

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.46 (-03 bps)	GNMA (30 Yr) 6% Coupon:	114-09/32 (1.03%)
6 Mo. T-Bill:	0.61 (-01 bps)	Duration:	4.20 years
1 Yr. T-Bill:	0.77 (-01 bps)	Bond Buyer 40 Yield:	4.43 (+15 bps)
2 Yr. T-Note:	1.10 (-02 bps)	Crude Oil Futures:	51.68 (+5.62)
3 Yr. T-Note:	1.38 (-02 bps)	Gold Spot:	1,175.10 (-3.30)
5 Yr. T-Note:	1.82 (-02 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.38 (-03 bps)	U.S. High Yield:	6.81% (+04 bps)
30 Yr. T-Bond:	3.06 (-06 bps)	BB:	5.18% (+04 bps)
		B:	6.76% (-04 bps)

Thursday of last week marked a 17 month high for 10 year Treasury yields before they slumped on Friday amid a mixed jobs report. The December 14th Federal Reserve meeting is expected to result in the Fed raising the benchmark Federal Funds rate and since the election bonds have been under substantial pressure resulting from increased expectations of a higher interest rate environment. Brent oil rose sharply last week as OPEC reached an accord to cut oil production among member countries. The deal represents the group's first supply cut in 8 years as they agreed to cut production by 1.2 million barrels a day in aggregate. Last Tuesday the Real GDP for Q3 was revised up to a 3.2% annualized growth rate primarily from strong personal consumption from US consumers. Wednesday's personal income report registered a .6% increase for October which was ahead of expectations led by private-sector wage growth. On Thursday the ISM Manufacturing Index rose to 53.2 for November which is indicative of continued expansion within the sector. Lastly, on Friday, the jobs report registered an increase in nonfarm payrolls for November but wages unexpectedly slipped .1%. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: October US Trade Balance (-\$41.7B, -\$5.3B), October Factory Orders (2.5%, +2.2%) and October Durable Goods Orders (4.8%, unch.); Wednesday: Prior week MBA Mortgage Applications; Thursday: Prior week Initial Jobless Claims (255,000, -13,000); Friday: October Wholesale Inventories (-.4%, unch.) and December's preliminary University of Michigan Sentiment reading (94.2, +.4).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	19,170.42 (0.22%)	Strong Sectors:	Energy, Financials
S&P 500:	2,191.95 (-0.91%)		Materials
S&P Midcap:	1,624.79 (-0.92%)	Weak Sectors:	Infor Tech, Consumer Disc.,
S&P Smallcap:	809.35 (-1.89%)		Telecomm
NASDAQ Comp:	5,255.65 (-2.62%)	NYSE Advance/Decline:	1,023 / 2,098
Russell 2000:	1,314.25 (-2.41%)	NYSE New Highs/New Lows:	462 / 178
		AAII Bulls/Bears:	43.8% / 25.1%

U.S. stocks retreated this week after the post-election rally ended last Friday. The S&P 500 returned -0.91% for the week and 9.45% YTD. Small cap stocks pulled back after a three week rally as the Russell 2000 traded down -2.4%. Energy stocks could not boost the rest of the index declines, most notably technology and consumer stocks. Wednesday, OPEC announced a production cut with crude jumping over \$4 and continued to rise though the end of the week. Markets were keyed into Friday's employment report which came in at consensus expectations and should provide enough information for the Federal Reserve's December meeting to keep the Fed on its projected path for a rate increase. **Transocean Ltd.**, an offshore driller, turned in the best performance in the S&P 500 Index with a 14.49% gain. The company moved higher after OPEC announced a production cut. The next two best performers were **Helmerich & Payne** and **Marathon Oil Corp** with returns of 14.15% and 11.79%, respectively.