

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.084 (-0.3 bps)	GNMA (30 Yr) 6% Coupon:	111-25/32 (2.44%)
6 Mo. T-Bill:	0.091 (unch.)	Duration:	3.68 years
1 Yr. T-Bill:	0.117 (unch.)	Bond Buyer 40 Yield:	3.56 (-1 bp)
2 Yr. T-Note:	0.179 (2.6 bps)	Crude Oil Futures:	40.13 (2.99)
3 Yr. T-Note:	0.234 (3.7 bps)	Gold Spot:	1,899.20 (-62.15)
5 Yr. T-Note:	0.406 (4.5 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	0.896 (7.8 bps)	U.S. High Yield:	5.59 (-7 bps)
30 Yr. T-Bond:	1.647 (4.7 bps)	BB:	4.23 (-1 bp)
		B:	5.95 (-7 bps)

Longer-term Treasury yields started last week significantly higher, pushing the yield curve to its steepest level in three years, but fell for the remainder of the week. Monday's news that Pfizer's Covid-19 vaccine showed better-than-expected results in its latest trials sent Treasury yields surging on hopes for higher economic growth. However, multiple days of record coronavirus cases in the U.S. as the week progressed offset some of Monday's yield increases on concerns that more lockdowns and economic restrictions would be imposed. The University of Michigan's Consumer Sentiment Index fell in early November, coming in below expectations. The decline in sentiment was due to lower expectations among Republicans following the election as well as the recent surge in coronavirus cases. The Consumer Price Index was unchanged in October compared to the prior month following four straight months of gains, which was below expectations. The index rose 1.2% compared to last year, which was slightly lower than the 1.4% 12-month rise in September. The job market continued its steady recovery with initial jobless claims falling for the fourth consecutive week. Meanwhile, continued claims, or the number of people receiving unemployment benefits, fell below 7 million for the first time since March. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: November Empire Manufacturing (14.0, 10.5); Tuesday: October Retail Sales Advance MoM (0.5%, 1.9%), October Industrial Production MoM (1.0%, -0.6%); Wednesday: November 13 MBA Mortgage Applications (N/A, -0.5%), October Housing Starts (1,455k, 1,415k); Thursday: November 14 Initial Jobless Claims (710k, 709k), October Existing Home Sales (6.45m, 6.54m), October Leading Index (0.7%, 0.7%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	29,479.81 (4.19%)	Strong Sectors:	Energy, Financials, Industrials
S&P 500:	3,585.15 (2.21%)	Weak Sectors:	Materials, Comm. Services, Cons. Discretionary
S&P Midcap:	2,113.26 (4.32%)	NYSE Advance/Decline:	2,559 / 619
S&P Smallcap:	994.29 (7.51%)	NYSE New Highs/New Lows:	431 / 40
NASDAQ Comp:	11,829.29 (-0.53%)	AAll Bulls/Bears:	55.8% / 24.9%
Russell 2000:	1,744.04 (6.12%)		

Equity markets closed last week at all-time highs. Monday, equities had their biggest jump as the S&P 500 Index rallied over 3% on the open after **Pfizer Inc.** announced their COVID-19 vaccine was 90% effective and they would be able to deliver some 25m doses before year end. The reopening trade went wild as **Marriott International**, **Live Nation Entertainment**, **Expedia Group Inc.**, **Norwegian Cruise Line Holdings** and **Carnival Cruise Lines** all traded up more than 15% last week. Value stocks rallied as lagging companies had renewed hope of returning to pre-pandemic operations. According to Bloomberg's factor model, momentum had its worst day ever recorded. In general, beleaguered companies received a significant boost that soon a safe and effective vaccine would offer relief from the economic stress of the COVID pandemic. Stocks faded some mid-week as U.S. COVID cases climbed to all-time highs. Risks have grown that vaccine relief might be too late which eroded some of Monday's gains. However, the S&P 500 Index closed Friday up 1.5% as **Moderna Inc.** released some data about their vaccine trial that seemed to indicate very positive results. More data is needed and doses delivered but if the first two vaccines both prove effective and millions of doses delivered this pandemic might start to ease sooner than later. Earnings season wound down as 25 names in the S&P 500 announced quarterly results. Among them were **The Walt Disney Co.**, which rallied 8.5% last week. They announced their Disney+ streaming service had user growth that outpaced analyst expectations. **CVS Health Corp.** announced Q3 revenue of \$67B besting analyst expectations while they also raised full year guidance and had same store sales growth of 5.7% all which helped boost their stock 9.3% last week. **Cisco Systems Inc.** rallied 10.3% last week after announcing quarterly revenue and earnings above analyst expectations as well as boosting their revenue estimates for next quarter. Looking ahead to next week, further vaccine news, COVID positivity rates and economic data on jobs, housing and manufacturing are all likely to impact equity markets.

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