

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.661 (0.5 bps)	GNMA (30 Yr) 6% Coupon:	111-25/32 (2.33%)
6 Mo. T-Bill:	1.647 (2.8 bps)	Duration:	3.80 years
1 Yr. T-Bill:	1.586 (2.0 bps)	Bond Buyer 40 Yield:	3.62 (+01 bps)
2 Yr. T-Note:	1.618 (4.4 bps)	Crude Oil Futures:	56.66 (+2.88)
3 Yr. T-Note:	1.613 (5.8 bps)	Gold Spot:	1,504.63 (+14.58)
5 Yr. T-Note:	1.619 (5.2 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.794 (4.1 bps)	U.S. High Yield:	6.28 (-05 bps)
30 Yr. T-Bond:	2.287 (3.8 bps)	BB:	4.55 (-06 bps)
		B:	6.57 (-04 bps)

Treasury prices dropped moderately over the course of the week on trade negotiations and Brexit news. On Monday, President Donald Trump said that prospects of a U.S.-China trade deal were “coming along great,” which caused Treasury prices to drop. On Thursday, China pledged to buy \$20B of U.S. agricultural products if a phase-one deal is signed and, on Friday, the U.S. Trade Representative’s office said they were close to finalizing some sections of the phase one trade deal, causing a further drop in Treasury prices. On Monday, The U.K. House of Commons voted to agree in principle to Prime Minister Boris Johnson’s Brexit deal, but also rejected his short timeline, leading to continued uncertainty as there are still more negotiations to be had. Johnson then called for the U.K to hold a general election on December 12th after Brexit was blocked in Parliament, causing Treasury prices to rise. However, agreeing in principle and a suggestion of another election has reduced the probability of a no-deal Brexit. European Central Bank President Mario Draghi announced the central bank would leave rates unchanged at negative 0.5%. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: September Prelim. Wholesale Inventories MoM (0.3%, 0.2%); Tuesday: October Conf. Board Consumer Confidence (127.7, 125.1); Wednesday: October 25 MBA Mortgage Applications (n/a, -11.9%), October ADP Employment Change (105k, 135k), 3Q Annualized GDP QoQ (1.6%, 2.0%), October 300 FOMC Rate Decision Upper Bound (1.75%, 2.00%); Thursday: September Personal Income (0.3%, 0.4%), September Personal Spending (0.3%, 0.1%), October 26 Initial Jobless Claims (215k, 212k), October MNI Chicago PMI (48.4, 47.1); Friday: October Change in Nonfarm Payrolls (85k, 136k), October Unemployment Rate (3.6%, 3.5%), October Final Markit US Manufacturing PMI (51.5, 51.5), October ISM Manufacturing (49.0, 47.8), September Construction Spending MoM (0.2%, 0.1%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	26,958.06 (0.70%)	Strong Sectors:	Energy, Information Technology, Industrials
S&P 500:	3,022.55 (1.23%)	Weak Sectors:	Real Estate, Cons Discretionary, Communication Services
S&P Midcap:	1,959.22 (1.17%)		
S&P Smallcap:	968.12 (1.88%)		
NASDAQ Comp:	8,243.12 (1.90%)	NYSE Advance/Decline:	1,967 / 1,096
Russell 2000:	1,558.71 (1.52%)	NYSE New Highs/New Lows:	412 / 93
		AAll Bulls/Bears:	35.6% / 28.3%

The S&P 500 closed near a record high on Friday after news of a positive phone call between Treasury Secretary Steven Mnuchin and Chinese Vice Premier Liu He temporarily lifted the index into record territory. Technology stocks led the index on Friday after positive news from **Intel Corp** and **Apple Inc.** hit an all-time high. **Amazon.com Inc** reported much lower than expected earnings while staying upbeat on the future of the company. On the West Coast, California wildfires have triggered a state of emergency. Utility company **PG&E** has announced plans to cut electricity to 850,000 customers in the affected areas as ferocious winds have increased the risk of electrical fires. Back in the Midwest, **General Motors** employees ratified the labor agreement that was reached with the United Auto Workers. The latest GM strike has cost the company almost \$2 billion dollars. According to insiders, after the GM agreement was finalized, the UAW now has its sights set on **Ford Motor Co.** Social media stocks were closely watched this week as both **Facebook** and **Twitter** had price moving headlines. On Wednesday, Facebook CEO Mark Zuckerberg was on Capitol Hill to discuss his company’s involvement with a proposed cryptocurrency named Libra. The exchange quickly veered into other criticisms of the platform focusing much of the conversation around political and government influence. The next day, Twitter announced its third-quarter results and fourth-quarter outlook. Both measures disappointed investors and the stock dropped over 20% to close out the week. Looking ahead to next week, the strength of the consumer will be in focus as wholesale and retail inventories are released on Monday with home sales and mortgage applications coming on Tuesday and Wednesday.

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