US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.817 (17.2 bps)	Bond Buyer 40 Yield:	4.48 (9 bps)
6 Mo. T-Bill:	3.205 (11.2 bps)	Crude Oil Futures:	93.06 (2.29)
1 Yr. T-Bill:	3.289 (8.3 bps)	Gold Spot:	1,738.14 (-8.92)
2 Yr. T-Note:	3.397 (16.3 bps)	Merrill Lynch High Yield Indices:	
3 Yr. T-Note:	3.393 (13.2 bps)	U.S. High Yield:	8.06 (25 bps)
5 Yr. T-Note:	3.205 (11.2 bps)	BB:	6.57 (23 bps)
10 Yr. T-Note:	3.041 (6.9 bps)	B:	8.56 (29 bps)
30 Yr. T-Bond:	3.192 (-2.0 bps)		

U.S. Treasury yields rose steadily through last week in advance of Chairman Powell's speaking at Jackson Hole. At the meeting, the Fed Chief used the opportunity to reinforce messaging that inflation remains too high and lowering it remains the priority. Using Minneapolis Fed President Neel Kashkari's comments to perhaps provide a less nuanced take on the current state of inflation: "This is a raging inferno. And so, I think a raging inferno entails significant risks." Mr. Powell's official comments indicated that "another unusually large" potential hike could be decided upon in the next meeting. Mr. Powell stated that "restoring price stability will likely require maintaining a restrictive policy stance for some time" and that "the historical record cautions strongly against prematurely loosening policy." He went on, saying ominously, "Restoring price stability will take some time and requires using our tools forcefully to bring demand and supply into better balance." Making major news last Tuesday was the new single-family home sales data which noted a stunning 12.6% decline in July, down 29.6% from the year prior. Also among economic reports was personal income and personal spending, which were both slightly below expectations at 0.2% and 0.1% respectively. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Tuesday: August Conference Board Consumer Confidence (97.7, 95.7); Wednesday: August 26 MBA Mortgage Applications (n/a, -1.2%), August ADP Employment Change (300K) and August MNI Chicago PMI (52.5, 52.1); Thursday: August 27 Initial Jobless Claims (249k, 243k), August Final S&P Global US Manufacturing PMI (51.3, unch.) and ISM Manufacturing (52.0, 52.8); Friday: August Change in Nonfarm Payrolls (300K, 528K), August Unemployment Rate (3.5%, unch.), July Factory Orders (0.2%, 2.0%) and July Final Durable Goods Orders (0.0%, unch.).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	32,283.40 (-4.20%)	Strong Sectors:	Energy, Materials, Utilities
S&P 500:	4,057.66 (-4.02%)		
S&P Midcap:	2,500.25 (-3.01%)	Weak Sectors:	Info Tech, Comm Services, Consumer Discretionary
S&P Smallcap:	1,225.50 (-3.35%)		
NASDAQ Comp:	12,141.71 (-4.43%)	NYSE Advance/Decline:	936 / 2,551
Russell 2000:	1,899.83 (-2.93%)	NYSE New Highs/New Lows:	111 / 208
		AAII Bulls/Bears:	27.7% / 42.4%

Stocks had a volatile week before ending down on the hawkish comments by Federal Reserve Chairman Jerome Powell from Jackson Hole, Wyoming. The comments are a sign of a fizzling summer rally as investors look to position themselves away from emerging markets as the dollar gains strength on the back of increasing interest rates. The stronger dollar was a boost for energy stocks as the S&P 500 Energy sector posted over a 4% gain last week. Technology stocks lagged all other sectors with over a -5.5% decline. Megacap **Alphabet Inc**, the parent company of Google, traded lower by almost -6% as investors weigh the impact of an inflation-fighting Fed that is willing to tolerate "some pain"; and the lower growth outlook resulting from increased rates. The Fed chairman warned, "While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain to households and businesses." High growth names, and the tech sector in particular, will be affected the most by rising rates as future earnings will have to be discounted at higher rates, thus depressing earnings multiples. A positive sign of the signaling action by the Fed is companies will be able to manage rising costs with the help of the policies set forth by the central bank. The viability of potential peak inflation and the Fed's future action to curtail more inflation should give companies a stable outlook going into the next quarter. Currently, margin erosion from higher prices has hit retail companies' bottom lines and lowered outlooks. Retailer **Nordstrom** lost 20% of its value last week as rising costs hurt profits and led management to rethink guidance going to into the all-important holiday shopping season. Looking ahead to next week, economic releases about housing and jobs will give investors a look at how various markets have handled the forecasted interest rate increases.