US Economy and Credit Markets

3 Mo. T-Bill:	0.06 (+03 bps)	GNMA (30 Yr) 6% Coupon:	114-20/32 (1.40%)
6 Mo. T-Bill:	0.15 (+02 bps)	Duration:	3.88 years
1 Yr. T-Bill:	0.31 (-01 bps)	Bond Buyer 40 Yield:	4.39 (-02 bps)
2 Yr. T-Note:	0.66 (-02 bps)	Crude Oil Futures:	47.12 (-1.02)
3 Yr. T-Note:	0.97 (-07 bps)	Gold Futures:	1,094.90 (-9.40)
5 Yr. T-Note:	1.53 (-09 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.18 (-08 bps)	U.S. High Yield:	5.69 % (-09 bps)
30 Yr. T-Bond:	2.90 (-06 bps)	BB:	5.40% (-12 bps)
		B:	7.17% (-23 bps)

Treasury prices rose but fluctuated throughout the course of the week on mixed economic news. On Monday, durable goods orders for June exceeded expectations, rebounding from a disappointing May, due to a continued strength in commercial aircraft orders. Treasury prices pulled back on Tuesday with looming new debt sales and a report showing consumer confidence unexpectedly fell by the most in almost four years in July. Treasury prices declined on Wednesday as the Federal Reserve signaled it was not ready to raise interest rates due to rising global uncertainty and China's plunging stock market. Treasury yields rose on Thursday as a report showed an increase in exports and consumer spending boosted economic growth. U.S. Treasury bonds rallied on Friday as the employment-cost index rose by the smallest amount in three decades, signaling sluggish wage inflation. Commodity prices continued their slump over the course of the week, as both oil and gold saw marginal declines. continued Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: June Personal Income (0.3%), June Personal Spending (0.2%), July Markit US Manufacturing PMI (53.8), June Construction Spending (0.6% MoM), ISM Manufacturing (53.5), ISM Prices Paid (49.5); Tuesday: June Factory Orders (1.7%); Wednesday: July 31st MBA Mortgage Applications, July ADP Employment Change (215k), June Trade Balance (-$42.70B); Thursday: August 1st Initial Jobless Claims (272k); Friday: July Change in Nonfarm Payrolls (225k), July Unemployment Rate (5.3%).

US Equities

Weekly Index Performance:			Market Indicators:	
DJIA:	17,689.86	(+0.69%)	Strong Sectors:	Utilities, Industrials, Health Care
S&P 500:	2,103.84	(+1.19%)		
S&P Midcap:	1,502.89	(+1.80%)	Weak Sectors:	Energy, Financials, Info Tech
S&P Smallcap:	712.64	(+1.58%)		
NASDAQ Comp:	5,128.28	(+0.79%)	NYSE Advance/Decline:	2,102/ 1,135
Russell 2000:	1,238.68	(+1.05%)	NYSE New Highs/New Lows:	182/600
			AAII Bulls/Bears:	21.1% / 40.7%

Equity markets rebounded from last week's losses amid positive economic data and mixed earnings reports. Annualized gross domestic product grew 2.3 percent in the second quarter and a revised 0.6 percent in the first quarter, which previously showed a contraction. The GDP reading was consistent with the Fed minutes released on Wednesday, which pointed to incremental improvements in the job and housing markets. It was a busy week for earnings reports with 184 members of the S&P 500 announcing results**.** **Facebook Inc.** beat analysts top line expectations but traded lower after earnings due to rising expenses. Other social media names **Yelp Inc., Twitter Inc.** and **LinkedIn Corp.** all dropped over 10% following disappointing quarterly reports that showed slower organic growth at each of the three firms. **Whole Foods Market** fell after lowering comparable store sales guidance amid increased competition from discount grocers selling more organics and specialty stores expanding their store base. **Ford Motor Co.** beat estimates by a wide margin on strong North American demand for sport utility vehicles and trucks. **Exxon Mobil Corp.** and **Chevron Corp.** ended the trading week at 52-week lows after earnings fell over 50% year-over-year for both firms and the former was forced to write down $2.6 billion in assets. With 353 members of the S&P 500 reporting results to date, earnings are expected to fall 2.8% for the 2nd quarter. However, earnings have been better-than-expected as profits were initially forecasted to fall by 6.5%. In addition, earnings are expected to grow by 4.1% in the 2nd quarter excluding the energy sector. Looking ahead, many consumer related names are left to report quarterly results. With the benefit of low gas and an improving labor market, earnings reports are likely to show more positive surprises.