, turned in the best performance in the S&P 500 Index with a 4.55% gain. The next two best performers were **Lennar Corp.** and **Signet Jewelers Ltd.** with returns of 1.73% and 1.63%, respectively.