

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.43 (-04 bps)	GNMA (30 Yr) 6% Coupon:	113-24/32 (0.52%)
6 Mo. T-Bill:	0.61 (+03 bps)	Duration:	4.09 years
1 Yr. T-Bill:	0.75 (+04 bps)	Bond Buyer 40 Yield:	4.21 (+16 bps)
2 Yr. T-Note:	1.07 (+15 bps)	Crude Oil Futures:	45.69 (+2.28)
3 Yr. T-Note:	1.36 (+19 bps)	Gold Spot:	1,208.70 (-15.60)
5 Yr. T-Note:	1.80 (+24 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.36 (+21 bps)	U.S. High Yield:	6.89% (+06 bps)
30 Yr. T-Bond:	3.03 (+10 bps)	BB:	5.24% (+11 bps)
		B:	6.93% (+04 bps)

Treasury yields rose last week on encouraging economic data and expectations that Trump's economic policies will lead to economic growth, higher inflation, and a quicker pace of interest rate hikes by the Federal Reserve. Retail sales beat consensus expectations on Monday, as auto and gas station sales led the way. Despite the two largest gainers being volatile components, gains were broad-based outside those sectors as well. The bond market strengthened on Wednesday as lackluster economic data eased the selling pressure that overtook the market since the presidential election last week. Industrial production was unchanged in October, coming in below the consensus expected increase of 0.2%. Weather patterns were unusually mild for October causing utility output to decline. Outside of utilities, however, production growth was healthy. Yields rose on Thursday after U.S reports showed housing starts for October soared by 26%, the largest pace since August 2007. The gain fully offset a large unexpected drop in September, with the two month average being more in line with the underlying trend. Consumer prices surged in October after healthy increases in both August and September, with energy prices leading the way. Major economic reports (and related consensus forecasts) for the upcoming shortened holiday week include: Tuesday: October Existing House Sales (5.43 M); Wednesday: November 18th MBA Mortgage Applications, October Durable Goods Orders (1.1%), November 19th Initial Jobless Claims (248k), November Markit US Manufacturing PMI (53.4), October New Home Sales (590k), November University of Michigan Sentiment (91.6); Friday: October Wholesale Inventories (0.2% MoM).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	18867.93 (0.26%)	Strong Sectors:	Telecom, Financials, Energy
S&P 500:	2181.90 (0.89%)	Weak Sectors:	Materials, Consumer Staples, Health Care
S&P Midcap:	1605.46 (2.75%)	NYSE Advance/Decline:	1,982 / 1,149
S&P Smallcap:	803.00 (2.73%)	NYSE New Highs/New Lows:	450 / 355
NASDAQ Comp:	5321.51 (1.69%)	AAll Bulls/Bears:	46.7% / 26.6%
Russell 2000:	1314.97 (2.57%)		

Once again equity markets were positive this week as the S&P 500 moved up 0.9%. The S&P 500 is now up 2.8% in November and 8.9% year to date. Market optimism over future GDP growth under a Republican controlled government continues to fuel equities. Leading the way in equities has been small and midcap stocks. The S&P Midcap index is up 6.5% in November and up 16.5% year to date. The S&P Smallcap index is up 11.2% in November and up 21.0% year to date. Interest rates continued to grow, although at a slower rate than last week's post-election spike. On Friday, the 10 year, 5 year and 2 year U.S. Treasuries all closed with their highest yields of the year. Part of the reason yields are up is economic optimism, another factor is that Fed Chairman Janet Yellen stated that the central bank is close to boosting rates. This economic optimism and future rate probabilities also helped the U.S. Dollar reach its highest level relative to a basket of other currencies since 2003. Moving to some individual company news, **Harman International Industries**, a player in the car audio/infotainment system space, saw its shares soar nearly 25% after **Samsung Electronics Co.** agreed to buy the company for cash. **Best Buy Inc.** announced earnings and revenue that surpassed expectations that sent its shares up nearly 15% on Thursday. The brick and mortar retailer credited its outperformance to a significant boost in online sales and robust appliance sales. The airline industry, saw a huge upturn as famed U.S. investor Warren Buffett disclosed he held stakes in four airline companies, **American Airlines Group Inc.**, **Delta Air Lines Inc.**, **Southwest Airlines Co.** and **United Continental Holdings**. The S&P 500 Airlines GICS Index was up 7.6% this week and up over 53.3% since June. Next week earnings season will slow down dramatically after Tuesday when 11 S&P 500 companies are expected to report. Also, U.S. equity markets will be closed on Thursday to celebrate Thanksgiving and will close early Friday at 1pm eastern time.