

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.31 (+01 bps)	GNMA (30 Yr) 6% Coupon:	114-08/32 (1.30%)
6 Mo. T-Bill:	0.42 (+01 bps)	Duration:	3.87 years
1 Yr. T-Bill:	0.53 (+04 bps)	Bond Buyer 40 Yield:	3.81 (+03 bps)
2 Yr. T-Note:	0.70 (+03 bps)	Crude Oil Futures:	44.23 (-1.72)
3 Yr. T-Note:	0.83 (unch.)	Gold Spot:	1,322.41 (-15.04)
5 Yr. T-Note:	1.12 (+01 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.57 (+01 bps)	U.S. High Yield:	6.96% (-04 bps)
30 Yr. T-Bond:	2.28 (+02 bps)	BB:	4.89% (-04 bps)
		B:	7.04% (-03 bps)

The Treasury market had a pretty quiet week after the coup attempt in Turkey and upbeat economic data in the U.S. that caused prices to finish slightly lower. Treasury prices rose over the prior weekend as a military coup attempt in Turkey broke out Friday afternoon. However, the attempt was thwarted and things stabilized, causing Treasury prices to open on Monday only slightly higher than Friday. Throughout the week, several economic reports were positive, including: strong housing starts, strong existing home sales, better than expected earnings from technology companies and lower than expected initial jobless claims. This caused a slight increase in the market implied probability of a rate hike by the Federal Reserve in the meetings later this year, but probability for an increase in rates at next week's meeting stayed at 8%. Somewhat mitigating the drop in Treasury prices were poor economic reports in Europe and continuing uncertainty surrounding the European Union after the Brexit, causing investors to seek the safety of U.S. Treasuries, along with a 4% drop in oil prices. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: July Prelim. Markit US Manufacturing PMI (51.5); Tuesday: July Consumer Confidence Index (95.5), June New Home Sales (560,000); Wednesday: July 22 MBA Mortgage Applications, June Prelim. Durable Goods Orders (-1.1%), July 27 FOMC Rate Decision (0.50% Upper Bound); Thursday: July 23 Initial Jobless Claims (265,000); Friday: 2Q Annualized GDP (2.6% QoQ), 2Q Annualized Personal Consumption (4.3%), July Chicago Purchasing Manager (54.0), July Final U. of Michigan Sentiment (90.0).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	18,570.85 (0.35%)	Strong Sectors:	Information Technology, Utilities, Health Care
S&P 500:	2,175.03 (0.64%)	Weak Sectors:	Energy, Industrials, Consumer Staples
S&P Midcap:	1,552.34 (0.58%)	NYSE Advance/Decline:	1,986 / 1,151
S&P Smallcap:	741.86 (0.17%)	NYSE New Highs/New Lows:	510 / 19
NASDAQ Comp:	5,100.16 (1.41%)	AAll Bulls/Bears:	35.4% / 26.7%
Russell 2000:	1,212.89 (0.64%)		

Last week the S&P 500 Index posted a 0.64% return. After declining 10.27% the first six weeks of the year and posting a 2016 low on February 11, the index has reversed course hitting new all-time highs and returning 7.72% YTD. Though the equity markets were mixed Monday with information technology and materials stocks leading the charge and consumer staples and industrials causing some drag, the index posted a 0.24% gain. Materials and energy stocks declined on Tuesday as the strong dollar put pressure on commodity prices. Most sectors were in negative territory and the S&P 500 Index lost 14 basis points. Positive second quarter earnings news helped stocks climb in early trading on Wednesday. Information technology and health care were the big winners as the S&P 500 Index increased 0.44%. On Thursday, equities gave back most of the previous day's gains as the S&P 500 Index declined 36 basis points. Utilities and health care were the only sectors in positive territory while the industrials sector declined 1.03%. US initial jobless claims of 253K were lower than the consensus estimate of 265K and lower than the previous week's 254K. Stocks had their best day of the week on Friday as the S&P 500 Index closed at an all-time high of 2,175.03 and returned 0.46%. Crude oil closed the week at \$44.19 a barrel, declining 3.83% from the previous week's close. Six of the ten economic sectors had positive performance for the week. The information technology sector was the best performing sector with a 2.02% return. The utilities and health care sectors followed with 1.46% and 1.24% returns, respectively. The energy sector's -1.28% return was the worst performance of all the sectors and was followed by industrials and consumer staples which returned -0.76% and -0.45%, respectively. **Chesapeake Energy Corp.**, a natural gas and oil producer, turned in the best performance in the S&P 500 Index with a 21.95% gain. The next two best performers were **eBay Inc.** and **QUALCOMM Inc.** with returns of 15.76% and 11.69%, respectively.