

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.73 (-02 bps)	GNMA (30 Yr) 6% Coupon:	113-04/32 (2.00%)
6 Mo. T-Bill:	0.86 (-06 bps)	Duration:	4.25 years
1 Yr. T-Bill:	0.98 (-05 bps)	Bond Buyer 40 Yield:	4.35 (+04 bps)
2 Yr. T-Note:	1.32 (-03 bps)	Crude Oil Futures:	48.78 (+0.29)
3 Yr. T-Note:	1.60 (-06 bps)	Gold Spot:	1,229.26 (+24.62)
5 Yr. T-Note:	2.02 (-08 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.50 (-07 bps)	U.S. High Yield:	6.24% (-06 bps)
30 Yr. T-Bond:	3.11 (-06 bps)	BB:	4.96% (-06 bps)
		B:	6.19% (-09 bps)

Treasury prices rose moderately over the course of the week as the Federal Reserve did not signal a more aggressive approach to increasing interest rates at Wednesday's meeting. It was widely expected that the Fed would increase rates on Wednesday. However, Treasuries began the week down slightly as many investors thought the Fed might signal a possible 4th rate hike in 2017. The Fed announced the widely anticipated increase in the upper bound of the Fed Funds rate from 0.75 to 1.00 on Wednesday, but said that they are sticking to their outlook of only three total rate hikes in 2017. This caused Treasury prices to rally significantly. Investors will now look to the data before the May and June meetings, such as labor data or more clarity on the Trump administration's policies for taxes and infrastructure. Also leading to an appetite for the safety of Treasuries was a large increase in Saudi Arabia oil production, back up to over 10 million barrels a day, in a report on Tuesday. However, the Dutch elections showed weaker than expected support for the populist candidate, which gave investors more support for risky assets. Gold also jumped over 2% on increased rates, uncertainty and a higher reading in the Producer and Consumer Price Indexes than expected. Major economic reports (and related consensus forecasts) for the upcoming week include: Wednesday: March 17 MBA Mortgage Applications, February Existing Home Sales (5.56M, -2.4% MoM); Thursday: March 18 Initial Jobless Claims (240,000), February New Home Sales (567,000, 2.1% MoM); Friday: February Prelim. Durable Goods Orders (1.2%), March Prelim. Markit US Manufacturing PMI (54.7).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	20,914.62 (0.08%)	Strong Sectors:	Real Estate, Utilities
S&P 500:	2,378.25 (0.28%)		Telecommunication Services
S&P Midcap:	1,731.14 (1.23%)	Weak Sectors:	Financials, Health Care,
S&P Smallcap:	849.54 (2.36%)		Industrials
NASDAQ Comp:	5,901.00 (0.70%)	NYSE Advance/Decline:	2,243 / 868
Russell 2000:	1,391.52 (1.97%)	NYSE New Highs/New Lows:	305 / 139
		AAll Bulls/Bears:	31.2% / 38.7%

The Dow Jones Industrial average closed at 20,914 this week. The index registered a slight gain from last week, but off the high of 21,115 that was touched on March 1st. The Federal Reserve raised its benchmark lending rate a quarter point and disseminated the expectation of two more increases in 2017. Equity markets were expecting more than two increases. This move by the Fed caused Utilities and Real Estate stocks to move higher while Financials were the only sector to turn negative on Wednesday. Financials stocks had comeback on Thursday, but ultimately fell lower on Friday along with Health Care to both close lower than last week. Despite the uncertainty in the political landscape, US companies continue to exceed profit and sales estimates as earnings season is nearing its end. In the S&P 500 about 80% of the companies have reported results that have exceeded earnings expectations. The stock market took its cue from the rallying bond markets to close out the week after stocks peaked on Wednesday following the Fed rate announcement. Most of the selling came from large cap names as the smaller stocks in the Russell 2000 were up almost 2% for the week. Mid Cap names represented by the S&P 400 also turned in a good week with a 1.23% gain and the large caps in the S&P 500 were up 0.28%. **Wynn Resorts Ltd**, a casino and hotel company, had the best return in the S&P 500 with 10.69% gain. The company jumped on rumors of a takeover by **Las Vegas Sands Corp**. **NVIDIA Corp** and **Oracle Corp** were the next best performers in the index. **NVIDIA** announced it was working with **Paccar**, maker of Kenworth and Peterbilt trucks, on artificial intelligence for self-driving trucks. **Oracle** moved higher after reporting a 62% growth in sales of cloud-based services that compete with **Amazon.com** and **Salesforce.com**.

