US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	4.125 (-3.2 bps)	Crude Oil Futures:	103.27 (1.86)
6 Mo. T-Bill:	4.301 (-1.9 bps)	Gold Spot:	3,996.10 (-169.48)
1 Yr. T-Bill:	4.386 (-2.1 bps)	Merrill Lynch High Yield Indices:	
2 Yr. T-Note:	4.682 (-2.7 bps)	U.S. High Yield:	8.50 (5 bps)
3 Yr. T-Note:	4.749 (-4.9 bps)	BB:	7.14 (-2 bps)
5 Yr. T-Note:	4.807 (-6.2 bps)	B:	8.66 (6 bps)
10 Yr. T-Note:	4.994 (-7.8 bps)		
30 Yr. T-Bond:	5.322 (-9.9 bps)		

Treasury yields fell last week as investors sought safe-haven assets amid AI-spending fears that reverberated across credit markets, sending the 10-year US Treasury yield below 5%. Internal forecasts from Meta Platforms disclosed last week said it needs to raise hundreds of billions of dollars to fund its AI ambitions, increasing concerns over the supply of debt needed to fund the AI infrastructure buildout. Debt supply concerns helped push global credit spreads to their widest in 17 months. Meanwhile, escalating geopolitical tensions, particularly in the Middle East, sent oil prices higher for the week, with Brent crude settling on Friday at its highest level since April. Economic data released last week showed US business activity expanded in October based on S&P Global's preliminary US Composite PMI. While growth slowed from September, both services and manufacturing activity remained robust. However, costs also rose sharply, particularly as the impact of higher oil prices affected a wide variety of goods and services. Major economic reports (related consensus forecasts, prior data) for the upcoming week include Tuesday: September Preliminary Durable Goods Orders (1.8%, -0.1%), October Conference Board Consumer Confidence (80.8, 81.9), September New Home Sales (650k, 684k); Wednesday: October 23 MBA Mortgage Applications (N/A, -5.3%), September Preliminary Wholesale Inventories MoM (0.5%, 0.5%), October 28 FOMC Rate Decision - Upper Bound (4.00%, 4.00%); Thursday: September Personal Income (0.3%, 0.2%), September Personal Spending (0.6%, 0.9%), October 24 Initial Jobless Claims (198k, 194k), 3Q GDP Annualized QoQ (3.2%, 2.2%); Friday: October MNI Chicago PMI (55.0, 58.8).

US Equities			
Weekly Index Performance:		Market Indicators:	
The Dow®	52,215.16 (0.42%)	Strong Sectors:	Energy, Health Care
S&P 500®	7,623.68 (-0.46%)		Real Estate
S&P MidCap 400®	3,616.59 (0.03%)	Weak Sectors:	Info Tech, Industrials
S&P SmallCap 600®	1,681.71 (1.72%)		Comm. Services
Nasdaq Composite®	25,955.34 (-0.71%)	NYSE Advance/Decline:	1,473 / 1,321
Russell 2000®	2,775.90 (2.01%)	NYSE New Highs/New Lows:	157 / 379
		AAII Bulls/Bears:	36.9% / 45.8%

The S&P 500 fell 46 basis points last week as risk off sentiment re-emerged driven by higher oil prices, election uncertainty, and fears regarding AI spending. The best performing sector in the S&P 500 was the Energy sector, which rallied 1.55%. The sector saw broad based strength as over 75% of the sector's constituents finished the week in the green. **SLB Ltd** was the best performer in the sector, rallying 7.19%, the oilfield services company gained following its 3rd quarter earnings release. The firm beat EPS estimates and guided to a gradual recovery in their Middle East business despite disruptions from the Iran war. The worst performing sector in the S&P 500 was the Communication Services sector, which fell 6.20%. The sector's worst performing constituent was **AT&T Inc**, which plunged 10.71%. The telecom company reported results last week beating on the top and bottom line and moderately raising full year guidance, but the good results were overshadowed by news that SpaceX aims to secure at least 80,000 cell sites across the US. **T-Mobile** ended the week down 7.89% while **Verizon** fared better ending the week down 29 basis points. The Communication Services sector also came under pressure from **Meta Platforms Inc,** which fell 9.40%, as the market rotated out of AI related names. Meta reported solid 3rd quarter results as revenues grew 26% and EBTIDA came in stronger than expected but the stock came under pressure as investors are becoming increasingly concerned about the level of AI spending from hyperscalers. Upcoming this week 168 companies in the S&P 500 are expected to report earnings. Notable companies include: **Amazon.com Inc**, **Microsoft Corp**, **Alphabet Holdings**, **Vertiv Holdings**, and **Robinhood Markets Inc**.

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