

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.37 (+09 bps)	GNMA (30 Yr) 6% Coupon:	115-06/32 (0.50%)
6 Mo. T-Bill:	0.51 (+03 bps)	Duration:	4.03 years
1 Yr. T-Bill:	0.60 (-04 bps)	Bond Buyer 40 Yield:	3.92 (-04 bps)
2 Yr. T-Note:	0.78 (-07 bps)	Crude Oil Futures:	44.07 (-4.63)
3 Yr. T-Note:	0.94 (-07 bps)	Gold Spot:	1,305.06 (+29.59)
5 Yr. T-Note:	1.23 (-09 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.78 (-07 bps)	U.S. High Yield:	6.80% (+31 bps)
30 Yr. T-Bond:	2.56 (-05 bps)	BB:	5.08% (+25 bps)
		B:	6.90% (+32 bps)

Treasury yields fell last week as investors cut their risk exposure to preserve capital due to uncertainties about the upcoming election. On Monday, personal income and spending continued to produce gains in September, with consumer spending reaching a record high. Tuesday's ISM Manufacturing report beat expectations showing major measures of activity in October. Nonfarm productivity increased at a 3.1% annual rate in the third quarter, much faster than the consensus expected gain of 2.1%. Wednesday's ADP Employment Change report showed companies added the fewest workers in five months due to a limited pool of skilled workers. Initial jobless claims unexpectedly rose last week but remain at the lowest level in several decades. Jobless claims have now stayed below 300k for eighty-seven consecutive weeks, which is the longest streak since 1970. Nonfarm payrolls increased 161,000 in October and were revised up 44,000 for prior months, bringing the net gain to 205,000, although most of the revisions were for government jobs. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: October NFIB Small Business Optimism (94.0); Wednesday: November 4th MBA Mortgage Applications, September Wholesale Inventories (0.2% MoM); Thursday: November 5th Initial Jobless Claims (260k), October 29th Continuing Claims (2020k), October Monthly Budget Statement (-\$81.9b), November 6th Bloomberg Consumer Comfort; Friday: November University of Michigan Sentiment (87.5).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,888.28 (-1.47%)	Strong Sectors:	Materials, Utilities, Industrials
S&P 500:	2,085.18 (-1.89%)	Weak Sectors:	Information Technology, Telecom Services, Energy
S&P Midcap:	1,478.83 (-1.37%)	NYSE Advance/Decline:	726 / 2,403
S&P Smallcap:	707.17 (-1.57%)	NYSE New Highs/New Lows:	96 / 191
NASDAQ Comp:	5,046.37 (-2.70%)	AAll Bulls/Bears:	23.6% / 34.3%
Russell 2000:	1,163.44 (-2.01%)		

Last week the S&P 500 Index continued the previous week's decline returning -1.89%. The S&P 500 Index has returned 3.88% YTD 2016, but has declined since its August 15 closing high returning -4.38%. Monday opened mixed and closed down 1 basis point with utilities and real estate showing strength throughout the day and weakness shown by energy and health care. With weakness in foreign markets and volatility increasing in the equity markets, the S&P 500 Index showed its worst day of the week on Tuesday returning -0.68%. The downtrend continued Wednesday returning -0.64% as investors' contemplated many uncertainties such as the presidential election. Expectations of a December rate hike increased after the Federal Open Market Committee left rates unchanged as anticipated. Equity markets opened flat on Thursday, but began to slide a few hours into the trading day. The index returned -0.41% as investors continued to show their caution ahead of the jobs report and the upcoming election. US initial jobless claims of 265K were higher than the consensus estimate of 256K and higher than the previous week's 258K. Stocks advanced early through mid-day, but trended down the remainder of the trading day for a loss on Friday as the S&P 500 Index returned -0.16% marking the ninth straight day of losses. Crude oil closed the week at \$44.07 a barrel, declining 9.51% from the previous week's close. All eleven economic sectors had negative performance for the week. The materials sector was the best performing sector with a -0.65% return. The utilities and industrials sectors followed with -1.08% and -1.10% returns, respectively. The information technology sector's -2.74% return was the worst performance of all the sectors and was followed by telecommunication services and energy which returned -2.29% and -2.16%, respectively. **FMC Corp**, a diversified research company in the chemical industry, turned in the best performance in the S&P 500 Index with an 11.26% gain. The stock jumped 10.50% Thursday on earnings news released Wednesday after the close. The next two best performers were **Archer-Daniels-Midland Co.** and **NRG Energy Inc.** with returns of 7.64% and 7.09%, respectively.