

US Economy and Credit Markets			
3 Mo. T-Bill:	0.80 (-01 bps)	GNMA (30 Yr) 6% Coupon:	112-31/32 (2.05%)
6 Mo. T-Bill:	0.92 (-02 bps)	Duration:	4.17 years
1 Yr. T-Bill:	1.01 (-05 bps)	Bond Buyer 40 Yield:	4.16 (-04 bps)
2 Yr. T-Note:	1.21 (-08 bps)	Crude Oil Futures:	53.18 (+0.94)
3 Yr. T-Note:	1.41 (-10 bps)	Gold Spot:	1,287.92 (+33.39)
5 Yr. T-Note:	1.77 (-15 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.24 (-14 bps)	U.S. High Yield:	6.18% (+03 bps)
30 Yr. T-Bond:	2.89 (-12 bps)	BB:	4.77% (+01 bps)
		B:	6.22% (+04 bps)

A holiday-shortened week marked by heightened geopolitical concerns saw continued demand for government bonds, which is a reversal of their post-election sell-off. After the election, Treasuries declined on higher expectations for economic growth and inflation, but recent geopolitical headlines have caused investors to reevaluate their expectations and renewed demand for safe assets like government bonds. Notably, the yield on the U.S. 10-year Treasury note has fallen from a high of 2.6% in March to below 2.3%, currently. Of primary concern was escalating tensions between the U.S. and Russia and the U.S. and North Korea. Meanwhile, on Wednesday, President Trump said in an interview that he supports a "low-interest rate policy," which sent Treasuries higher. The Labor Department also said on Wednesday that import prices fell 0.2% in March, helping to stem inflation expectations and keep yields lower. Treasuries sold off to begin Thursday but rallied to end the holiday-shortened week after the U.S. used its largest nonnuclear bomb against ISIS, exacerbating investors' geopolitical concerns and increasing demand for government bonds. Elsewhere, the upcoming French presidential election has also contributed to investors' concerns, causing the spread between French government bond yields and German government bond yields to widen. Major economic reports (and related consensus forecasts and prior data) for the upcoming week include Monday: April Empire Manufacturing (15); Tuesday: March Industrial Production (0.5% MoM); Wednesday: April 14 MBA Mortgage Applications; Thursday: April 15 Initial Jobless Claims, March Leading Index (0.2%), April Philadelphia Fed Business Outlook (25).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	20,453.25 (-0.98%)	Strong Sectors:	Real Estate, Utilities, Consumer Staples
S&P 500:	2,328.95 (-1.11%)	Weak Sectors:	Financials, Materials, Industrials
S&P Midcap:	1,681.04 (-1.47%)	NYSE Advance/Decline:	1,300 / 1,768
S&P Smallcap:	815.62 (-1.42%)	NYSE New Highs/New Lows:	211 / 47
NASDAQ Comp:	5,805.15 (-1.23%)	AAll Bulls/Bears:	29.0% / 37.4%
Russell 2000:	1,345.24 (-1.40%)		

Equities lost ground during the Good Friday holiday-shortened week as investors evaluated geopolitical developments and weighed the start to corporate-earnings season. Markets are digesting increased tensions in North Korea, Syria, and Russia after a recent missile test by North Korea and the bombing of a Syrian government airbase by the United States. In economic news, wholesale prices slid in March for the first time since August 2016 as oil and gasoline prices fell. A number of the largest banks kicked-off earnings season on Thursday with the Wall Street-centric banks posting better results than their Main Street counterparts. **JP Morgan Chase** and **Citigroup's** investment banks benefited from strong trading results in fixed-income amid higher rates and security issuance. **Wells Fargo & Co.** reported disappointing results as new consumer accounts fell for the seventh consecutive month due in part to the firm scandal over opening unauthorized accounts for clients. The nation's largest home lender also saw a 23% decline in mortgage banking revenue as higher interest rates are limiting demand for refinancing. Shares of **Whole Foods Market** gained after an activist investor amassed a large position in the upmarket organic grocer. Janna Partners, the activist investor, is encouraging the management team to restructure operations and to potentially consider a sale. Looking ahead to next week, a number of bellwethers are set to report results including **Johnson & Johnson**, **United Health Care Inc.**, **Morgan Stanley** and **General Electric Co.** While investors have pushed out the timing on pro-growth reform from the Trump administration, a strong corporate-earnings season could power the market to new all-time highs as fundamentals will likely be the key cog for stocks.

