

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.20 (-05 bps)	GNMA (30 Yr) 6% Coupon:	112-07/32 (1.99%)
6 Mo. T-Bill:	0.38 (-01 bps)	Duration:	3.81 years
1 Yr. T-Bill:	0.55 (+01 bps)	Bond Buyer 40 Yield:	3.94 (-02)
2 Yr. T-Note:	0.77 (-06 bps)	Crude Oil Futures:	45.92 (+2.19)
3 Yr. T-Note:	0.91 (-10 bps)	Gold Spot:	1,290.50 (+61.8)
5 Yr. T-Note:	1.27 (-11 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.81 (-10 bps)	U.S. High Yield:	7.83% (-13 bps)
30 Yr. T-Bond:	2.66 (-07 bps)	BB:	5.46% (-03 bps)
		B:	7.63% (-07 bps)

Bond prices ended the week higher as the equity markets chewed through many mixed earnings reports. In its Wednesday statement Federal Reserve officials left the interest rates unchanged. The benchmark federal-funds rate will continue to be held between 0.25% and 0.50%. Cited by the statement was continued concerns regarding low domestic inflation, slowing overseas economic growth and the uncertainty related to the British potential exit from the European Union but labor market conditions were referenced as a strength. They will again meet in June. The Tuesday new durable goods report showed an increase of .8% in March versus an expected gain of 1.9%. The Q1 GDP estimates showed an increase in real GDP growth of .5% at an annual rate. This was less than the .7% consensus expectations. The price index increased at a .7% annual rate in Q1. Friday's Personal income report showed an increase of 0.4% in March and personal consumption rose .1% in March. Both were slightly below expectations but were positive indicating consumers continue enjoying stronger purchasing power. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: Final April Markit US Manufacturing PMI (50.8, unch.) and ISM Manufacturing (51.4, -.4); Wednesday: prior week MBA Mortgage Applications, April ADP Employment Change (196K, -4K), March US Trade Balance (-41.5B, +5.6B), March Factor Orders (.6%, +2.3%) and March Durable Goods Orders; Thursday: Prior week Initial Jobless Claims (263K, +6K); Friday: April Change in Nonfarm Payrolls (200K, -15K) and April Unemployment Rate (5%, unch.).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,773.64 (-1.28%)	Strong Sectors:	Utilities, Consumer Staples, Telecommunication Services
S&P 500:	2,065.30 (-1.24%)	Weak Sectors:	Information Technology, Health Care, Financials
S&P Midcap:	1,461.65 (-1.01%)	NYSE Advance/Decline:	1,639 / 1,528
S&P Smallcap:	694.56 (-1.05%)	NYSE New Highs/New Lows:	270 / 25
NASDAQ Comp:	4,775.36 (-2.65%)	AAII Bulls/Bears:	27.4% / 28.6%
Russell 2000:	1,130.85 (-1.37%)		

Last week the S&P 500 Index remained flat through midweek, but began a steep decline midday Thursday and continued to fade on Friday. The index posted a -1.24% return for the week closing April with a positive 39 basis point return. The index has gained 1.74% YTD through the end of April 2016. Monday showed a slight decrease with stocks declining 18 basis points as energy, materials and industrials created a drag on stocks. On Tuesday, index traded flat most of the day showing investor's caution ahead of the Federal Open Market Committee's rate decision. Stocks gained back the previous days' loss as the S&P 500 Index returned 19 basis points led by energy, materials and industrials, the previous day's losers. Apple missed earnings creating a drag on the information technology sector on Wednesday, though stocks were still able to return 17 basis points as the FOMC kept rates unchanged. Energy stocks were the big winners for the second straight day as oil prices jumped 6.31% over the two trading days. For the second straight day, information technology stocks led the way down on Thursday as activist Carl Icahn removed his exposure to Apple over concerns of the company's ability to expand in China due to their government's policies. Stocks had their worst day of the week returning -0.92%. US initial jobless claims of 257K were lower than the consensus estimate of 259K, but higher than the previous week's 247K. Stocks continued to decline on Friday on mixed company earnings and economic data as the S&P 500 Index returned -0.51%. Crude oil closed the week at \$45.92 a barrel, increasing 5.01% from the previous week's close. Six of the ten economic sectors had negative performance for the week. The utilities sector was the best performing sector with a 2.28% return. The telecommunication services and consumer staples sectors followed with 1.14% and 0.75% returns, respectively. The information technology sector's -3.57% return was the worst performance of all the sectors and was followed by health care and financials which returned -2.95% and -1.24%, respectively. **St. Jude Medical Inc.**, a cardiovascular medical device manufacturer and distributor, turned in the best performance in the S&P 500 Index with a 25.60% gain. The stock jumped over 25% on Thursday's announcement of their acquisition by Abbot Laboratories. The next two best performers were **National Oilwell Varco Inc.** and **Freeport-McMoRan Inc.** with returns of 23.13% and 19.97%, respectively.