

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.09 (-01 bps)	GNMA (30 Yr) 6% Coupon:	112-18/32 (1.59%)
6 Mo. T-Bill:	0.11 (-01 bps)	Duration:	3.65 years
1 Yr. T-Bill:	0.15 (+01 bps)	30-Year Insured Revs:	134.5% of 30 Yr. T-Bond
2 Yr. T-Note:	0.25 (+01 bps)	Bond Buyer 40 Yield:	4.12 (+09 bps)
3 Yr. T-Note:	0.40 (+07 bps)	Crude Oil Futures:	91.85 (+1.17)
5 Yr. T-Note:	0.89 (+15 bps)	Gold Futures:	1577.40 (+5.10)
10 Yr. T-Note:	2.04 (+20 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.25 (+20 bps)	U.S. High Yield:	6.48% (-08 bps)
		BB:	4.95% (-04 bps)
		B:	6.58% (-09 bps)

Treasury prices dropped every day during the week on many positive economic reports. First, investor concerns about the sequester faded and the nominee for the Bank of Japan said he would attempt to end deflation in Japan. Next, the Institute for Supply Management service-sector index rose on Tuesday, decreasing the demand for Treasuries. Equities have risen significantly, implying a recovery in the U.S. economy, though the uncertainty of the Italian elections and the testimony of Ben Bernanke about continuing the bond-buying program have capped the rise in yields. Then, the jobs report showed that more jobs were added than expected and February Nonfarm Payrolls increased, causing Treasuries to drop further. Lastly, the week finished with news that the unemployment rate dropped to the lowest level since 2008 as many more jobs were generated than expected. The Fed has linked monthly asset purchases to the unemployment rate so as employment improves these purchases will slow. Altogether, this news cause Treasuries to fall significantly over the week as equity indexes rose to record highs. Major economic reports (and related consensus forecasts) for next week include: Wednesday: February Advance Retail Sales (0.5%); Thursday: February Producer Price Index (0.7% MoM, 1.8% YoY), February Initial Jobless Claims (350,000); Friday: February Empire Manufacturing (10.00), February Consumer Price Index (0.5% MoM, 1.8% YoY), February Industrial Production (0.4%), and March U. of Michigan Confidence (78.0).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	14,397.07 (+2.23%)	Strong Sectors:	Financials, Materials, Consumer Discretionary
S&P 500:	1,551.18 (+2.22%)	Weak Sectors:	Consumer Staples, Utilities, Energy
S&P MidCap:	1,131.25 (+3.04%)	NYSE Advance/Decline:	2,356/ 839
S&P Small Cap:	525.72 (+2.62%)	NYSE New Highs/New Lows:	734/ 100
NASDAQ Comp:	3,244.37 (+2.38%)	AAll Bulls/Bears:	31.1% / 38.5%
Russell 2000:	942.50 (+3.06%)		

Last week, the S&P 500 Index had its second best performing week of 2013 with a 2.22% return. All five days turned in positive performance. It was a different week compared to the previous week's volatile activity which ended in an un-dramatic 0.22% return. Monday's comments from Fed Vice Chair Janet Yellen reiterating the need for the US central bank's aggressive monetary stimulus helped stocks close higher for the day. Tuesday's performance of 0.96% was the best performance of the week. The ISM non-manufacturing index rose to the highest level since February 2012. Wednesday and Thursday also closed in positive territory. US initial jobless claims came in lower than expected at 340K. This was a decrease from the previous week's number of 344K and even lower than the consensus of 355K. Friday closed up higher with more positive economic news from non-farm payrolls which reported an increase of 236K which was well over the consensus of 165K. All ten economic sectors had positive performance for the week. The financials sector was the best performing sector with a 3.44% return. Consumer discretionary and materials sectors followed with 3.20% and 2.79% returns, respectively. Consumer staples' 1.15% return was the worst performance of all the sectors and was followed by utilities and energy which returned 1.28% and 1.30% respectively. **Best Buy Co Inc.**, a consumer electronics and appliance retailer, turned in the best performance in the S&P 500 Index with a 17.54% gain. The next two best performers were **Genworth Financial Inc.** and **WPX Energy Inc.** with returns of 15.49% and 13.40% respectively. This week will bring earnings news from several retail companies such as **Costco Wholesale Corp**, **Dick's Sporting Goods Inc.**, **Urban Outfitters Inc.**, **Ulta Salon Cosmetics & Fragrance Inc.**, **Guess? Inc.**, and **Aeropostale Inc.**