

US Economy and Credit Markets			
3 Mo. T-Bill:	0.47 (+10 bps)	GNMA (30 Yr) 6% Coupon:	115-04/32 (0.52%)
6 Mo. T-Bill:	0.58 (+07 bps)	Duration:	4.12 years
1 Yr. T-Bill:	0.72 (+12 bps)	Bond Buyer 40 Yield:	4.05 (+13 bps)
2 Yr. T-Note:	0.92 (+13 bps)	Crude Oil Futures:	43.41 (-0.66)
3 Yr. T-Note:	1.17 (+23 bps)	Gold Spot:	1,224.30 (-80.20)
5 Yr. T-Note:	1.56 (+32 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.15 (+38 bps)	U.S. High Yield:	6.83% (+03 bps)
30 Yr. T-Bond:	2.94 (+37 bps)	BB:	5.13% (+05bps)
		B:	6.89% (-01 bps)

Trump won: Bonds fell. Bond market pricing moves suggest that the market believes the Trump agenda will result in higher interest rates. Trump's expressed view of focusing on fiscal expansion to fund US infrastructure projects and his statements regarding the continued use of low interest rate policies driving asset bubbles support the pricing moves. The dollar strengthened as a result of Trump being nominated the president elect over concerns that he will employ policies which result in capital outflows from developing markets. Gold and oil fell last week but oil's drop was a result of actual market forces as OPEC members are increasing production even as they say they want to achieve a deal to cut output. Last Monday, the Personal Income data showed an increase in September as well as increased consumption but came in under expectations. Tuesday showed the ISM Manufacturing Index results which came in at 51.9 for October which signals expansion and exceeded expectations. Thursday's Jobless Claim numbers were less than expected as the labor market continues to expand. Lastly, on Friday, the University of Michigan Consumer Sentiment survey rose to a five-month high in October on a preliminary basis. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: November Empire Manufacturing (-2%, +4.8) and October MoM Retail Sales (.6%, unch); Wednesday: November 11th MBA Mortgage Applications, October MoM Final Demand PPI (.3%, unch) and October MoM Industrial Production (.2%, +.1%); Thursday: November 12th Initial Jobless Claims (256k, +2K), October Housing Starts and October MoM CPI (.4%, +.1%); Friday: October Leading Index (.1%, -.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	18,847.66 (+5.51%)	Strong Sectors:	Financials, Industrials, Health Care
S&P 500:	2,164.45 (+3.87%)	Weak Sectors:	Utilities, Consumer Staples, Real Estate
S&P Midcap:	1,562.99 (+5.74%)	NYSE Advance/Decline:	1,781/ 1,355
S&P Smallcap:	781.84 (+10.60%)	NYSE New Highs/New Lows:	394/ 331
NASDAQ Comp:	5,237.11 (+3.79%)	AAll Bulls/Bears:	38.9% / 29.3%
Russell 2000:	1,282.39 (+10.27%)		

Stocks surged, with the Dow Jones Industrial Average hitting a new all-time high on Friday, as shares of banks, drug companies, and economically sensitive stocks rallied amid speculation President-elect Donald Trump will enact business-friendly policies. Financial stocks were the best performers for the week and posted their biggest weekly gain since 2009 as the potential for less regulation and higher interest rates left investors more optimistic about future profits. Another perceived benefactor from the election results was industrial stocks in anticipation of Donald Trump's plan to spend \$1 trillion on new infrastructure construction. Low volatility and defensive sectors sold-off as higher bond yields and optimism over Trump's policies led bond-like stocks to lag the broader market. In stock news, **Hertz Global Holdings** shares fell over 15% for the week as higher-than-expected depreciation costs led the car rental service to reduce full year earnings guidance. Despite missing on both the top and bottom lines for the quarter and weakness at ESPN, shares of **Walt Disney Co.** rose following earnings as growth should be more robust in the next few years due to a strong movie slate. Shares of **Celgene Corp.** and **Biogen Inc.** rose over 15% for the week, while health care providers **LifePoint Health, Inc.** and **Tenet Healthcare Corp.** both fell by more than 15%. Drug stocks rose as a Clinton victory most likely would have resulted in a push for drug-pricing control, while hospital stocks fell as the potential for repeal of parts of the Affordable Care Act could lead to lower profits. Looking ahead, equity markets will continue to digest a surprise Trump win and look to the formation of his transition team and further disclosure of his economic policies.

