

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.05 (+01 bps)	GNMA (30 Yr) 6% Coupon:	111-21/32 (1.70%)
6 Mo. T-Bill:	0.07 (-01 bps)	Duration:	3.64 years
1 Yr. T-Bill:	0.10 (unch.)	30-Year Insured Revs:	149.44 % of 30 Yr. T-Bond
2 Yr. T-Note:	0.32 (unch.)	Bond Buyer 40 Yield:	4.80 (-06)
3 Yr. T-Note:	0.67 (-03 bps)	Crude Oil Futures:	102.59 (+0.39)
5 Yr. T-Note:	1.50 (-03 bps)	Gold Futures:	1,322 (-2.3)
10 Yr. T-Note:	2.65 (-08 bps)	Merrill Lynch High Yield Indices:	
30 Yr. T-Bond:	3.58 (-11 bps)	U.S. High Yield:	6.11% (-04 bps)
		BB:	4.77% (-05 bps)
		B:	6.12% (-02 bps)

Treasuries fell through the week but gained on Friday as the political situation in Ukraine became more uncertain. Mixed Economic reports were released during the week and through the month some reports came in above forecast which helped to offset a number of reports which have surprised to the negative. Tuesday's Feb Consumer Confidence Survey disappointed as fewer Americans are optimistic for improvement in the current US economic conditions. On Wednesday, January's Single Family Home sales report beat expectations by 68,000 and rose to a five-year high. The months' supply of homes also fell for the period, declining to 4.7 from 5.2 in December. The January Durable Goods Orders report was slightly better than forecasted on Thursday. While orders still fell, they did not fall as much as expected or as much as in the prior month. The Durable Goods Orders were substantially impacted by a 20% decline in commercial aircraft. Also on Thursday, U.S. Initial Jobless Claims showed more people filing for unemployment benefits than expected. Ending the week was Friday's real GDP report (QoQ) which revised GDP growth down to 2.4% annually from an estimated 3.2%. Nominal GDP growth (real GDP plus inflation) was revised down to 4% annually from a prior 4.6% estimate. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: Jan Personal Income (.2%) and Personal Spending (.1%), Feb ISM Manufacturing (52); Wednesday: MBA Mortgage Applications, Feb ADP Employment Change (158K); Thursday: Initial Jobless Claims (338,000, -10,000) and Jan Factory Orders (-.5%, +1%); Friday: Jan Trade Balance (\$-39B, \$-.03B), Feb Change in Nonfarm Payrolls (150,000) and Feb Unemployment Rate (unch.).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	16,321.71 (1.42%)	Strong Sectors:	Cons Disc, Materials
S&P 500:	1,859.45 (1.30%)		Cons. Staples
S&P Midcap:	1,375.33 (1.43%)	Weak Sectors:	Telecom. Services, Utilities,
S&P Small Cap:	667.33 (1.90%)		Info. Tech.
NASDAQ Comp:	4,308.12 (1.06%)	NYSE Advance/Decline:	2,217 / 994
Russell 2000:	1,183.03 (1.62%)	NYSE New Highs/New Lows:	457 / 63
		AAll Bulls/Bears:	39.7% / 39.2%

The S&P 500 closed the week at an all-time high of 1859, up over 1.3% from last week. This week's rally pushed February's S&P 500 return to 4.6%, which was the second best monthly return in the last seven. On Thursday, new Fed Chair Janet Yellen said that the Fed, 'would consider pulling back on their tapering schedule if the economy slowed in a meaningful manner.' This implies that Yellen seems more willing to pull back tapering than she was the last time she spoke to Congress. U.S. equities started off the week positive, as **Comcast Corp.** and **Netflix Inc.** agreed to a deal for direct access to the cable company's broadband network. Health-Care providers **Humana Inc.**, **UnitedHealth Group Inc.**, and **Cigna Corp.** all rallied as Medicare rates were cut less than forecast. Homebuilders **Lennar Corp.** and **PulteGroup Inc.** climbed over 4% as New-Home sales continue to grow. **EBay Inc.** gained over 3% as activist investor **Carl Icahn** called out two directors of the company who directly compete with EBay. Icahn is calling for a separation of EBay and PayPal, however, CEO John Donahoe is saying the company should stay together. **Target Corp.** gained nearly 7% as the company announced better than expected earnings. Two significant share buyback programs were announced by **Lowe's Cos.** and **Abercrombie & Fitch Co.** which sent both up over 5%. **J.C. Penny Co.** rallied over 25% after they announced -\$0.68 earnings per share instead of the -\$0.86 that analysts had estimated. Five months and many back and forth bids later, **Jos. A. Bank Clothiers Inc.** and **Men's Wearhouse Inc.** were back in the news as the two finally agreed to meet to discuss a potential merger. Looking ahead to next week, U.S. equity markets are about to enter the sixth year of a bull market that started on March 9<sup>th</sup>, 2009 and the S&P is up over 175% since the start.