

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.659 (2.0 bps)	GNMA (30 Yr) 6% Coupon:	109-04/32 (3.38%)
6 Mo. T-Bill:	1.867 (3.4 bps)	Duration:	4.30 years
1 Yr. T-Bill:	2.019 (-1.9 bps)	Bond Buyer 40 Yield:	4.02 (2 bps)
2 Yr. T-Note:	2.258 (1.6 bps)	Crude Oil Futures:	62.04 (+0.79)
3 Yr. T-Note:	2.430 (3.4 bps)	Gold Spot:	1,323.93 (+1.18)
5 Yr. T-Note:	2.650 (2.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.894 (2.9 bps)	U.S. High Yield:	6.48 (-7 bps)
30 Yr. T-Bond:	3.158 (1.8 bps)	BB:	5.15 (-5 bps)
		B:	6.59 (-7 bps)

Investors were uneasy after a multitude of geopolitical events grabbed headlines last week. Treasury yields dropped Monday in the wake of the Italian election and continued uncertainty surrounding trade rhetoric out of Washington. The unrest following the resignation of economic advisor Gary Cohn along with European Central Bank President Mario Draghi's dovish statements drove Treasury yields even lower as investors fled equities. After much anticipation, President Donald Trump signed off on tariffs for steel and aluminum late Thursday with the terms softening the impact for U.S. neighbors Canada and Mexico. Treasury yields bounced back Friday after better than expected February nonfarm payrolls data. The U.S. economy added 313,000 jobs in February, well above the consensus of 205,000 and the largest increase in 19 months. This comes after the February ADP employment change beat consensus estimates by 35,000 jobs on Wednesday. The U.S. economy reported strong job growth despite average hourly earnings growth. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: February CPI MoM (0.2%, 0.5%); Wednesday: March 9 MBA Mortgage Applications (N/A, 0.3%), February Retail Sales Advance MoM (0.3%, -0.3%), February PPI Final Demand MoM (0.1%, 0.4%); Thursday: March Empire Manufacturing (15.0, 13.1), March 10 Initial Jobless Claims (225k, 231k); Friday: February Housing Starts (1288k, 1326k), February Industrial Production MoM (0.3%, -0.1%), March Preliminary University of Michigan Sentiment (99.0, 99.7).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,335.74 (3.34%)	Strong Sectors:	Industrials, Financials, Information Technology
S&P 500:	2,786.57 (3.59%)	Weak Sectors:	Utilities, Consumer Staples, Telecom Services
S&P Midcap:	1,949.06 (3.78%)	NYSE Advance/Decline:	2,442 / 632
S&P Smallcap:	970.26 (4.06%)	NYSE New Highs/New Lows:	217 / 139
NASDAQ Comp:	7,560.81 (4.20%)	AAll Bulls/Bears:	26.4% / 28.4%
Russell 2000:	1,597.14 (4.20%)		

Following an excellent January (+5.73%) and a dismal February (-3.69%), last week the S&P 500 Index returned 3.59% recording its second best week of trading in 2018. Equities have pushed back into positive territory (+4.63% YTD) after taking investors on a seesaw ride for 2018. Trade war fears, sparked the previous week by President Trump's proposed import tariffs on steel and aluminum, softened last week after some exemptions were revealed. Positive US economic news showed February nonfarm payroll increases of 313K, much higher than the expected 205K and January was revised up to 239K from the previously reported 200K. US initial jobless claims of 231K were higher than the consensus estimate of 220K and the previous week's 210K. Crude oil prices increased 1.29% and closed the week at \$62.04 per barrel. All sectors posted gains last week with the S&P 500 Industrials, Financials, and Information Technology Indexes leading the way with returns of 4.45%, 4.42%, and 4.30% respectively. The best performing stock for the week in the S&P 500 Index was **XL Group Ltd.**, a global insurer and reinsurer for industrial and commercial companies. The stock returned 28.57% last week due to the announcement that **AXA SA** had entered an agreement to acquire the company for \$57.60 per share, a 33% premium over the previous week's closing price. **Autodesk Inc.**, a producer of architectural design, mechanical design, and geographical PC software, jumped 14.87% on Wednesday after reporting a loss smaller than originally anticipated and many analysts increased their price targets. The company has transitioned to a subscription-based model helping increase their recurring revenue growth forecast. **Lam Research Corp.**, a manufacturer of semiconductor processing equipment used in making integrated circuits, posted a 15.92% return last week. On Tuesday, the information technology company announced a plan to return a minimum of 50% of free cash flow to shareholders over the next five years, increase their quarterly dividend by 120%, and repurchase an additional \$2 billion in shares. Next week will bring earnings news from **Adobe Systems Inc.**, **Broadcom Limited**, **Dollar General Corp.**, and **Ulta Beauty Inc.**

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