

US Economy and Credit Markets			
3 Mo. T-Bill:	0.49 (+06 bps)	GNMA (30 Yr) 6% Coupon:	114-00/32 (0.84%)
6 Mo. T-Bill:	0.62 (+02 bps)	Duration:	4.09 years
1 Yr. T-Bill:	0.79 (+03 bps)	Bond Buyer 40 Yield:	4.28 (+07 bps)
2 Yr. T-Note:	1.12 (+05 bps)	Crude Oil Futures:	45.95 (+0.26)
3 Yr. T-Note:	1.39 (+04 bps)	Gold Spot:	1,183.80 (-24.09)
5 Yr. T-Note:	1.84 (+04 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.36 (unch.)	U.S. High Yield:	6.77% (-12 bps)
30 Yr. T-Bond:	3.00 (-03 bps)	BB:	5.14% (-10 bps)
		B:	6.80% (-13 bps)

Treasury prices mostly fell, with the exception of the 10- year and 30-year Treasuries, over the course of the week on expectations from the new administration and strong economic reports. The Federal Reserve is widely expected to raise rates at the December 14th meeting as the market implied probability of a rate hike is 100%. Short-term Treasuries started out the week mostly stable on Monday and Tuesday, while long-term Treasuries rose slightly as investors have struggled to value bonds in the uncertainty of the policies of the new Trump administration. Expectations of a tax cut along with increased infrastructure spending have led investors to believe higher deficits will lead to increased supply in Treasury bonds and higher inflation. On Wednesday, Treasury prices fell sharply as durable goods orders and consumer sentiment were both much higher than anticipated, overshadowing weak new-home sales and poor jobless claims numbers. Treasury prices remained stable in Friday's abbreviated session as investors weighed new uncertainty coming from France's election along with the future of the European Central Bank's bond-buying program. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: 3Q Second Annualized GDP (3.0%), 3Q Second Personal Consumption (2.3%), November Consumer Confidence Index (101.3); Wednesday: November 25 MBA Mortgage Applications, November ADP Employment Change (160,000), October Personal Income (0.4%), October Personal Spending (0.5%), November Chicago Purchasing Manager (52.0), October Pending Home Sales (0.1% MoM); Thursday: November 26 Initial Jobless Claims (253,000), November Final Markit US Manuf. PMI (53.9), October Construction Spending (0.6% MoM), November ISM Manufacturing (52.2); Friday: November Change in Nonfarm Payrolls (175,000), November Unemployment Rate (4.9%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	19,152.14 (+1.51%)	Strong Sectors:	Telecom, Materials, Industrials
S&P 500:	2,213.35 (+1.45%)	Weak Sectors:	Health Care, Info Tech, Financials
S&P Midcap:	1,640.81 (+2.19%)	NYSE Advance/Decline:	2,454 / 662
S&P Smallcap:	825.28 (+2.79%)	NYSE New Highs/New Lows:	451 / 69
NASDAQ Comp:	5,398.92 (+1.47%)	AAll Bulls/Bears:	49.9% / 22.1%
Russell 2000:	1,347.20 (+2.41%)		

The Dow Jones Industrial Average and the S&P 500 closed at record highs on Friday amid expectations for less regulation, reduced corporate taxation and higher infrastructure spend. Stocks rose for the third consecutive week with the largest gains coming from small-cap stocks as the Russell 2000 closed higher for the 15th consecutive trading day on Friday. In economic news, existing home sales unexpectedly climbed in October to their highest level since February 2007 as higher incomes, steady hiring and stronger consumer balance sheets drove demand for homes. However, new home sales for October slightly missed expectations. In stock news, **Deere & Co.** shares surged after doubling analyst expectations for fiscal fourth quarter earnings on cost cuts as revenue declined for the third consecutive year. Shares of **Eli Lilly** fell nearly 10% for the week after announcing disappointing Phase 3 results for its Alzheimer's drug Solanzumab. **Dollar Tree Inc.** rose after better-than-expected same store sales as increased traffic and purchases per customer drove better comparable sales. Despite beating earnings for the current quarter, **Palo Alto Networks Inc.** declined after reporting disappointing revenue guidance as the cybersecurity company transitions to a cloud-based subscription model. Looking ahead, investors will be focused on November's employment report and the Fed meeting on December 14th, which is now pricing in a 100% chance of a rate hike, according to the futures market.

