

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	5.351 (-4.3 bps)	Bond Buyer 40 Yield:	4.70 (-19 bps)
6 Mo. T-Bill:	5.346 (-11.8 bps)	Crude Oil Futures:	74.07 (-1.47)
1 Yr. T-Bill:	5.001 (-26.1 bps)	Gold Spot:	2,072.22 (+71.40)
2 Yr. T-Note:	4.538 (-41.0 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	4.296 (-36.8 bps)	US High Yield:	8.48 (-26 bps)
5 Yr. T-Note:	4.123 (-36.2 bps)	BB:	6.98 (-30 bps)
10 Yr. T-Note:	4.196 (-27.0 bps)	B:	8.65 (-30 bps)
30 Yr. T-Bond:	4.390 (-20.7 bps)		

Treasury yields declined across the board last week following a batch of mixed economic data. New single-family home sales declined 5.6% in October, taking a breather following a gain in September. With 30-year mortgage rates currently sitting above 7.5%, financing costs continues to remain a headwind. Real GDP was revised upward for the third quarter to a 5.2% annual rate from a prior estimate of 4.9%. This marks the fastest quarter of growth since 2021. Upward revisions to business investment, home building, government purchases and inventories more than offset a downward revision to personal consumption. Both personal income and consumer spending rose 0.2% in October, matching consensus expectations. While incomes and spending continue to grow, they're growing at a more modest pace than in recent months. The ISM Manufacturing Index remained at 46.7 in November, falling short of the consensus expected 47.8. The US manufacturing sector contracted once again in November for the thirteenth consecutive month, the longest streak since the aftermath of the 2000-2001 recession. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Monday: October Factory Orders (-2.8%, 2.8%), October Final Durable Goods Orders (-5.4%, unch.); Wednesday: December 1 MBA Mortgage Applications (N/A, 0.3%), November ADP Employment Change (120k, 113k), October Trade Balance (-\$64.2b, -\$61.5b); Thursday: December 2 Initial Jobless Claims (222k, 218k); Friday: November Change in Nonfarm Payrolls (190k, 150k), November Unemployment Rate (3.9%, unch.), December Preliminary University of Michigan Sentiment (62.0, 61.3).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	36,245.5 (2.60%)	Strong Sectors:	Real Estate, Materials, Industrials
S&P 500:	4,594.63 (0.83%)	Weak Sectors:	Health Care, Energy, Comm. Services
S&P Midcap:	2,625.58 (2.59%)	NYSE Advance/Decline:	1,202 / 1,654
S&P Smallcap:	1,204.52 (2.69%)	NYSE New Highs/New Lows:	286 / 64
NASDAQ Comp:	14,305.03 (0.41%)	AAII Bulls/Bears:	48.8% / 19.6%
Russell 2000:	1,862.64 (3.10%)		

U.S. stock markets closed higher for the fifth consecutive week, with the S&P 500, Dow Jones Industrial Average, and Nasdaq Composite all posting gains. The holiday-shortened trading week was marked by light volume and mixed economic data, but investors were generally optimistic about the outlook for the economy and corporate profits. Small and mid-caps outperformed large caps with the S&P 400 index and S&P 600 index rallying 2.59% and 2.69% respectively. The very narrow stock market rally during 2023 began to widen out last week with the rally in small and mid-names, as well as the top sectors being Real Estate, Materials, and Industrials. **Salesforce Inc.** announced strong quarterly results and boosted full year guidance on their way to rallying 15.9% last week. The company's results were driven by strength in their Mulesoft business along with strength in their cloud offerings. Other cloud computing names got a boost last week after **Snowflake Inc.** rallied 7.0% on their positive quarterly results. Their sales outlook beat expectations and fueled hope that revenue has stabilized after a choppy year for the software provider. **Meta Platforms Inc.**, the owner of Facebook and Instagram, saw its shares under pressure after the company sued the FTC for what the company contends were "unconstitutional in-house proceedings". Meta contends that the FTC is unilaterally trying to rewrite the company's privacy statement and the company is arguing the regulator is acting as the prosecutor, judge and jury in the same case as their shares returned -4.0% last week. Looking ahead, investors will be searching for signs of continued economic growth and corporate profitability in the coming weeks. Equity markets have been on an upward trend, and we believe investors should always be prepared for volatility in the short run.

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