US Economy and Credit Markets

Yields and Weekly Changes:

3 Mo. T-Bill:	0.32 (+01 bps)	GNMA (30 Yr) 6% Coupon:	114-14/32 (1.29%)
6 Mo. T-Bill:	0.45 (-01 bps)	Duration:	3.90 years
1 Yr. T-Bill:	0.58 (-02 bps)	Bond Buyer 40 Yield:	3.76 (+02 bps)
2 Yr. T-Note:	0.79 (-05 bps)	Crude Oil Futures:	44.31 (-3.33)
3 Yr. T-Note:	0.91 (-05 bps)	Gold Spot:	1,324.97 (+3.79)
5 Yr. T-Note:	1.20 (-04 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.60 (-03 bps)	U.S. High Yield:	6.76% (+01 bps)
30 Yr. T-Bond:	2.28 (-01 bps)	BB:	4.88% (+06 bps)
		B:	6.71% (unch.)

Treasury prices rose slightly over the course of the week as shorter term Treasuries rose more than longer-term Treasuries. On Monday, Treasuries rose as personal spending and personal income reported in line with analyst expectations. Investors speculated that economic reports in line with expectations would not be enough for the Federal Reserve to raise interest rates during the September meeting. Treasury prices were mixed on Tuesday as Fed Vice Chairman Stanley Fisher gave more hawkish remarks saying it was impossible to say if the next rate hike would be "one and done," and that Janet Yellen's comments were consistent with possibly two increases this year. Treasuries retreated on Wednesday as oil dropped significantly and the employment report was better than expected. On Thursday, Treasuries rebounded, with short-term Treasuries rising the most, as the ISM manufacturing report was weaker than expected and pointed toward contraction. However, initial jobless claims reported in line with expectations. Long-term Treasuries tumbled on Friday while short-term Treasuries remained little-changed as the jobs report was much weaker than expected, causing investors to believe the Fed would not raise rates and fueled a rally in risky assets, such as oil and equities. Oil dropped 7% over the course of the week and gold was little changed. Major economic reports (and related consensus forecasts) for the upcoming holiday-shortened week include: Tuesday: August ISM Non-Manf. Composite (55.0); Wednesday: Sept 2 MBA Mortgage Applications; Thursday: Sept 3 Initial Jobless Claims (265,000); Friday: July Final Wholesale Inventories (0.1% MoM).

US Equities

Weekly Index Performance:		Market Indicators:	
DJIA:	18,491.96 (0.61%)	Strong Sectors:	Financials, Telecomm
S&P 500:	2,179.98 (0.56%)		Materials
S&P Midcap:	1,578.68 (1.27%)	Weak Sectors:	Health Care, Energy,
S&P Smallcap:	761.87 (1.36%)		Consumer Discretionary
NASDAQ Comp:	5,249.90 (0.62%)	NYSE Advance/Decline:	2,086/ 1,028
Russell 2000:	1,251.83 (1.15%)	NYSE New Highs/New Lows:	404 / 34
		AAII Bulls/Bears:	28.6% / 31.5%

Equities climbed 0.42% through the first two trading days of September. The index posted a 0.56% return for the week and has gained 8.27% YTD. Economic data has kept equities trading within a narrow band as price volatility is close to a two-year low. The jobs report will have a significant impact on the Fed's future rate decision in the coming months. Even with the employment number coming in below consensus, the pace of the jobs growth has been steady and a key driver to US and global growth. Oil traded lower through Thursday, then rebounded to close out the week at $44.44, which was still lower than last Friday's $47.64 closing price. The financials sector was the best performing sector with a 2.03% return. The telecommunication services and materials sectors followed with 1.01% and 0.97% returns, respectively. The health care sector**'s** -0.56% return was the worst performance of all the sectors and was followed by energy at -0.49%. **United Continental Holdings Inc** an airline, turned in the best performance in the S&P 500 Index with a 9.0% gain. The company announced a key hire from rival American Airline**s** (AAL). The next two best performers were **CF Industries** and **The Mosaic Co.** with returns of 8.17% and 6.85%, respectively.