

US Economy and Credit Markets			
Yields and Weekly Changes:			
3 Mo. T-Bill:	2.342 (-5.4 bps)	GNMA (30 Yr) 6% Coupon:	105-13/32 (4.32%)
6 Mo. T-Bill:	2.520 (unch)	Duration:	4.16 years
1 Yr. T-Bill:	2.678 (2.3 bps)	Bond Buyer 40 Yield:	4.18 (-3 bps)
2 Yr. T-Note:	2.786 (-2.3 bps)	Crude Oil Futures:	50.93 (+0.51)
3 Yr. T-Note:	2.800 (-3.6 bps)	Gold Spot:	1,220.52 (-2.53)
5 Yr. T-Note:	2.812 (-5.4 bps)	Merrill Lynch High Yield Indices:	
10 Yr. T-Note:	2.988 (-5.1bps)	U.S. High Yield:	7.37 (unch)
30 Yr. T-Bond:	3.290 (-1.1 bps)	BB:	5.89 (-3 bps)
		B:	7.72 (unch)

U.S. Treasury note yields were up at the start of the week as investors favored risk assets. On Monday, the 10-year Treasury note yield had its largest one-day gain in nearly a year. Federal Reserve Chairman Jerome Powell's speech on Wednesday received mixed interpretations by investors and economists. Some viewed Chairman Powell's comments as dovish, while others believe he did not add much more new information and was merely restating the current monetary policy stance of the Federal Open Market Committee. U.S. Treasury note yields finished down on Friday with the 10-year Treasury note yield declining the most in one month since August of last year. Investors are anxiously waiting for news out of Buenos Aires as President Donald Trump and Chinese President Xi Jinping plan to meet at the G-20 summit. Last week saw a slew of economic data. Real GDP grew at a 3.5% annual growth rate in the third quarter, matching the initial estimate as well as consensus expectations. Pre-tax corporate profits grew by 3.4% in the third quarter, the fastest quarterly growth rate since the second quarter of 2014, and are up 10.3% in the past year, the largest four-quarter increase since mid-2012. New single-family home sales declined 8.9% in October to an annual rate of 544,000, missing consensus estimates. Personal income increased 0.5% and personal consumption increased 0.6% in October, both beating consensus estimates. Major economic reports (related consensus forecasts, prior data) for the upcoming week include: Monday: November Final Marit US Manufacturing PMI (55.4, 55.4), October Construction Spending MoM (0.4%, 0.0%), November ISM Manufacturing (57.5, 57.7); Wednesday: November 30 MBA Mortgage Applications (n/a, 5.5%), October ADP Employment Change (195k, 227k); Thursday: October Trade Balance (-\$55b, -\$54.0b), October Factory Orders (-2.0%, 0.7%), December 1 Initial Jobless Claims (225k, 234k), October Final Durable Goods (-2.4%, -4.4%); Friday: November Change in Nonfarm Payrolls (198k, 250k).

US Equities			
Weekly Index Performance:		Market Indicators:	
DJIA:	25,538.46 (+5.32%)	Strong Sectors:	Cons Disc, Info Tech, Health Care
S&P 500:	2,760.17 (+4.91%)	Weak Sectors:	Materials, Utilities, Real Estate
S&P Midcap:	1,878.65 (+3.00%)	NYSE Advance/Decline:	2,044 / 1,056
S&P Smallcap:	962.95 (+2.76%)	NYSE New Highs/New Lows:	91 / 536
NASDAQ Comp:	7,330.54 (+5.66%)	AAll Bulls/Bears:	33.9% / 39.5%
Russell 2000:	1,533.27 (+3.04%)		

Equities surged following comments by Federal Reserve chairman Jerome Powell that the current benchmark rate was "just below" neutral, implying the central bank could be close to leaving interest rates steady. As recently as last month, Mr. Powell had said rates were "a long way" from neutral. Along with tariffs, fears of higher interest rates, which could lead to slower growth, remains another key concern for most investors. During the week, trade headlines continued to add volatility to the market in the lead up to Presidents Donald Trump and Xi Jinping meeting this weekend. In economic news, housing numbers remained disappointing as new home sales came in under expectations for October and continued to soften. Rising costs due to material and labor shortages coupled with higher interest rates have driven down home affordability. In stock news, **General Motors Co.** made headlines and felt the ire of President Trump's Twitter account after announcing a 15% reduction in its North American salaried workforce and the closure of three plants. Shares of **Salesforce.com**, Inc. jumped following a strong quarterly announcement that resulted in 27% growth in billings as clients are integrating and signing up for additional solutions. **Workday Inc.** also posted impressive results and raised guidance for the full-year on broad-based strength across regions, product line and size of client. Looking ahead, all focus will be on this weekend's dinner at the Group of 20 where Presidents Donald Trump and Xi Jinping will be in attendance. If no resolution is reached soon, 25% levies are set to be placed on Chinese goods starting January 1st. Takeaways from the meeting this weekend are likely to drive sentiment for the week ahead.

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