US Economy and Credit Markets

3 Mo. T-Bill:	0.76 (+04 bps)	GNMA (30 Yr) 6% Coupon:	113-00/32 (2.04%)
6 Mo. T-Bill:	0.89 (+03 bps)	Duration:	4.22 years
1 Yr. T-Bill:	0.97 (-02 bps)	Bond Buyer 40 Yield:	4.24 (-06 bps)
2 Yr. T-Note:	1.26 (-06 bps)	Crude Oil Futures:	47.97 (-0.81)
3 Yr. T-Note:	1.53 (-07 bps)	Gold Spot:	1,243.57 (+14.31)
5 Yr. T-Note:	1.95 (-07 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.41 (-09 bps)	U.S. High Yield:	6.29% (+05 bps)
30 Yr. T-Bond:	3.01 (-10 bps)	BB:	4.99% (+03 bps)
		B:	6.25% (+06 bps)

Treasury prices rose to start the week following the previous week when the Federal Reserve did not signal a faster-than-expected pace of interest-rate hikes and maintained its expectations for inflation around its 2% annual target. On Tuesday, Treasuries rose for a third straight day as it appeared House Republicans would have difficulty passing a new health-care bill. The question over health-care policy raised doubts concerning President Trump's ability to implement business-friendly fiscal policies such as corporate tax cuts and higher infrastructure spending, expectations that have increased government bond yields since the election. These doubts caused investors to sell risky assets and buy government bonds. Treasuries rose again on Wednesday for a fourth straight day, extending the rally in government bonds. Moreover, the yield on the 10-year Treasury note relative to the 2-year note fell to near its lowest level since the election, signaling lower expectations of inflation and economic growth. The four-day streak ended on Thursday as Treasuries fell. On Friday, Treasuries rose as it became apparent that the health-care bill would not pass. This ended a week marked by increased demand for government bonds and heightened uncertainty over pro-growth policies. Meanwhile, orders for durable goods increased 1.7% in February over the prior month, topping expectations. Major economic reports (and related consensus forecasts) for the upcoming week include Tuesday: February Prelim. Wholesale Inventories (0.2% MoM), March Conference Board Consumer Confidence (114); Wednesday: March 24 MBA Mortgage Applications; Thursday: March 25 Initial Jobless Claims (245,000), Third 4Q GDP Annualized (2% QoQ); Friday: Final March University of Michigan Sentiment (97.6), February Personal Income (0.4%), February Personal Spending (0.2%), March Chicago Purchasing Manager (56.8).

US Equities

Weekly Index Performance:			Market Indicators:	
DJIA:	20,596.72	(-1.52%)	Strong Sectors:	Utilities, Real Estate, Consumer Staples
S&P 500:	2,343.98	(-1.42%)		
S&P Midcap:	1,694.41	(-2.12%)	Weak Sectors:	Financials, Telecom, Industrials
S&P Smallcap:	825.58	(-2.81%)		
NASDAQ Comp:	5,828.74	(-1.22%)	NYSE Advance/Decline:	1,186 / 1,923
Russell 2000:	1,354.64	(-2.63%)	NYSE New Highs/New Lows:	218 / 115
			AAII Bulls/Bears:	35.3% / 30.5%

Stocks fell for the week as Republicans delayed and then cancelled a vote on their health care bill. Many Republicans voiced their concern with the latest version, leading many investors to question the ability of the Trump administration to pass additional bills. Repeal and replace for the Affordable Care Act will be a good barometer of whether President Donald Trump will be able to pass policy changes like tax reform, infrastructure plans and deregulation. In economic news, durable goods orders increased by 1.7% in February, which beat expectations of a 1.4% gain. After rising to their highest level in a decade last month, existing home sales fell 3.7% in February as limited home inventory and higher prices are dampening some demand. The financial sector, the top-performing sector since the election in November, was the worst performing sector for the week as new fiscal stimulus, less regulation, and higher interest rates were all called into question this week with the cancelled healthcare vote. Turning to stock news, **Accenture PLC** shares traded lower after reporting a sales miss and bookings declined versus last year as many end markets outside of financial services face headwinds. Despite meeting earnings expectations, **Nike, Inc.** declined after top-line growth and worldwide futures orders disappointed investors. **Ally Financial Inc.** fell after warning profits could be hampered by declining used-car prices. **Hertz Global Holdings Inc.** and **Avis Budget Group Inc.** fell in sympathy. Looking ahead, with earnings season still a few weeks away, investors should remain focused on Washington politics.