

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.22 (-01 bps)	GNMA (30 Yr) 6% Coupon:	112-30/32 (1.73%)
6 Mo. T-Bill:	0.36 (+02 bps)	Duration:	3.81 years
1 Yr. T-Bill:	0.51 (-01 bps)	Bond Buyer 40 Yield:	3.94 (unch.)
2 Yr. T-Note:	0.74 (+04 bps)	Crude Oil Futures:	40.36 (+0.64)
3 Yr. T-Note:	0.89 (+06 bps)	Gold Spot:	1,233.99 (-6.70)
5 Yr. T-Note:	1.21 (+06 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.75 (+04 bps)	U.S. High Yield:	8.17% (-40 bps)
30 Yr. T-Bond:	2.56 (+01 bps)	BB:	5.61% (-20 bps)
		B:	7.90% (-33 bps)

Treasury prices fell slightly last week. Treasury prices are influenced by future expectations of how the Federal Reserve will handle key interest rates and based on current implied probabilities as indicated by futures contracts, there is slightly less than a 50% probability of another interest rate increase for 2016 being priced in by the market. Oil fell the last three days of last week in advance of major oil suppliers meeting in Doha to discuss freezing crude production at current levels. Iran is considered to be a key player in any potential production caps and it indicated, in advance of the summit, that it would not cap production as it currently has not re-attained pre-sanction output levels. On Wednesday, the Producer Price Index (PPI) was recorded falling .1% in March. Service prices fell, as margins declined among trade services, but goods prices rose along with the price of oil. The Wednesday Retail Sales report registered a decline of .3% in March which was primarily driven by a drop in volatile auto sales. Thursday's report of the Consumer Price Index indicated an increase of .1% in March driven by higher energy prices. The core consumer prices, which exclude food and energy, rose .1%; its 74<sup>th</sup> consecutive monthly increase. Falling energy prices have masked overall increases in prices. Finally, last Friday saw Industrial Production fall .6% in March and the auto sector also negatively impacted this report. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: March Housing Starts (1.17M, -10K); Wednesday: Prior week MBA Mortgage Applications, March Existing Home Sales (5.26M, +.18M); Thursday: Prior week Initial Jobless Claims (265K, +12K) and March Leading Index (-.4%, +.3%); Friday: Preliminary April Markit US Manufacturing PMI (52, +.5).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,897.46 (1.85%)	Strong Sectors:	Financials, Materials, Industrials
S&P 500:	2,080.73 (1.65%)	Weak Sectors:	Consumer Staples, Utilities, Telecommunication Services
S&P Midcap:	1,464.77 (2.66%)	NYSE Advance/Decline:	2,503 / 664
S&P Smallcap:	692.63 (3.02%)	NYSE New Highs/New Lows:	276 / 20
NASDAQ Comp:	4,938.22 (1.81%)	AAII Bulls/Bears:	27.8% / 24.9%
Russell 2000:	1,130.92 (3.08%)		

Last week the S&P 500 index returned 1.65%, regaining lost ground from the previous week. Though the index was down 10.27% through February 11, it currently sits in positive territory for 2016 with a 2.47% YTD return. Stocks were up early on Monday, but quickly reversed and declined to give the index a six point loss for the day with a -0.27% return. Oil prices jumped 4.48% Tuesday on comments from Saudi Arabia and Russia which helped energy stocks lead the way up as the S&P 500 index returned 0.97%. Stocks continued climbing on Wednesday as the index opened up and increased to the close returning 1.02%. Though month over month retail sales for March came in lower than expected, a positive earnings release from JPMorgan Chase & Co. helped build strength in financials and equities in general. Stocks were flat for Thursday with the index returning 3 basis points. US initial jobless claims of 253K were lower than the consensus estimate of 270K and lower than the previous week's 267K. Mixed economic news and lower than expected consumer sentiment kept stocks flat on Friday as the index lost 10 basis points. Crude oil closed the week at \$40.36 a barrel, increasing 1.61% from the previous week's close. Eight of the ten economic sectors had positive performance for the week. The financials sector was the best performing sector with a 3.97% return. The materials and industrials sectors followed with 3.14% and 2.07% returns, respectively. The consumer staples sector's -0.69% return was the worst performance of all the sectors and was followed by telecommunication services and utilities which returned -0.52% and 0.19%, respectively. **Chesapeake Energy Corp**, an oil and natural gas producer, turned in the best performance in the S&P 500 Index with a 60.37% gain. The stock jumped on Monday and Tuesday after announcing a renewed credit agreement to maintain its \$4 billion credit line. The next two best performers were **Southwestern Energy Co.** and **Freeport-McMoRan Inc.** with returns of 20.85% and 16.40%, respectively.