

US Economy and Credit Markets			
3 Mo. T-Bill:	0.31 (+02 bps)	GNMA (30 Yr) 6% Coupon:	112-21/32 (2.10%)
6 Mo. T-Bill:	0.46 (+01 bps)	Duration:	3.72 years
1 Yr. T-Bill:	0.57 (+06 bps)	Bond Buyer 40 Yield:	4.06 (+01 bps)
2 Yr. T-Note:	0.79 (+05 bps)	Crude Oil Futures:	32.89 (+3.25)
3 Yr. T-Note:	0.92 (+02 bps)	Gold Futures:	1223.46 (-3.34)
5 Yr. T-Note:	1.24 (+01 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.76 (+01 bps)	U.S. High Yield:	9.33% (-33 bps)
30 Yr. T-Bond:	2.64 (+03 bps)	BB:	6.43% (-30 bps)
		B:	9.47% (-35 bps)

Treasury prices dropped slightly over the course of the week on a volatile equity market that ultimately ended higher and a significant rise in oil prices. On Monday, investors generally took a risk-on approach, led by a large rally in equities and oil, causing demand for safer assets, such as Treasuries, to drop. This risk-on approach reversed course on Tuesday and mid-way through Wednesday on a weak consumer confidence number and concerns the energy sector's struggles would spill over into the banking industry via energy company loans. Investors turned back to the safety of Treasuries. The mid-day rebound in oil prices on Wednesday and Thursday's rally pushed Treasuries lower again on concerns of gasoline supplies in the U.S. and news that officials in Venezuela would meet with oil producers to try to stabilize oil prices. Treasury prices dropped again on Friday on an upward revision to the 4th quarter economic growth rate. Oil prices increased 11% over the course of the week. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: February Chicago Purchasing Manager (52.5), January Pending Home Sales (0.5% MoM); Tuesday: February Final Market US Manufacturing PMI (51.2), February ISM Manufacturing (48.5), January Construction Spending (0.4% MoM); Wednesday: Prior Week MBA Mortgage Applications; Thursday: Prior Week Initial Jobless Claims (270,000), February Final Market Services PMI (50.0), February ISM Non-Manf. Composite (53.0), January Factor Orders (2.1%), January Final Durable Goods Orders; February Change in Nonfarm Payrolls (193,000), February Unemployment Rate (4.9%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	16,639.97 (+1.56%)	Strong Sectors:	Materials, Consumer Discretionary, Industrials
S&P 500:	1,948.05 (+1.63%)	Weak Sectors:	Utilities, Energy, Consumer Staples
S&P Midcap:	1,340.28 (+2.70%)	NYSE Advance/Decline:	2,358/ 833
S&P Smallcap:	637.42 (+2.81%)	NYSE New Highs/New Lows:	155/ 120
NASDAQ Comp:	4,590.47 (+1.93%)	AAll Bulls/Bears:	31.2% / 31.4%
Russell 2000:	1,037.18 (+2.73%)		

Stocks added to last week's gains, advancing on strong durable goods orders and stabilizing oil prices. Investor angst over weak global demand, a strong dollar and plunging commodity prices was tempered after orders for durable goods increased by 4.9% in January. In addition, traders bid up oil prices and other risky assets, despite Saudi Arabian Oil Minister Ali al-Naimi bluntly stating Saudi Arabia will not cut oil production. With earnings season nearly in the books, nearly 75% of S&P 500 members beat earnings estimates, while only 46% beat top line expectations. The S&P 500 is set to post declining earnings for the third straight quarter with earnings projected to decline 3.7% in the 4th quarter. However, results were better than the initial estimate of a 7% drop. In corporate news, **Texas Roadhouse, Inc.** gained over 14% for the week following better-than-expected earnings and food inflation abating. **FitBit, Inc.** lost over 20% following earnings as the maker of fitness tracking bands missed expectations and issued weak guidance due to lower demand for new products. Shares of **Salesforce.com, Inc.** surged after billings increased by 28% year over year and free cash flow increased by 50% for the fiscal year. In energy, **Chesapeake Energy Corp.** announced the divestiture of \$700MM in assets, which will be used to improve the balance sheet. **Encana Corp.** further reduced its capital expenditure budget for 2016, announced an additional 20% cut to its workforce, and a reduction of its dividend in an effort to improve its cash flow. Looking ahead to next week, Super Tuesday elections results, ISM Manufacturing Data and non-farm payroll will be likely market-moving events.

