US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	0.70 (+20 bps)	GNMA (30 Yr) 6% Coupon:	113-13/32 (1.84%)
6 Mo. T-Bill:	0.82 (+18 bps)	Duration:	4.26 years
1 Yr. T-Bill:	0.96 (+19 bps)	Bond Buyer 40 Yield:	4.31 (+09 bps)
2 Yr. T-Note:	1.31 (+16 bps)	Crude Oil Futures:	53.33 (-0.66)
3 Yr. T-Note:	1.58 (+19 bps)	Gold Spot:	1,234.81 (-22.38)
5 Yr. T-Note:	2.01 (+21 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.48 (+17 bps)	U.S. High Yield:	6.02% (-01 bps)
30 Yr. T-Bond:	3.07 (+12 bps)	BB:	4.77% (+02 bps)
		B:	6.01% (-02 bps)

Yields rose sharply across the curve last week with the yield on the benchmark Treasury 10yr note increasing 17bps. Several Fed Presidents made hawkish comments and indicated a March rate hike is on the table. Market expectations that the FOMC will raise rates in March skyrocketed from 40% to over 90% in just a few days. Data throughout the week continued to support the Fed's dual mandate of full employment and 2% inflation. Initial jobless claims fell to 223,000 on Thursday, the fewest in 44 years. The Fed's preferred measure of inflation, Personal Consumption Expenditure, rose 0.4% in January, the most for any month since 2011, inching the YoY index up to 1.9%. Fed Chairwoman Janet Yellen gave a speech Friday afternoon in Chicago and stated that growth potential looks a bit less than 2%. However, she said that if the economy evolves as expected, a rate hike at the March 15th meeting will be appropriate. The only major economic report between now and the two-day meeting is the jobs report. After her speech, the likelihood of a March rate increase rose even further, to 94%. Yellen noted uncertainty around fiscal policy after Trump's first major address to a joint session of Congress last week failed to provide details on trade, infrastructure, or tax reform. Major economic reports (and related consensus forecasts) for the upcoming week include: Monday: January Factory Orders (1.0%, -0.3%) and Durable Goods Orders (1.0%, -0.8); Tuesday: Trade Balance ($-48.0B, $-3.7); Wednesday: prior week MBA Mortgage Applications, ADP Employment Change (185,000, -61,000) and Wholesale Inventories MoM (-0.1%, unch); Thursday: Prior week Initial Jobless Claims (239,000, +16,000); Friday: Nonfarm Payrolls (190,000, -37,000), Unemployment Rate (4.7%, -0.1%), and Average Hourly Earnings YoY (2.8%, +0.3%).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	21,005.71 (0.94%)	Strong Sectors:	Financials, Info. Tech., Energy
S&P 500:	2,383.12 (0.71%)		
S&P Midcap:	1,739.50 (0.19%)	Weak Sectors:	Utilities, Cons. Staples, Telecom.
S&P Smallcap:	849.38 (-0.41%)		
NASDAQ Comp:	5,870.75 (0.46%)	NYSE Advance/Decline:	1,438 / 1,652
Russell 2000:	1,394.13 (0.01%)	NYSE New Highs/New Lows:	474 / 75
		AAII Bulls/Bears:	37.9% / 35.6%

Equity markets extended their rally to a sixth straight positive week, as the S&P 500 Index had a 0.7% return for the week. The rally this week occurred after President Trump gave his first significant policy speech to a joint-session of Congress. In his speech, President Trump outlined his vision for America, including corporate and individual tax cuts, deregulation and improved trade deals. Equity markets responded on Wednesday as the S&P 500 Index rallied 1.4%. Leading the way was the financial sector as banks are expected to be one of the largest beneficiaries of lower corporate tax rates and deregulation. Positive equity returns were not only an American phenomenon as the Euro STOXX 600 Index rallied over 1.5% during the week. Leading the way was Italy's FTSE MIB Index up over 5.7%, Spain's IBEX 35 Index up over 3.6%, France's CAC 40 Index up over 3.0% and the German DAX 30 Index up 1.9%. In stock specific news **General Motors** was up over 3.6% for the week after news surfaced that French automaker **Peugeot SA** intends to announce a final deal Monday to buy Opel, GM's European unit, pending European regulators. **Monster Beverage Corp** rallied over 10% on the week after announcing positive earnings along with robust growth in their international sales. **Target Corp.** announced a strategic shift in their business model amid weakening revenue. They have decided to become low-cost competitive rather than defend their margins, the strategic shift was met with a -13.7% sell off in the stock. **Frontier Communications Corp.** sold off over -14.8% amid an announcement of weakening revenue and negative earnings, the name is now in the bottom 5 weights in the S&P 500. Looking ahead to next week, odds continue to climb for a Fed rate hike during their March 15th meeting as Bloomberg now predicts a 94% chance of a 25bps hike. Monthly employment numbers along with an updated unemployment rate should be news worthy items to equity markets.