

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.08 (+02bps)	GNMA (30 Yr) 6% Coupon:	112-09/32 (1.67%)
6 Mo. T-Bill:	0.13 (+02 bps)	Duration:	3.64 years
1 Yr. T-Bill:	0.17 (+02 bps)	30-Year Insured Revs:	193.6% of 30 Yr. T-Bond
2 Yr. T-Note:	0.31 (+04 bps)	Bond Buyer 40 Yield:	4.61% (+03 bps)
3 Yr. T-Note:	0.44 (+05 bps)	Crude Oil Futures:	107.40 (+.70)
5 Yr. T-Note:	0.89 (+06 bps)	Gold Futures:	1711.50 (+1.7)
10 Yr. T-Note:	2.02 (+05 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.17 (+07 bps)	BB, 7-10 Yr.:	5.92% (+12 bps)
		B, 7-10 Yr.:	7.45% (+13 bps)

Treasuries were lower across all maturities for the week, as positive U.S. economic data was reported and significant progress was made toward the resolution of the Greek sovereign debt crisis. Yields rose on Monday when the ISM Non-Manufacturing Composite Index beat expectations, printing at 57.3 vs. a 56.8 estimate and the Greek government indicated it expected private creditors to accept its debt swap terms. Tuesday marked a brief reverse of course when U.S. equity markets posted their sharpest drop of the year and Treasuries rallied strongly around uncertain terms in the Greek debt swap. Positive economic data, including better than expected Q4 non-farm productivity (.9% vs. .8%) and ADP employment reports buoyed yields mid-week. On Thursday the deadline for Greece's debt swap passed and the majority of creditors indicated they would tender their offerings which totaled as much as 155 billion Euros, to participate in the deal. Friday marked a continued decline in Treasuries to close out the week as the February change in Non-Farm Payrolls was reported at 227k vs. a 210k estimate and the unemployment rate held steady at 8.3%, indicating improving conditions in the U.S. labor market. Major economic reports (and related consensus forecasts) for next week include: Tuesday: February Advance Retail Sales (1.1%) and Retail Sales Ex Autos (.4%), The FOMC rate decision (.25%); Wednesday: Q4 Current Account Balance (-114.2B); Thursday: March Empire Manufacturing (17.5) and February Producer Price Index (.5% MoM) and Producer Price Index ex Energy (.2% MoM); Friday: February Consumer Price Index (.4% MoM), February Industrial Production (.4%)

Weekly Index Performance:		Market Indicators:	
DJIA:	12,922.02 (-55.55, -0.43%)	Strong Sectors:	Telecom Services, Consumer Discretionary, Consumer Staples
S&P 500:	1,370.87 (1.24, 0.09%)	Weak Sectors:	Materials, Energy, Industrials
S&P MidCap:	984.81 (7.76, 0.79%)	NYSE Advance/Decline:	1,667 / 1,475
S&P Small Cap:	453.69 (7.46, 1.67%)	NYSE New Highs/New Lows:	248 / 46
NASDAQ Comp:	2,988.34 (12.15, 0.41%)	AAll Bulls/Bears:	42.4% / 29.0%
Russell 2000:	817.00 (14.58, 1.82%)		

Last week the S&P 500 Index returned a slightly positive 0.14%. While 14 bps sounds like an uneventful week, last Tuesday brought the worst day of the year for the S&P 500 Index returning -1.53%. Prior to last Tuesday, the S&P 500 Index's worst day of 2012 was February 10, with a -0.69% return. News of the completion of the Greek debt swap quickly turned sour as the ISDA (International Swaps & Derivatives Association) declared the debt restructuring a credit event which triggers CDS payments. In US economic news, initial jobless claims increased the past week to 362K from 354K the prior week with a consensus of 351K. Claims are still coming in lower than in the previous three years with claims peaking at 659K in late March 2009. Initial jobless claims haven't been this low since early 2008. Non-farm payrolls for February came in at 227K, 17K more than the 210K consensus. Also, the January payroll number was revised upward to 284K from 243K. The University of Michigan Survey of Consumer Confidence Sentiment came in at 75.3 for February. The 12 month low of 55.7 was in August 2011. The top performing sector for the week was telecommunication services up 1.12%. Consumer discretionary and consumer staples returned 1.04% and 0.71% respectively. The materials sector performed the worst of all ten sectors returning -1.70%. The only other two sectors to have negative performance were energy and industrials returning -0.92% and -0.33% respectively. **Sprint Nextel**, a communications services company turned in the best performance in the S&P 500 with an 11.20% return and **DR Horton** a close second with 11.05% return. **Lennar** and **Valero** both returned over 9.00%. **Tesoro**, **PulteGroup**, **Big Lots** and **Starbucks** all returned over 6.00% for the week. Next week will bring more earnings news from companies such as **Urban Outfitters**, **Guess?** and **Ross Stores**.