

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.00 (-01 bps)	GNMA (30 Yr) 6% Coupon:	111-17/32 (1.92%)
6 Mo. T-Bill:	0.05 (+01 bps)	Duration:	3.57 years
1 Yr. T-Bill:	0.11 (unch.)	30-Year Insured Revs:	193.8% of 30 Yr. T-Bond
2 Yr. T-Note:	0.29 (+02 bps)	Bond Buyer 40 Yield:	5.02% (+04 bps)
3 Yr. T-Note:	0.49 (+03 bps)	Crude Oil Futures:	93.32 (+5.92)
5 Yr. T-Note:	1.13 (+06 bps)	Gold Futures:	1747.20 (112.10)
10 Yr. T-Note:	2.32 (+10 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.37 (+11 bps)	BB, 7-10 Yr.:	6.56% (-29 bps)
		B, 7-10 Yr.:	8.06% (-43 bps)

Treasury prices fell last week as European leaders finally agreed upon a solution to contain the region's debt crisis. Prices were relatively unchanged Monday and climbed on Tuesday as a canceled meeting between European finance ministers raised fears an agreement may not be reached. Treasuries reversed this course on Wednesday as leaders reached a solution to recapitalize banks. Durable goods orders ex-transportation grew faster than expected at a rate of 1.7% vs 0.4%. Prices continued their decline on Thursday as risk appetites remained strong. GDP growth was reported exactly as anticipated at 2.5% while personal consumption expanded 2.4%, higher than the projected 1.9%. Treasuries rose on Friday as concerns that the newly reached European agreement may not completely resolve the region's ongoing problem. Personal income grew 0.1%, less than the expected 0.3% and the final October U of M consumer confidence number rose to 60.9 against the projected 58.0. Major economic reports (and related consensus forecasts) for next week include: Monday: Dallas Fed Manufacturing Index (-5.0); Tuesday: September Construction Spending (0.3%), October ISM Manufacturing Index (52.0) and October Vehicle Sales – Annualized (13.2M Total, 10.3 Domestic); Wednesday: FOMC Rate Decision (0.25%); Thursday: Initial Jobless Claims (400,000) and September Factory Orders (-0.1%); Friday: October Change in Nonfarm Payrolls (94,000), October Change in Private Payrolls (125,000) and October Unemployment Rate (9.1%).

US Stocks			
Weekly Index Performance:		Market Indicators:	
DJIA:	12231.11 (+422.32, +3.58%)	Strong Sectors:	Basic Materials, Financials, Oil & Gas
S&P 500:	1285.08 (+46.83, +3.78%)	Weak Sectors:	Utilities, Telecom, Consumer Goods
S&P MidCap:	910.64 (+49.38, +5.73%)	NYSE Advance/Decline:	2,679 / 492
S&P Small Cap:	418.56 (+25.57, +6.51%)	NYSE New Highs/New Lows:	229 / 38
NASDAQ Comp:	2737.15 (+99.69, +3.78%)	AAll Bulls/Bears:	43.0% / 25.0%
Russell 2000:	761.00 (+48.58, +6.82%)		

The equity markets advanced for the fourth week in a row buoyed by news out of Europe that an agreement had been reached for a new bailout deal. Stocks are up about 17% since Oct. 3rd and the S&P 500 is now on pace for its best monthly percentage gain since October 1974. It seems that investors' appetite for risk has begun to return as financial stocks (up nearly 25% in less than four weeks) and small-cap stocks (up about 24% over the same period) have led the rally. Shares of **Whirlpool** fell sharply after the home appliance maker announced that it will be laying-off 10% of its workforce after weak demand and rising material costs hurt quarterly earnings. **Panera Bread** raised its year end forecast and announced stock repurchases after quarterly results shot up 29% year over year. Both an announcement that the SEC is investigating **Avon Product's** disclosures and disappointing earnings results caused the shares to fall over 19% last week. Terrible results from projects in the Atlantic caused earnings to fall below five cents a share for the energy services company **McDermott International** which in turn caused the company's shares to drop about 23% for the week. Shares of the solar company **First Solar** finished about even for the week after falling as much as 25% on Tuesday after a surprise announcement that their CEO had been fired but news that the company's founder is returning to the helm caused the shares to recover. Looking ahead to a busy coming week, investors will be watching the two releases on U.S. manufacturing, Chairman of the Federal Reserve Ben Bernanke's press conference on Wednesday, and the October employment report on Friday. **Archer-Daniels-Midland**, **Qualcomm**, **MasterCard**, **Prudential**, **Marathon Oil** and **Starbucks** are among the companies due to report earnings this week.