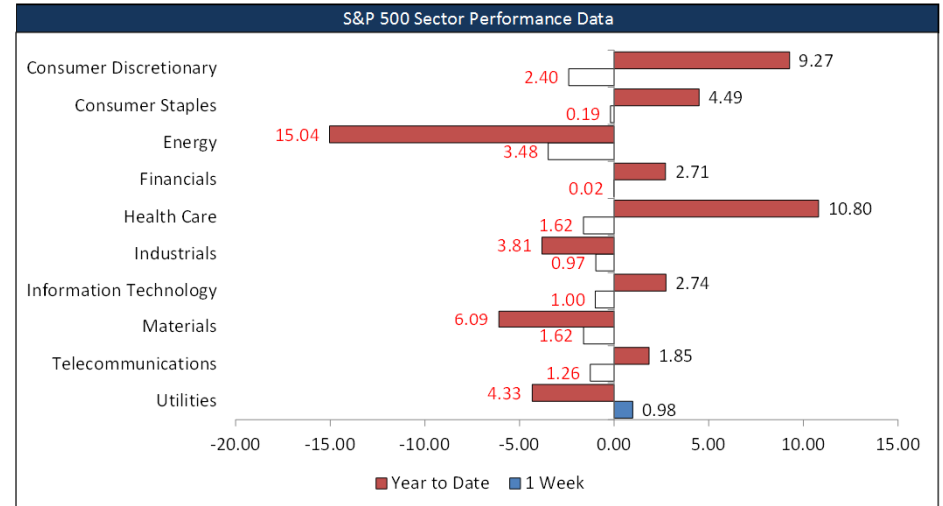
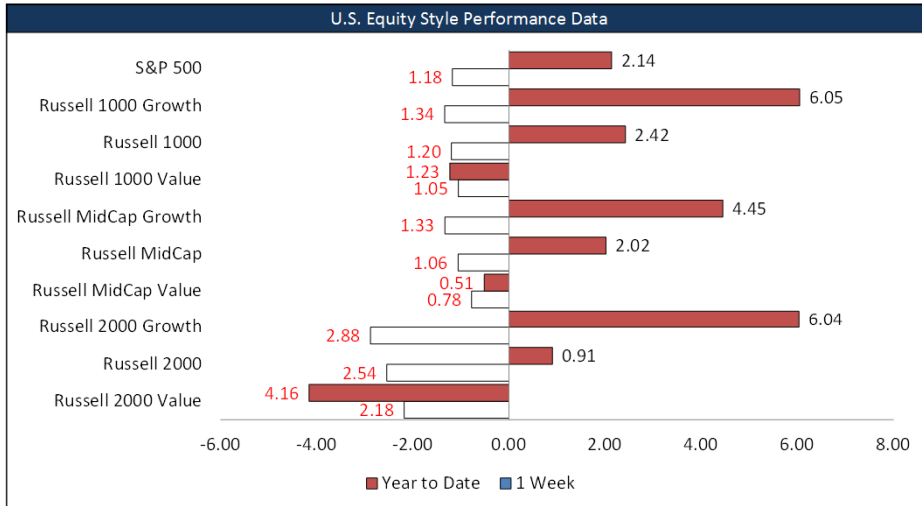




Week in Review
08/07/2015

Equity	Last Price	Δ WTD (%)	Δ YTD (%)	Bonds	Yield	Δ WTD (bps)	Δ YTD (bps)	Commodities	Last Price	Δ WTD (%)	Δ YTD (%)	Currencies	Last Price
S&P 500	2078	(1.18)	2.14	Barclays U.S. Aggregate	2.39	0.04	0.14	Bloomberg Commodity	90.48	(1.42)	(13.27)	Euro (€/€)	1.10
Dow Jones Industrial	17373	(1.65)	(1.10)	Barclays Corp High Yield	6.96	0.09	0.35	West Texas Crude	43.87	(6.90)	(23.70)	Yen (\$/¥)	124.24
MSCI EAFE	1869	(0.54)	7.57	30 Year U.S. Treasury	2.82	(0.09)	0.07	Natural Gas	2.80	3.02	(7.07)	Pound (£/\$)	1.55
MSCI EM	885	(1.80)	(5.75)	10 Year U.S. Treasury	2.16	(0.02)	(0.01)	Gold	1094.10	(0.09)	(7.83)		
Russell 2000	1207	(2.54)	0.91	2 Year U.S. Treasury	0.72	0.06	0.05	Copper	233.25	(1.31)	(17.51)		

U.S. Treasury Yields	3M	6M	12M	2Y	3T	5Y	7Y	10Y	30Y
August 7, 2015	0.06	0.21	0.36	0.72	1.05	1.57	1.92	2.16	2.82
June 30, 2015	0.01	0.11	0.26	0.64	1.00	1.65	2.08	2.35	3.12
December 31, 2014	0.04	0.12	0.21	0.66	1.07	1.65	1.97	2.17	2.75
December 31, 2013	0.07	0.09	0.11	0.38	0.76	1.74	2.45	3.03	3.97
December 31, 2012	0.04	0.11	0.14	0.25	0.35	0.72	1.18	1.76	2.95



No summer doldrums so far this August as commodities, equities, and bonds have had plenty of market moving news to absorb. Domestic economic data was relatively encouraging last week, enabling the Fed to bolster the case for an initial rate hike later this year. Releases included a blowout ISM Non-Manufacturing survey which solidly beat expectations (60.3 vs 56.2), the highest reading in ten years, the biggest one-month increase since February 2008, and the biggest relative beat since January 2009. Services sectors have been outpacing manufacturing sectors by a large margin aided by a strong dollar and weak non-U.S. consumption. On the employment front, July recorded 215,000 new jobs, extending a monthly streak dating back to 2010 – by far the longest in modern American history. Additionally, last week’s NSA jobless claims posted the lowest reading since the summer of 1969! Despite the robust job numbers, wages continue to languish posing a quandary for policy makers.

Commodities continued to be crushed by oversupply and a strong dollar bring year to date losses well into double digits. Fed rate hike expectations increased significantly last week as evidenced by short-term interest rates and Fed Funds futures. The yield curve flattened materially as two and three year U.S. treasury yields increased 6 and 8 basis points respectively while twenty and thirty year yield fell 9 basis points. Fed funds futures implied odds of a September rate hike have increased from approximately 20% to 75% over the past few weeks.