US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	1.561 (1.8 bps)	GNMA (30 Yr) 6% Coupon:	110-09/32 (2.76%)
6 Mo. T-Bill:	1.573 (0.8 bps)	Duration:	3.77 years
1 Yr. T-Bill:	1.534 (-3.9 bps)	Bond Buyer 40 Yield:	3.64 (-3 bps)
2 Yr. T-Note:	1.610 (-6.4 bps)	Crude Oil Futures:	57.72 (0.48)
3 Yr. T-Note:	1.612 (-9.1 bps)	Gold Spot:	1,468.21 (9.21)
5 Yr. T-Note:	1.647 (-9.9 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	1.831 (-11.1 bps)	U.S. High Yield:	6.37 (-1 bps)
30 Yr. T-Bond:	2.305 (-12.0 bps)	BB:	4.63 (-1 bps)
		B:	6.64 (-3 bps)

Last week ended with the October industrial production report meaningfully disappointing, which helped Treasurys stage a week-end rally. However, through the course of last week, the yield curve flattened but is meaningfully steeper than it was a short few months ago. As of the end of Friday, the 2-year was yielding 1.610% and the 10-year was yielding 1.831%. Contrasted to the August 15 close, which saw the 2-year yielding 1.496% and the 10-year yielding 1.527%, it is evident that the yield curve has steepened. This and the lowered trade tensions have helped fuel a risk rally which has recently depressed demand for Treasuries, a safe-haven asset. While ISM readings have been weak, employment remains strong and the consumer continues to spend. The Friday retail sales data was the latest reading of consumer spending available and showed an October bounce-back after September saw a decline; the first in seven months. “Core” sales, which exclude autos, building materials, and gas stations (the most volatile sectors) grew 0.2% in October, and are up 4.2% from a year ago and 7.8% at an annualized rate since the start of 2019, the fastest ten-month pace of growth since December 1999. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: October Housing Starts (1,315k, 1,256k); Wednesday: November 15 MBA Mortgage Applications (N/A, 9.6%); Thursday: November 16 Initial Jobless Claims (219k, 225k), October Leading Index (-0.2%, -0.1%) and October Existing Home Sales (5.49m, 5.38m); Friday: November preliminary Markit US Manufacturing PMI (51.5, 51.3) and November final University of Michigan Sentiment (95.7, unch.).

US Equities				
Weekly Index Performance:			Market Indicators:	
DJIA:	28,004.89	(1.24%)	Strong Sectors:	Health Care, Real Estate, Utilities
S&P 500:	3,120.46	(0.94%)		
S&P Midcap:	2,000.61	(0.16%)	Weak Sectors:	Cons. Discretionary, Financials, Energy
S&P Smallcap:	982.71	(-0.56%)		
NASDAQ Comp:	8,540.83	(0.80%)	NYSE Advance/Decline:	1,568 / 1,486
Russell 2000:	1,596.45	(-0.11%)	NYSE New Highs/New Lows:	283 / 142
			AAII Bulls/Bears:	40.7% / 24.8%

The S&P 500 Index hit all-time highs last week and has returned 26.7% for the year. If this return can hold the rest of the year, 2019 would be the 3rd best total return for the index since 2000. U.S.-China trade relations continue to grab headlines. To start the week worries arose that the first phase of a trade deal may have hit some snags. However, by the end of the week those worries melted away as White House economic advisor Larry Kudlow stated that phase one was “…coming down to the short strokes,” while Commerce Secretary Wilbur Ross said “in all likelihood” there will be a deal. Earnings season for 3Q19 wound down last week as only 15 names in the S&P 500 announced results, including the last few mega cap names. **WalMart Inc** announced earnings above estimates along with revenue and same-store-sales in-line with estimates. Their stock was down -0.5% last week as investors worry about a slowdown in Sam’s Club revenue. **Cisco Systems Inc.** also announced earnings last week, which didn’t go well after disappointing guidance fueled a -7.7% return, second lowest in the S&P 500. While their earnings and revenue were in-line, they guided next quarter revenue to growth -5% to -3%, the largest quarter-over-quarter decline in revenue since the financial crisis. **DXC Technology Co.** was the top performing stock in the S&P 500 last with a 23.8% return. The positive return was fueled by an announcement that management is exploring ways to sell portions of the company. **Craft Brew Alliance Inc.** had a 124% return after global beverage giant **Anheuser-Busch InBev** announced an all cash acquisition of nearly $300m. Looking ahead to next week, economic data is expected in housing, leading indicators, consumer sentiment and jobs. These are all direct measures of consumer health, which has been the cornerstone of recent market returns.