

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.29 (+01 bps)	GNMA (30 Yr) 6% Coupon:	112-17/32 (2.15%)
6 Mo. T-Bill:	0.45 (+07 bps)	Duration:	3.72 years
1 Yr. T-Bill:	0.51 (+03 bps)	Bond Buyer 40 Yield:	4.05 (+04 bps)
2 Yr. T-Note:	0.74 (+03 bps)	Crude Oil Futures:	29.64 (+.20)
3 Yr. T-Note:	0.91 (unch.)	Gold Spot:	1226.30 (-94bps)
5 Yr. T-Note:	1.22 (+01 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.75 (unch.)	U.S. High Yield:	9.66% (-38 bps)
30 Yr. T-Bond:	2.61 (unch.)	BB:	6.73% (-37 bps)
		B:	9.82% (-31 bps)

Treasuries rose early in the week but slid on Friday, with the higher than expected January CPI reading, resulting in only a small price change despite generally positive equity market movements. Oil rose for the week but is still no higher than two weeks ago despite a Saudi and Russia agreement to cap production at January 2016 levels. Iran indicated it does not intend to participate in the agreement and crude oil production is expected to continue at record levels. Wednesday's major economic reports included the January Industrial Production numbers, the PPI and Housing Starts. Industrial production rose 0.9% in January, coming in well above the consensus expected increase of 0.4%. The Producer Price Index (PPI) rose 0.1% in January, coming in above consensus expectations for a decline of 0.2% despite continued low energy prices. Housing starts declined 3.8% in January with declines in both single-family starts as well as multi-family units. Friday's January CPI reading was unchanged, but better than expectations for a slight decline. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: February preliminary Markit US Manufacturing PMI; Tuesday: February Consumer Confidence Index (97.3, -.8) and January Existing Home Sales (5.34M, -.12M); Wednesday: Prior week MBA Mortgage Applications and New Home Sales; Thursday: Prior week Initial Jobless Claims (270K, +8K) and January preliminary Durable Goods Orders (2.6%, +7.6%); Friday: 4th Quarter Annualized QoQ GDP (.4%, -.3%), January Personal Income (.4%, +.1%) and Personal Spending (.3%, +.3%) and the University of Michigan final February Sentiment reading (91, +.3).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	16391.99 (2.75%)	Strong Sectors:	Cons. Discretionary, Info Tech, Industrials
S&P 500:	1917.78 (2.91%)	Weak Sectors:	Telecom, Utilities, Cons. Staples
S&P Midcap:	1305.68 (3.50%)	NYSE Advance/Decline:	2,683 / 516
S&P Smallcap:	620.28 (3.65%)	NYSE New Highs/New Lows:	76 / 116
NASDAQ Comp:	4504.429 (3.91%)	AAll Bulls/Bears:	27.6% / 37.8%
Russell 2000:	1010.011 (3.93%)		

The S&P 500 returned 2.91% in last week's holiday-shortened trading session. Currently the S&P trades at a P/E multiple of 17.28 and sports a dividend yield of 2.30%. Crude oil was up slightly. West Texas Intermediate rose to \$29.64 per barrel from \$29.44 in the previous week. Year to date, crude oil prices have dropped 19.98%. Gold prices took a pause last week falling .94% settling at \$1,226.30 per ounce. Through the end of last week, the price of gold has risen 15.53% year to date. Another recent bright spot in metals has been iron ore which closed the week at \$48.52 per ton, up 11.16%. Iron ore has risen 26.68% from its December 2015 lows. The S&P 500 Financials sector rebounded after weeks of underperformance returning 2.56%. In individual stock news, **Walmart** shares slid 2.30% last week after the company gave worse-than-expected sales guidance for 2016. In deal news, **ADT**, maker of home security systems, announced they would be acquired by **Apollo Global Management** for \$42 per share. This is a nearly 50% premium to the previous unaffected share price. Copper miner, **Freeport McMoran**, rose 23.14% last week on news the company would partially divest its stake in an Arizona mine for \$1 billion as the company seeks to pay down debt. Faring worse was retailer, **Nordstrom**. The company reported same-store sales fell 3% during the quarter causing shares to slide 6.73% on Friday. **VF Corp**, owner of the North Face and Timberland, reported disappointing holiday sales that missed analyst revenue expectations by 6%. Shares in the company dropped 4.40% last Friday. This week, investors will continue to make their way through earnings season. Companies reporting include **FitBit**, **JM Smucker**, **KraftHeinz**, **Chesapeake Energy**, **Campbell's Soup** and **Best Buy**.