

Equity markets surged yesterday, with the S&P 500 closing up 2.3%. This is the largest single-day increase since March of this year. The increase is attributed to Fed Chair Jerome Powell's comments at the Economic Club of New York on Wednesday. He said the Fed's benchmark interest rate was just below the neutral level. This contrasts comments from last month, where the interest rate was a long way from neutral. The market is interpreting these comments as reducing the probability of future rate hikes. According to the Powell, rates are historically low. This indicates a continued stimulatory environment, encouraging economic activity.

Oil prices, on the other hand, have been beating down this week, with crude prices close to crossing the \$50/barrel mark. The commodity is down close to 8% this week. Part of the decline has been caused by increasing U.S. crude oil production. Earlier this year, the U.S. became the largest global producer of crude oil. This increased supply has put pressure on oil pricing, and there have been OPEC discussions on cutting output to limit supply.

In economic news, Durable Goods Orders were down 4.4% in October, which is more than the expected 2.5%. Orders have been down three of the last four months. The increase within that time period was in September, which was only by 0.1%. Decreases in transportation and defense equipment ordering heavily contributed to the decline of 4.4%.

Sales of older homes beat out newer homes in October with 5.22 million existing homes being sold. The expectation was for sales of 5.2 million. This was the first increase we have seen in six months. It looks like buyers may be taking advantage of increasing home inventory. Sales of new homes came in at 544,000, lower than the expected 580,000, and the previous month's 597,000. The number of building permits issued stayed flat at 1.265 million, relative to last month's 1.263 million. The cause of the flatness may be due to the difficulty of selling new homes.

Consumer sentiment dipped a bit in November. The Michigan Sentiment Indicator recorded a reading of 97.5, down from the previous month's 98.3.

Weekly Market Topics

- **Economy**
- **Fixed Income Markets**
- **Equity Markets**

All data is as of the above referenced date.

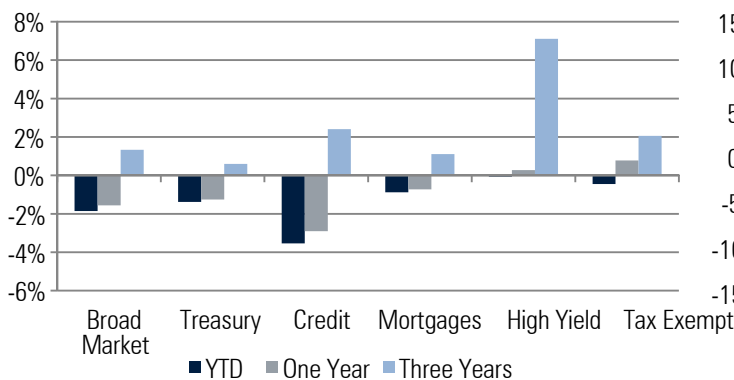
Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper bound)	2.25	1.25	0.25
3-Month T-Bill	2.38	1.28	0.17
10-Year Treasury	3.06	2.39	2.22
30-Year Treasury	3.35	2.82	3.00
10-Year Corporate AA	3.98	3.13	3.42
10-Year High Yield Corp.	6.81	5.32	6.33
Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz.)	1,221.23	1,283.64	1,057.45
Oil (WTI, \$/barrel)	50.29	54.72	54.51
Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	96.79	93.16	100.02
USD/EUR	0.88	0.84	0.94
USD/JPY	113.68	111.93	122.80

For more information, contact:

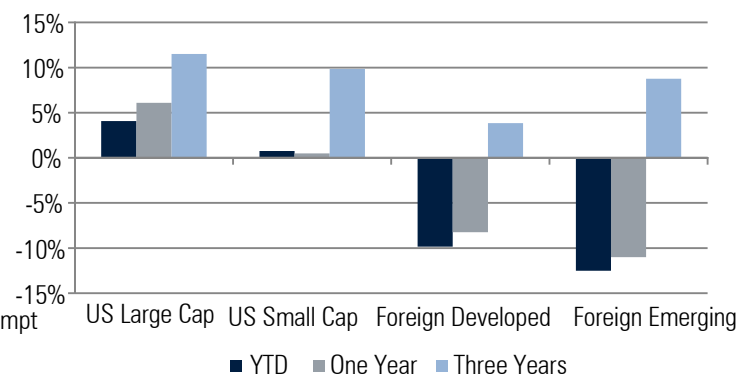
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Bond Market Total Returns



Equity Market Total Returns



Source: BTC Capital Management, Bloomberg LP, Ibbotson Associates.

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