

US Economy and Credit Markets			
3 Mo. T-Bill:	0.25 (-01 bps)	GNMA (30 Yr) 6% Coupon:	112-19/32 (1.81%)
6 Mo. T-Bill:	0.37 (+02 bps)	Duration:	3.79 years
1 Yr. T-Bill:	0.48 (-02 bps)	Bond Buyer 40 Yield:	3.76 (-02 bps)
2 Yr. T-Note:	0.65 (-05 bps)	Crude Oil Futures:	47.64 (-0.34)
3 Yr. T-Note:	0.76 (-07 bps)	Gold Spot:	1,320.00 (+27.50)
5 Yr. T-Note:	1.09 (-02 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.58 (-03 bps)	U.S. High Yield:	7.66% (unch.)
30 Yr. T-Bond:	2.43 (-01 bps)	BB:	5.45% (unch.)
		B:	7.70% (+02 bps)

Treasury yields fell to record lows last week as the U.K. unexpectedly ruled in favor of leaving the European Union. Yields finished higher on Monday stalling record-shattering declines in bond yields which had sent the German 10-year bond below zero for the first time on record. U.S government bonds pulled back on Tuesday after a five-year note auction drew relatively poor demand. Sales of previously owned homes rose to the highest level in over nine years in May. Housing demand continues to show signs of improvement as a firm labor market, rising wages and low interest rates have helped support growth in residential real estate. Initial jobless claims fell last week, indicating a strengthening labor market despite a recent deceleration in the pace of hiring. Investors piled into U.S government debt on Friday sending yields to record lows, as the U.K. referendum voted in favor of leaving the European Union. Orders for U.S. capital goods dropped unexpectedly in May by the most in three months, illustrating the weakness in investment even before the U.K. decision to leave the European Union damaged confidence. The decline was primarily due to military aircraft and motor vehicles. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: First Quarter GDP Annualized (1.0% QoQ), June Consumer Confidence Index (93.1); Wednesday: June 24th MBA Mortgage Applications, May Personal Income (0.3%), May Personal Spending (0.3%); Thursday: June 25th Initial Jobless Claims, June Chicago Purchasing Manager (50.8); Friday: June Markit US Manufacturing PMI, June ISM Manufacturing (51.4)

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	17,400.75 (-1.55%)	Strong Sectors:	Telecom, Utilities, Energy
S&P 500:	2,037.41 (-1.62%)	Weak Sectors:	Materials, Financials, Industrials
S&P Midcap:	1,457.59 (-1.51%)	NYSE Advance/Decline:	1,243/ 1,916
S&P Smallcap:	692.01 (-1.34%)	NYSE New Highs/New Lows:	391/ 73
NASDAQ Comp:	4,707.98 (-1.92%)	AAll Bulls/Bears:	22.0% / 35.2%
Russell 2000:	1,127.54 (-1.48%)		

U.S. stocks ended the week with their biggest one day drop in 10 months after 52% of UK voters decided in a referendum to exit the European Union. Before plunging 3.59% Friday, the S&P 500 had returned over 2% for the week through Thursday as the general consensus believed the U.K. would vote to remain in the European Union. The vote sent shockwaves through the global economy as investors sold risky assets around the world on concerns the Brexit will hinder global growth. The Euro Stoxx 50 Index fell 8.62% and the FTSE 100 Index declined by 3.15% following the vote. In other news, all 33 of the biggest U.S. banks passed the Federal Reserve's stress test. Each bank is put through a number of hypothetical tests to examine if they have enough capital to weather a severe economic shock. In economic news, durable goods orders declined by 2.2% and new homes sales declined after reaching an eight-year high last month. Turning to stock news, **Werner Enterprises** fell after pre-announcing disappointing quarterly results on higher contractor costs and muted demand. **Whiting Petroleum** lost ground after announcing plans to convert existing debt into mandatory convertible notes to improve the balance sheet. **HP Inc.** reduced its free cash flow guidance for the year on higher investment in the printing business. In merger news, **Telsa Motors, Inc.** offered to buy **SolarCity Corp.** for nearly \$3 billion dollars as CEO Elon Musk of **Tesla Motors, Inc.** and major shareholder of both companies stressed the importance of combining energy storage, solar power and electric cars. Looking ahead to the future, investor sentiment will likely drive the market in the near term as implications of the Brexit are digested by the market.

