

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.038 (-1.0 bps)	GNMA (30 Yr) 6% Coupon:	108-29/32 (3.59%)
6 Mo. T-Bill:	0.061 (0.5 bps)	Duration:	3.99 years
1 Yr. T-Bill:	0.127 (0.8 bps)	Bond Buyer 40 Yield:	3.47 (-2 bps)
2 Yr. T-Note:	0.401 (-9.6 bps)	Crude Oil Futures:	81.27 (-2.30)
3 Yr. T-Note:	0.657 (-9.6 bps)	Gold Spot:	1,818.36 (+34.98)
5 Yr. T-Note:	1.056 (-12.8 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.451 (-10.1 bps)	U.S. High Yield:	4.75 (-1 bp)
30 Yr. T-Bond:	1.887 (-4.6 bps)	BB:	3.73 (-1 bp)
		B:	5.26 (-3 bps)

U.S. Treasury bond yields were mostly down last week as investors digested the Federal Reserve's announcement and Friday's jobs report. The long end of the yield curve increased in response to the Federal Reserve's announcement on Wednesday. The Federal Reserve announced they will start tapering or reducing their asset purchases per month. When questioned about interest rates, Federal Reserve Chairman Jerome Powell stated rate hikes could happen in the back half of next year, but the Federal Reserve will remain "data dependent" in their decisions. Regarding inflation, Jerome Powell and the Federal Reserve's certainty in inflation being transitory continues to wane as higher prices persist. The week wrapped up with Friday's stronger than expected jobs report. Nonfarm payrolls increased by 531,000 in October, well above the expected 450,000, and the unemployment rate dropped 20 basis points last month to 4.6%. Though topline jobs data beat expectations, Treasury yields dropped at the end of the week as stale labor force participation and impending vaccine mandates cloud the outlook. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: October NFIB Small Business Optimism (99.3, 99.1), October PPI Final Demand MoM (0.6%, 0.5%), October PPI Final Demand YoY (8.7%, 8.6%); Wednesday: November 5 MBA Mortgage Applications (N/A, -3.3%), November 6 Initial Jobless Claims (263k, 269k), October 30 Continuing Claims (N/A, 2105k), October CPI MoM (0.5%, 0.4%), October CPI YoY (5.8%, 5.4%), September Final Wholesale Inventories MoM (1.1%, 1.1%), October Monthly Budget Statement (N/A, -\$61.5b); Friday: November Preliminary University of Michigan Sentiment (72.5, 71.7).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	36,327.95 (1.43%)	Strong Sectors:	Cons. Discretionary, Materials,
S&P 500:	4,697.53 (2.03%)		Cons. Staples
S&P Midcap:	2,905.11 (4.00%)	Weak Sectors:	Utilities, Financials,
S&P Smallcap:	1,465.74 (6.50%)		Health Care
NASDAQ Comp:	15,971.59 (3.08%)	NYSE Advance/Decline:	2,490 / 1,021
Russell 2000:	2,437.08 (6.11%)	NYSE New Highs/New Lows:	549 / 93
		AAII Bulls/Bears:	41.5% / 26.0%

The S&P 500 Index returned 2.03% last week after closing Friday at all-time highs. Equities rallied on positive economic data and strong corporate earnings. The reopen trade rallied Friday after **Pfizer Inc.** announced results on a new therapeutic for COVID-19, which reduced hospitalizations and deaths by 89% for unvaccinated patients. They planned on submitting Bourla for FDA authorization by Thanksgiving lifting their stock 10.86% on Friday. Predictably this sent other COVID vaccine and treatment names down as **Moderna Inc.** returned -16.56%, **Merck & Co. Inc.** -9.86% and **Johnson & Johnson** -0.71%. Reopen names that rallied Friday were **Expedia Group Inc.** returning 15.63%, **Live Nation Inc.** 15.14%, **Royal Caribbean Cruise LTD** 8.95% and **United Airlines Inc.** 7.26%. Last week earnings season reached full tilt after 183 names in the S&P 500 announced quarterly results. **QUALCOMM Inc.** returned 22.54% after they announced earnings and revenue above expectations and boosted guidance for next quarter. Their positive outlook has been fueled by greater access to chip supply, giving the general market hope that the semiconductor crunch might be easing. Networking solutions company **Arista Networks Inc.** rallied 29.50% after announcing strong revenue and earnings along with a large stock buyback. They expressed that visibility has improved in their supply of chips and they increased their guidance moving forward. Not all earnings announcements were positive. Popular video game company **Activision Blizzard Inc.** fell 13.25% after announcing earnings and revenue inline with expectations but revealed that they would delay releasing Diablo IV and Overwatch 2 because of talent retention issues. **Peloton Interactive Inc.** fell 35.35% on Friday after announced earnings and revenue that missed earnings and slashed their expectations going forward because they had underestimated the impact of reopening on their business. Looking ahead to next week earnings season is winding down as 20 names in the S&P 500 are expected to report. Notable names expected to report include **Berkshire Hathaway Inc.**, **The Walt Disney Co.**, **PayPal Inc.**, **Johnson Controls Holdings**.

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