US Economy and Credit Markets

Yields and Weekly Changes:

3 Mo. T-Bill:	-0.02 (unch.)	GNMA (30 Yr) 6% Coupon:	112-17/32 (2.01%)
6 Mo. T-Bill:	0.07 (-02 bps)	Duration:	3.85 years
1 Yr. T-Bill:	0.32 (-02 bps)	Bond Buyer 40 Yield:	4.40 (-0.02)
2 Yr. T-Note:	0.69 (+01 bps)	Crude Oil Futures:	45.70 (+1.02)
3 Yr. T-Note:	0.99 (+01 bps)	Gold Futures:	1,146.00 (+7.90)
5 Yr. T-Note:	1.48 (+03 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.16 (+03 bps)	U.S. High Yield:	7.87% (+32 bps)
30 Yr. T-Bond:	2.96 (+02 bps)	BB:	5.98% (+27 bps)
		B:	8.00% (+31 bps)

Treasury prices fluctuated throughout the week as investors continued to digest the Federal Reserve's decision to leave rates unchanged. Thursday, Janet Yellen re-iterated the central bank's commitment to raise rates this year if practicable. Last week's Existing Home Sales report registered a decline of 4.8% for August which was below expectations. Sales were up 6.2% vs. a year ago. The median sales price also fell but is up 4.7% vs. the prior year. New single-family home sales were up 5.7%, however, exceeding expectations and the median price was up slightly though the average price fell some. All in all it was a mixed picture from a very volatile part of the economy. Durable goods orders declined 2% in August which was slightly better than expected. Orders were down from a year ago and this follows two consecutive months of gains. Friday's report of GDP growth for Q2 was revised up to a 3.9% annual rate vs. the prior estimate of 3.7%. Friday also showed consumer sentiment falling to 87.2 which was below expectations. While the index has declined consistently since June 2015, it saw September's decline register nearly evenly across all report components which is indicative of negative news and less of actual financial changes which consumers experienced. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: August Personal Income (.4%) and Personal Spending (.4% MoM); Tuesday: Consumer Confidence Index; Wednesday: Sep 25 MBA Mortgage Applications and ADP Employment Change (unch.); Thursday: Sept. 25 Initial Jobless Claims (271K, +4K) and September Markit US Manufacturing PMI (53, unch.); Friday: Change in Nonfarm Payrolls (200K, +27K), Unemployment Rate (5.1%, unch.) and August Factory Orders (-1.2%, -1.6%) .

US Equities

Weekly Index Performance:		Market Indicators:	
DJIA:	16314.67 (-0.43%)	Strong Sectors:	Utilities, Cons. Staples, Financials
S&P 500:	1931.34 (-1.35%)		
S&P Midcap:	1388.21 (-1.75%)	Weak Sectors:	Health Care, Materials, Industrials
S&P Smallcap:	662.87 (-1.25%)		
NASDAQ Comp:	4686.496 (-2.91%)	NYSE Advance/Decline:	1,057 / 696
Russell 2000:	1122.789 (-3.47%)	NYSE New Highs/New Lows:	53 / 453
		AAII Bulls/Bears:	32.1% / 28.7%

The S&P 500 fell 1.35% this week as investors remain unconvinced actions by the Fed have aided the economy. In particular, Health Care stocks were hit the hardest with members of S&P 500 Health Care Index falling 5.75%. This was after presidential candidate, Hilary Clinton, drew her ire at a Swiss drug company that raised the price of their only drug 5,500%. **Gilead Pharmaceuticals** one the market's recent best performers fell 7.65% last week. Also faring poorly was the S&P 500 Materials Index which fell 4.01% last week. While not a member of the S&P 500, **Glencore**, a Swiss-based mining and commodities trading firm fell 22.84% to all-time lows. The company has a significant debt-load and is particular sensitive to the price of copper. Copper futures fell 4.36% last week on slowing demand in China. Mining and construction equipment maker, **Caterpillar,** reduced 2015 sales guidance from $49 billion to $48 billion. However, the company gave no guidance related to this year's earnings. In addition, the company announced they would lay off as many 10,000 workers by 2018 in response to slowing demand. Shares in Caterpillar fell 9.57% last week reaching levels not seen since the 2010 recovery. However, experiencing the worst is most likely automaker, **Volkswagen**. It is alleged the company used software to circumnavigate many emissions tests on some of its diesel vehicles. Shares in the company fell a dramatic 33.93% as the company sought to contain the damage. Last week, the German automaker announced a new CEO, Matthies Muller, to head the company in crisis. Looking ahead to this week, we'll see jobs reports from ADP and the Department of Labor. Investors will likely be focused on China for any signs the country's economy might stabilize.