

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.09 (-01 bps)	GNMA (30 Yr) 6% Coupon:	112-07/32 (2.22%)
6 Mo. T-Bill:	1.27 (+01 bps)	Duration:	4.11 years
1 Yr. T-Bill:	1.41 (-01 bps)	Bond Buyer 40 Yield:	4.03 (+04 bps)
2 Yr. T-Note:	1.59 (+01 bps)	Crude Oil Futures:	53.90 (+2.43)
3 Yr. T-Note:	1.72 (unch.)	Gold Spot:	1,273.35 (-7.12)
5 Yr. T-Note:	2.03 (+01 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.41 (+02 bps)	U.S. High Yield:	5.97 (+02 bps)
30 Yr. T-Bond:	2.92 (+02 bps)	BB:	4.53 (+02 bps)
		B:	6.00 (-04 bps)

Treasury yields rose over the course of the week with speculation on who President Donald Trump would pick to head the Federal Reserve, better than expected economic data and hints the European Central Bank would be more aggressive with tapering their quantitative easing programs. Janet Yellen's term ends in February and it is reported that she will be replaced as the head of the Fed with the two leading candidates being John Taylor, who is seen as very hawkish, and Jerome Powell, who is seen as more similar to Yellen. Treasury yields rose early in the week when it was reported that a show of hands of Republican senators favored Taylor when meeting with Trump. However, on Friday it was reported that Trump was still favoring Powell. Economic data also pushed yields higher as Markit PMI, Durable Goods Orders, New Home Sales and 3Q Annualized GDP (3.0% vs estimates of 2.6%) all came in higher than analyst forecasts. In Europe, reports suggested that the ECB would end their announced asset-buying program in September, causing yields to rise further. Oil also rose significantly on Friday and ended the week up 5% after comments from Saudi Arabia's Crown Prince supported higher oil prices and a cut in OPEC's production. Major economic reports (related consensus forecasts; prior data) for the upcoming week include Monday: September Personal Income (0.4%, 0.2%), September Personal Spending (0.8%, 0.1%); Tuesday: October Chicago Purchasing Manager (60.0, 65.2), October Conf. Board Consumer Confidence (121.0, 119.8); Wednesday: October ADP Employment Change (200k), October Final Markit US Manufacturing PMI (54.5, 54.5), October ISM Manufacturing (59.5, 60.8), November 1 FOMC Rate Decision (1.25%, 1.25%); Thursday: October 28 Initial Jobless Claims (235k, 233k); Friday: October Change in Nonfarm Payrolls (310k, -33k), October Unemployment Rate (4.2%, 4.2%); September Factory Orders (1.2%, 1.2%), September Final Durable Goods Orders (2.2% prior).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	23,434.19 (0.45%)	Strong Sectors:	Info Tech, Cons. Discretionary
S&P 500:	2,581.07 (0.23%)		Materials
S&P Midcap:	1,839.12 (0.27%)	Weak Sectors:	Cons. Staples, Health Care,
S&P Smallcap:	916.43 (0.30%)		Telecom
NASDAQ Comp:	6,701.26 (1.09%)	NYSE Advance/Decline:	1,192 / 1,879
Russell 2000:	1,508.32 (-0.06%)	NYSE New Highs/New Lows:	485 / 190
		AAll Bulls/Bears:	39.6% / 33.0%

Another week, another all-time high for equities. The S&P 500 closed the week at 2,581, which was a 0.23% gain. This marked the seventh week in a row that the index has closed at a weekly all-time high. Earnings season was in full swing last week as 194 constituents of the S&P 500 released their quarterly results. **Align Technology Inc.** was up over 17% for the week, as the dental equipment maker had very strong sales and profitability growth last quarter, which led to increased full year guidance going forward. **Amazon.com Inc.** was up 12% for the week, after they announced earnings and revenue above expectations and provided revenue guidance of \$56b-\$60.5b for next quarter, exceeding estimates. Amazon also announced they received a wholesale pharmacy license in at least 12 states, the news sent **CVS Health Corp.** down -9.8%, and **Walgreens Boots Alliance** down 5.3% for the week, and both closed Friday at 52 week lows. The S&P 500 Information Technology index closed at an all-time high as several of the largest names in the index reported positive results. **Microsoft Inc.** was up over 6% after the company beat on revenue and earnings. **Intel Corp.** was up 9% on the week after they announced revenue and earnings above estimates, in part because of their data center group is growing faster than analysts expected. There were also some negative earnings announcements. **Celgene Corp.** was down over -19% for the week after they announced one of their pipeline drugs experienced poor results. **Expedia Inc.** was down nearly -19% for the week after the company missed revenue estimates. Looking ahead to next week, earnings season will continue as 138 of the S&P 500 components are expected to announce financial results from last quarter.

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