

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.577 (1.5 bps)	GNMA (30 Yr) 6% Coupon:	110-08/32 (2.76%)
6 Mo. T-Bill:	1.575 (0.3 bps)	Duration:	3.76 years
1 Yr. T-Bill:	1.557 (2.3 bps)	Bond Buyer 40 Yield:	3.62 (-2 bps)
2 Yr. T-Note:	1.628 (1.8 bps)	Crude Oil Futures:	57.77 (0.05)
3 Yr. T-Note:	1.609 (-0.3 bps)	Gold Spot:	1,461.93 (-6.28)
5 Yr. T-Note:	1.624 (-2.3 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.771 (-6.0 bps)	U.S. High Yield:	6.44 (7 bps)
30 Yr. T-Bond:	2.221 (-8.4 bps)	BB:	4.64 (1 bp)
		B:	6.69 (5 bps)

Treasury prices were mixed over the course of the week as short-term yields rose and long-term yields fell on mixed news of a phase-one trade deal between the U.S. and China. Early in the week, Treasury prices rose as there was pessimism of a trade deal from government sources in China. CNBC reported that odds of a trade deal were low without rolling back existing tariffs. The Wall Street Journal reported that talks were in danger of hitting an impasse and Reuters reported that a deal is unlikely before the end of the year. China accused the U.S. of meddling in domestic affairs when Congress passed a bill requiring the U.S. Secretary of State to certify Hong Kong was sufficiently independent from Beijing every year. However, Treasury prices dropped later in the week with increased optimism for a trade deal. On Thursday, it was reported that Beijing was pushing to have advance talks for a partial trade deal. The sticking points are reported to be guaranteed agricultural purchases by China from the U.S. and stronger technology language in China law without guaranteed tariff rollback by the U.S. In Europe, several purchasing managers' surveys suggested a slowdown of business activity in the Eurozone and the United Kingdom. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: October Prelim. Wholesale Inventories MoM (n/a, -0.4%), October New Home Sales (708k, 701k), November Conf. Board Consumer Confidence (127.0, 125.9); Wednesday: November 22 MBA Mortgage Applications (n/a, -2.2%), 3Q S GDP Annualized QoQ (1.9%, 1.9%), October Prelim. Durable Goods Orders (-0.7%, -1.2%), November 23 Initial Jobless Claims (220k, 227k), October Personal Income (0.3%, 0.3%), October Personal Spending (0.3%, 0.2%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	27,875.62 (-0.41%)	Strong Sectors:	Health Care, Financials, Utilities
S&P 500:	3,110.29 (-0.29%)	Weak Sectors:	Materials, Real Estate, Industrials
S&P Midcap:	1,985.87 (-0.72%)	NYSE Advance/Decline:	1,181 / 1,870
S&P Smallcap:	972.13 (-1.05%)	NYSE New Highs/New Lows:	272 / 170
NASDAQ Comp:	8,519.89 (-0.20%)	AAll Bulls/Bears:	34.2% / 29.0%
Russell 2000:	1,588.94 (-0.46%)		

After six weeks of gains beginning in early October, the S&P 500 Index declined 29 basis points last week. Equities saw stable trading until Wednesday when the index dropped approximately 20 points in midday trading, though recovered some of the loss by the close. The index fell on reports that a United States and China trade deal could be delayed until next year following retaliatory threats from China over a U.S. congressional bill showing support for an autonomous Hong Kong. That evening, the U.S. House of Representatives passed the Hong Kong Human Rights and Democracy Act drawing criticism from China and causing stocks to open lower on Thursday over trade concerns. Equities recovered slightly on Friday after U.S. President Trump claimed to be very close to a trade deal. Crude oil was about even for the week with an increase of 0.09%, closing at \$57.77 per barrel. University of Michigan Consumer Sentiment Index came in higher than expected on Friday, reporting a four-month high. U.S. initial jobless claims of 227K were higher than the consensus estimate of 218K and the previous week's claims of 225K. Retailers hit both ends of the performance spectrum in the S&P 500 Index last week with **Target Corp** showing the best return of 12.87%, while **Kohl's Corp** showed the worst declining 20.45%. Both companies moved on their respective earnings announcements with **Target Corp** beating and **Kohl's Corp** missing earnings expectations. **The Charles Schwab Corp** climbed 8.68% last week on reports that the discount broker is in talks to acquire rival **TD Ameritrade Holding Corp** which jumped 16.92% on Thursday's news. Competition has increased in the space with the lowering of commissions to attract more investors' assets. On October 1, **TD Ameritrade Holding Corp** declined over 25% and **E\*TRADE Financial Corp** declined over 16% after **The Charles Schwab Corp** eliminated commissions for online trades. Earnings announcements expected this week include **Deere & Co**, **Analog Devices Inc.**, **Autodesk Inc.**, **HP Inc.**, **Dollar Tree Inc.**, and a few others.

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