

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.525 (-2.8 bps)	GNMA (30 Yr) 6% Coupon:	110-07/32 (2.76%)
6 Mo. T-Bill:	1.534 (-2.3 bps)	Duration:	3.71 years
1 Yr. T-Bill:	1.521 (-2.6 bps)	Bond Buyer 40 Yield:	3.55 (-2 bps)
2 Yr. T-Note:	1.495 (-6.5 bps)	Crude Oil Futures:	54.19 (-4.35)
3 Yr. T-Note:	1.476 (-9.2 bps)	Gold Spot:	1,571.53 (14.29)
5 Yr. T-Note:	1.504 (-11.6 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.684 (-13.8 bps)	U.S. High Yield:	6.00 (11 bps)
30 Yr. T-Bond:	2.132 (-14.8 bps)	BB:	4.35 (6 bps)
		B:	6.09 (11 bps)

Treasury prices rose significantly over the course of the week on a continuing outbreak of the coronavirus and Eurozone economic news. On Tuesday, the first case of the coronavirus was diagnosed in the U.S. after it broke out in China earlier in the month, with at least 80 deaths attributable to the health issue. On Wednesday and Thursday, China had a strong response to the outbreak, shutting down some public transportation and later locking down the city of origin and two neighboring cities. On Friday, several more cases were reported in the U.S., along with other countries in Europe and Asia, leaving people to worry about a SARS-like outbreak that killed more than 800 people in Asia in 2003. This led investors to seek the perceived safety of Treasuries. The European Central Bank announced on Thursday that the benchmark deposit rate would remain at negative 0.5% and on Friday Manufacturing PMI beat expectations, leaving investors less concerned about the Eurozone. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: December New Home Sales (730k, 719k); Tuesday: December Prelim. Durable Goods Orders (0.5%, -2.1%), January Conf. Board Consumer Confidence (128.0, 126.5); Wednesday: January 24 MBA Mortgage Applications, December Prelim. Wholesale Inventories MoM (-0.2%, 0.1%), January 25 FOMC Rate Decision Upper Bound (1.75%, 1.75%); Thursday: 4Q GDP Annualized QoQ (2.1%, 2.1%), January 25 Initial Jobless Claims (215k, 211k); Friday: December Personal Income (0.3%, 0.5%), December Personal Spending (0.3%, 0.4%), January MNI Chicago PMI (48.9, 48.9), January Final U. of Michigan Sentiment (99.1, 99.1).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	28,989.73 (-1.22%)	Strong Sectors:	Utilities, Real Estate, Info Tech
S&P 500:	3,295.47 (-1.01%)	Weak Sectors:	Energy, Materials, Financials
S&P Midcap:	2,065.15 (-1.44%)	NYSE Advance/Decline:	1,084 / 1,920
S&P Smallcap:	1,015.98 (-2.23%)	NYSE New Highs/New Lows:	538 / 76
NASDAQ Comp:	9,314.91 (-0.79%)	AAll Bulls/Bears:	45.6% / 24.8%
Russell 2000:	1,662.23 (-2.19%)		

The widening outbreak of the coronavirus rattled investors, leading to the biggest weekly decline in the S&P 500 since August. The virus has led to 80 deaths in China and five cases have been reported in the U.S. Investors worry a breakout like the SARS virus could lead to a global slowdown. With earnings season in full swing for financials, **American Express Co.** guided above most analysts' estimates after increasing benefits on some cards and predicting "more rational" value propositions from key competitors. By contrast, **Discover Financial Services** tumbled after announcing a large increase in spending in the coming year on marketing and technology to mitigate loan losses. **Citizens Financial Group** moved lower amid a mixed quarter as net interest income remained relatively flat on lower interest rates. In other earnings announcements, shares of **Intel Corp.** were a bright spot on robust growth from PC and data center processors. **International Business Machines Corp.** gained after reporting an increase in quarterly sales, snapping a long streak of shrinking revenues. Looking ahead to next week, investors will be watching the spread of the coronavirus and a number of key earnings announcements including **Apple Inc.**, **Starbucks Corp.** and **3M Co.** Economic news will also be center stage with the first reading of fourth-quarter GDP and the Fed's January meeting.

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