

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.50 (-01 bps)	GNMA (30 Yr) 6% Coupon:	113-12/32 (1.83%)
6 Mo. T-Bill:	0.64 (-02 bps)	Duration:	4.22 years
1 Yr. T-Bill:	0.78 (-02 bps)	Bond Buyer 40 Yield:	4.22 (-05 bps)
2 Yr. T-Note:	1.14 (-04 bps)	Crude Oil Futures:	53.99 (+0.59)
3 Yr. T-Note:	1.39 (-08 bps)	Gold Spot:	1,256.90 (+19.30)
5 Yr. T-Note:	1.80 (-10 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.31 (-10 bps)	U.S. High Yield:	6.03% (-10 bps)
30 Yr. T-Bond:	2.95 (-07 bps)	BB:	4.75% (-06 bps)
		B:	6.03% (-12 bps)

Treasuries rose across the board last week as investors deemed a Federal Reserve rate increase in March to be unlikely. In Europe, German 2 year government bonds plumbed new lows amid the political uncertainty regarding 2017 elections: Of particular interest is France and the possibility of a victory by Ms. Le Pen; who favors pulling France out of the euro. Next Tuesday, President Trump will give his first major address to a joint session of congress and both the nation and investors will be listening for detailed proposals regarding the new administrations economic agenda. Investors will be looking for any details regarding tax policy, trade relations or any infrastructure investment proposals. The address will highlight major policy agenda items for 2017 which will require collaboration between both the administration and congress as much of Trump's work to date has been focused on unilateral policy actions he can take without congressional aid or approval. Gold continued its recent advance but oil stalled amid high inventories and domestic production increases. Both of last week's existing homes and new single-family home sales reports registered increases in January amid tight supply arising from low inventories. Major economic reports (and related consensus forecasts) for the upcoming week include: Tuesday: Q4 annualized QoQ GDP (2.1%, +.2%), February Chicago Purchasing Manager survey (53, +2.7) and February Conference Board Consumer Confidence survey (111, -.8); Wednesday: Prior week MBA Mortgage Applications, Personal Income (.3%, unch.), Personal Spending (.3%, -.2%), February ISM Manufacturing (56, unch.) and January MoM Construction Spending (.6%, +.8%); Thursday: Prior week Initial Jobless Claims (245,000).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	20,821.76 (0.99%)	Strong Sectors:	Utilities, Telecomm
S&P 500:	2,367.34 (0.73%)		REITs
S&P Midcap:	1,736.68 (0.15%)	Weak Sectors:	Energy, Financials,
S&P Smallcap:	853.19 (-0.21%)		Industrials
NASDAQ Comp:	5,845.31 -0.13%	NYSE Advance/Decline:	1,763 / 1,334
Russell 2000:	1,394.53 (-0.36%)	NYSE New Highs/New Lows:	449 / 41
		AAll Bulls/Bears:	38.5% / 32.3%

Stocks moved steadily higher for the fifth consecutive week. The S&P 500 is up over 6% for the year and the Dow Jones Industrial Average climbed to another record close at 20,821. The index has posted gains for 10 consecutive days. Large cap stocks drove performance in the market while Mid and Small cap indexes traded flat and lower for the week, respectively. Metals also moved higher as gold closed at \$1,255 an ounce, a level not observed since November of last year. The markets have moved higher in the face of an unclear view of the Trump administration's programs. Next week the President will address a joint session of Congress which should set the tone for markets in the following days. Despite the uncertainty with policy, the VIX at 11.47 is relatively low after spiking to 22 before the election last November and slowly moving lower for the past three months. In the S&P 500, Utilities stocks rose the most last week with only one name in the sector declining. Telecommunication Services and REITs also lifted the index. **Extra Space Storage** led the REIT index after reporting 4Q and full-year results that beat analysts' expectations. **HP Inc.**, a computing company, turned in the best performance in the S&P 500 Index with a 10.66% gain. The company moved higher after reporting higher profits and earnings than the street was expecting. Investor sentiment about the stock had been low as Meg Whitman's replacement Dion Weisler puts his stamp on the 78 year old company. The next two best performers were **First Solar Inc** and **Intuit Inc.**, with returns of 8.78% and 6.80%, respectively.

