

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	3.247 (6.5 bps)	Bond Buyer 40 Yield:	5.03 (12 bps)
6 Mo. T-Bill:	3.903 (4.5 bps)	Crude Oil Futures:	79.49 (+0.75)
1 Yr. T-Bill:	3.933 (-12.8 bps)	Gold Spot:	1,660.61 (+16.67)
2 Yr. T-Note:	4.279 (7.8 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.288 (6.5 bps)	US High Yield:	9.62 (39 bps)
5 Yr. T-Note:	4.090 (11.1 bps)	BB:	7.83 (28 bps)
10 Yr. T-Note:	3.829 (14.4 bps)	B:	9.96 (45 bps)
30 Yr. T-Bond:	3.780 (17.4 bps)		

Last week, Treasury yields generally closed higher following another bout of market volatility. Early in the week, the new UK government's stimulative tax cuts roiled financial markets. The price of the 30-year British bond collapsed by an unprecedented 24% and fears of a financial shock spread across the country before the BOE announced on Wednesday it would step in and buy long-dated bonds to restore calm. The move reverberated throughout global markets helping send U.S. yields sharply lower on Wednesday. U.S. economic news during the week generally portrayed a stronger-than-expected economy. On Tuesday, data showed August Durable Goods orders decreasing by 0.2%, slightly better than consensus while the less volatile Non-Defense Ex-Air Capital Goods Orders increased 1.3% compared to 0.2% expected. Wednesday saw Conference Board Consumer Confidence continue its rebound from July lows with a reading of 108.0 as well as a strong beat in New Home Sales. Initial jobless claims surprised lower as the tight labor market is proving stubborn. Finally, August's PCE Core Deflator – the Fed's preferred inflation reading – surprised to the upside after data showed core prices increased 4.9% versus an expected increase of 4.7%. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: September Final S&P Global US Manufacturing PMI (51.8, 51.8), September ISM Manufacturing (52.1, 52.8); Tuesday: August Factory Orders (0.2%, -1.0%), August Final Durable Goods Orders (-0.2%, -0.2%); Wednesday: September 30 MBA Mortgage Applications (N/A, -3.7%), September ADP Employment Change (200k, 132k), August Trade Balance (-\$67.9b, -\$70.7b); Thursday: October 1 Initial Jobless Claims (205k, 193k); Friday: September Change in Nonfarm Payrolls (250k, 315k), September Unemployment Rate (3.7%, 3.7%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	28,725.51 (-2.92%)	Strong Sectors:	Energy, Materials
S&P 500:	3,585.62 (-2.89%)		Health Care
S&P Midcap:	2,203.53 (-1.53%)	Weak Sectors:	Cons. Staples, Info Tech
S&P Smallcap:	1,064.95 (-1.4%)		Utilities
NASDAQ Comp:	10,575.62 (-2.68%)	NYSE Advance/Decline:	410/2,877
Russell 2000:	1,664.72 (-0.82%)	NYSE New Highs/New Lows:	8/1,106
		AAll Bulls/Bears:	20%/60.8%

The S&P 500 Index lost value for the sixth out of the last seven weeks as a midweek rally was clouded by declines on Thursday and Friday. Throughout the week, several underwater leaks of the Nord Stream pipeline were documented with fingers pointing to Russia as the likely saboteur. On the effect of the leak on Western allies, former commissioner of the Federal Energy Regulatory Commission Neil Chatterjee says, "these leaks kill whatever hope there was that this pipeline could help get them through the winter." On Friday Vladimir Putin escalated the war once again by announcing the annexation of four regions in eastern and southern Ukraine. The British pound was rocked by the announcement of inflationary tax cuts in the UK until the Bank of England intervened and offered to buy bonds at whatever scale necessary to stabilize the market. Energy was the only GICS sector in the S&P 500 that returned positively this week while Utilities had a rare downward spike, losing over 8%. With bond yields rising and strong statements from Fed officials about sustained rate hikes, Utilities lost favor as their bond-like return profile became less desirable. Apple Inc. (**AAPL**, -8.3%) and Tesla, Inc. (**TSLA**, -3.6%) weighed down the S&P 500 the most during the week as both companies adjusted their expectations for near term product sales. Apple revised production plans for the iPhone 14 after weak early demand but Tesla set expectations for another record-breaking quarter of deliveries. Half of the top ten performing stocks in the S&P 500 this week were Energy companies but biotechnology company Biogen, Inc. (**BIIB**, + 35.0%) took the crown. Biogen announced on Tuesday that their Alzheimer's drug showed a reduction of indications by 27% in clinical trials. In the coming week investors will get a picture into the packaged food industry as earnings reports will come from Constellation Brands (STZ), Conagra Foods (CAG), McCormick & Co. (MKC), Lamb Weston Holdings (LW), and Keurig Dr. Pepper (KDP).

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