

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.094 (0.7 bps)	GNMA (30 Yr) 6% Coupon:	109-24/32 (3.00%)
6 Mo. T-Bill:	0.114 (1.5 bps)	Duration:	3.68 years
1 Yr. T-Bill:	0.127 (1.5 bps)	Bond Buyer 40 Yield:	3.62 (3 bps)
2 Yr. T-Note:	0.153 (2.4 bps)	Crude Oil Futures:	40.60 (3.55)
3 Yr. T-Note:	0.198 (3.3 bps)	Gold Spot:	1,930.40 (30.56)
5 Yr. T-Note:	0.337 (5.1 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.774 (7.3 bps)	U.S. High Yield:	5.83 (-28 bps)
30 Yr. T-Bond:	1.572 (8.5 bps)	BB:	4.45 (-26 bps)
		B:	6.10 (-28 bps)

U.S. government bond yields rose last week, with longer-term yields rising more than shorter-term yields, on hopes for fresh stimulus to boost the U.S. economy. Yields rose sharply on Monday but reversed on Tuesday after President Trump said he was postponing stimulus talks until after the election. On Friday, however, White House economic adviser Larry Kudlow said the president approved a revised \$1.8 trillion stimulus proposal that would include aid for airlines and small businesses as well as funds for direct checks. In economic data, initial jobless claims for the week ended October 3<sup>rd</sup> were 840,000, which was above expectations. Weekly jobless claims have recovered significantly since spring but have remained between 800 and 900 thousand since August, a level that is still above the pre-pandemic high of 695,000. The September ISM Services Index beat expectations, however, showing growth in the services sector for the fourth consecutive month following two months of contraction in April and May. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: September CPI MoM (0.2%, 0.4%); Wednesday: October 9 MBA Mortgage Applications (N/A, 4.6%), September PPI Final Demand MoM (0.2%, 0.3%); Thursday: October 10 Initial Jobless Claims (825k, 840k), October Empire Manufacturing (14.0, 17.0); Friday: October Preliminary U. of Mich. Sentiment (80.5, 80.4), September Retail Sales Advance MoM (0.8%, 0.6%), September Industrial Production MoM (0.6%, 0.4%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	28,586.90 (3.31%)	Strong Sectors:	Materials, Energy, Information Technology
S&P 500:	3,477.13 (3.89%)	Weak Sectors:	Real Estate, Consumer Staples, Communication Services
S&P Midcap:	1,996.36 (4.94%)	NYSE Advance/Decline:	2,407 / 723
S&P Smallcap:	926.19 (5.69%)	NYSE New Highs/New Lows:	325 / 78
NASDAQ Comp:	11,579.94 (4.57%)	AAII Bulls/Bears:	34.7% / 39.0%
Russell 2000:	1,637.55 (6.40%)		

The S&P 500 Index returned 3.89% last week, its best performance since the shortened holiday week ending July 2. October has shown a welcoming start for equity investors following a disappointing September. After recording an all-time closing high on September 2, the index slid over a three-week period posting a -3.80% return for the month, its first negative monthly performance since March. Equities opened up on Monday on news that President Trump was recovering from coronavirus symptoms and could be leaving the Walter Reed hospital later that evening. The positive trend was reversed Tuesday afternoon when President Trump tweeted he was stopping stimulus negotiations until after the election causing the index to decline over 2.00% in the last 75 minutes of trading. Stocks were headed back up on Wednesday on hopes that some stimulus could still occur as President Trump encouraged lawmakers to provide immediate approval of \$25 billion for the airline industry, aid for small businesses, and \$1,200 stimulus checks for jobless Americans, in contrast to the large comprehensive aid package of \$2.2 trillion proposed by Speaker Nancy Pelosi. All sectors were positive last week with the top sectors being materials and energy which was helped by the rise in oil prices due to Hurricane Delta. Crude oil closed at \$40.60 per barrel on Friday, climbing 9.58% for the week. Top energy names included **Cabot Oil & Gas Corp**, **Halliburton Company**, **TechnipFMC PLC**, and **Occidental Petroleum Corp**, and top materials names included **Corteva Inc.**, **Martin Marietta Materials Inc.**, **LyondellBasel Industries NV**, and **PPG Industries Inc.** Information technology company **Xilinx Inc.** posted the best performance in the index last week, returning 17.89%. The stock jumped Friday on news that **Advanced Micro Devices Inc.**, also known as **AMD**, is in talks to acquire the smaller semiconductor company. **Domino's Pizza Inc.** posted the worst performance in the index last week, returning -9.87%. The stock dropped on Thursday after missing earnings estimates. Earnings announcements expected this week include **Johnson & Johnson**, **UnitedHealth Group Inc.**, **JPMorgan Chase & Company**, **Bank of America Corp**, **Honeywell International Inc.**, **Wells Fargo & Company**, and many others.

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