

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.10 (+02 bps)	GNMA (30 Yr) 6% Coupon:	112-25/32 (1.24%)
6 Mo. T-Bill:	0.14 (unch.)	Duration:	3.57 years
1 Yr. T-Bill:	0.18 (+02 bps)	30-Year Insured Revs:	197.3% of 30 Yr. T-Bond
2 Yr. T-Note:	0.24 (+04 bps)	Bond Buyer 40 Yield:	4.25% (-01 bps)
3 Yr. T-Note:	0.33 (+05 bps)	Crude Oil Futures:	90.26 (-1.21)
5 Yr. T-Note:	0.66 (+08 bps)	Gold Futures:	1622.80 (+40.00)
10 Yr. T-Note:	1.54 (+09 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	2.62 (+08 bps)	BB, 7-10 Yr.:	5.81% (+01 bps)
		B, 7-10 Yr.:	7.21% (+03 bps)

Treasury yields sank to historic lows during the middle of last week before rallying on Thursday and Friday on positive headlines out of the US and Europe. Prices climbed on Monday as Moody's lowered the credit outlooks of Germany, the Netherlands and Luxembourg and costs of insuring Spanish debt touched record levels. Yields reached historic lows on Tuesday as reports circulated that Greece may miss key debt reduction targets and the Richmond Fed Manufacturing Index in the US fell 16 points below the projected -1 level. Treasuries were virtually flat on Wednesday but sank on Thursday as ECB President Mario Draghi pledged to use any means necessary to preserve the Euro. Prices plunged again on Friday on more positive talks out of Europe and positive US economic data. 2nd quarter GDP was 0.1% higher than expected at 1.5% and both personal consumption and U of M consumer confidence were better than anticipated. Major economic reports (and related consensus forecasts) for next week include: Monday: July Dallas Fed Manufacturing Index (2.0); Tuesday: June Personal Income (0.40%), June Personal Spending (0.10%), May S&P Cash-Shiller Composite-20 Home Price Index (0.40% MoM, -1.45% YoY) and July Chicago Purchasing Manager Index (52.5); Wednesday: July ISM Manufacturing Index (50.2), June Construction Spending (0.3%), FOMC Rate Decision (0.25%) and July Total and Domestic Vehicle Sales (14.00M/11.00M annualized); Thursday: Initial Jobless Claims (370,000) and June Factory Orders (0.5%); Friday: July Change in Nonfarm Payrolls (100,000), July Change in Private Payrolls (110,000) and July Unemployment Rate (8.2%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	13,075.66 (253.09, 1.97%)	Strong Sectors:	Telecommunications, Financials, Industrials
S&P 500:	1,385.97 (23.31, 1.71%)	Weak Sectors:	Materials, Utilities, Information Technology
S&P MidCap:	949.14 (9.43, 1.00%)	NYSE Advance/Decline:	1,893 / 1,269
S&P Small Cap:	446.31 (2.68, 0.60%)	NYSE New Highs/New Lows:	411 / 190
NASDAQ Comp:	2,958.09 (32.79, 1.12%)	AAll Bulls/Bears:	28.1% / 43.1%
Russell 2000:	796.00 (4.46, 0.56%)		

Last week, the S&P 500 Index had positive performance with a 1.86% return. Monday started out down over 1.00% within the first minute of trading for the week. Investors' concerns increased that Spain will need a full sovereign bailout. The Spanish 10-year government bond yield rose to over 7.4%. Greece and Italy's economies were also an increasing concern. Equities pushed higher on Thursday as European Central Bank President Mario Draghi said he would do whatever it takes to avoid a collapse of the euro zone. In the US, initial jobless claims decreased the past week to 353K from 386K the prior week with a consensus of 380K. McDonald's missed earnings for the first time since 2004. Nine of the ten economic sectors had positive performance last week. Telecommunication Services was the strongest with a 3.85% return for the week. The financials and industrials sectors returned 2.85% and 2.52% respectively. The worst and only negative performing sector was materials with a -0.83% return. Information technology and utilities returned 0.93% and 1.05% respectively. **MetroPCS Communications**, a wireless communication provider, turned in the best performance in the S&P 500 Index with a 41.03% return for the week. This increase can be attributed to Thursday's 2nd quarter 2012 earnings announcement of \$0.41 per share when expectations were \$0.22 per share. The next two best performers were **Western Digital** and **Akamai Technologies** with returns of 24.48% and 19.89% respectively. A total of 21 stocks in the S&P 500 Index returned greater than 10.00% for the week. This week will bring lots of earnings news from companies such as **Pfizer, Procter & Gamble Co, Comcast, Kraft, MasterCard, American International Group, Duke Energy, MetLife, General Motors** and many others.