ECONOMIC HIGHLIGHTS

The U.S. Consumer Price Index was up 0.4% in October, after having been flat for September. Producer prices were also up 0.4% after having been down in Se ptember. Retail Sales were up 0.3% for October. Industrial Production was down 0.8% for the month; however, Capacity Utilization slipped to 76.7%.

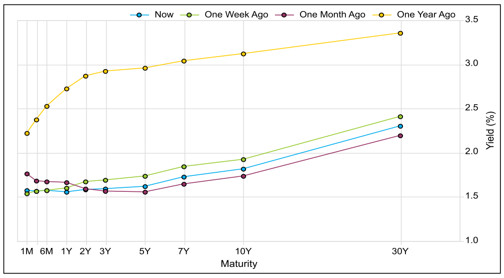
FIXED INCOME

The push toward 2% on benchmark ten-year Treasuries, which seemed very likely a week ago as the bond market was having one of its worst weeks in recent memory, is suddenly looking far off. The slow-moving resolution to the U.S.-China trade dispute brought investors back to the safety of the fixed income markets. The case for more downside movement in both U.S. and European yields has also gained some traction from disappointing data, including tepid U.S. inflation and weak growth in Asia's biggest economies. After a wild ride during November so far, with ten-year yields touching a three-month high of 1.97% on November 7, uncertainty is back to the front of most traders' minds. Some investors and options traders are refraining from taking large wagers as many on the street believe ten-year Treasury yields may be heading back to the 1.50% mark by the end of the year. Stubbornly low inflation is one of the main reasons many believe there is a case for lower rates over the next six weeks. The case can also be made that the Federal Reserve's policy stance is currently more neutral than accommodative, based on a model that compares economic momentum with the cost of short-term debt. The yield on the ten-year Treasury fell about eleven basis points for the week to a yield of 1.83%. German bund yields also fell during the week by about nine basis points to yield -0.34%, while equivalent U.K yields fell around five basis points to 0.71%. This week's decline in yields came after President Trump doused prospects for the U.S. and China to roll back tariffs anytime soon. Slowing U.S. core inflation and comments from Fed Chairman Jerome Powell last week haven't changed the outlook for stable policy rates in the near term which added to the downward yield momentum. Goldman Sachs chief of global rates, Praveen Korapaty, said in a note to clients last week that ten-year Treasury yields "will struggle to move sustainably above 2.2%" due to the lack of inflationary pressures currently in the system. He also noted that even if there are signs of small economic gains and a rollback in tariffs, the "major portion of the bond market sell-off is behind us."

CURRENT GENERIC BONDS YIELDS

TREASURIES		AGENCIES		CORPORATES		MUNICIPALS	
3 mo	1.56%	3 mo	1.55%	3 mo	1.86%	3 mo	1.22%
6 mo	1.57%	6 mo	1.53%	6 mo	1.84%	6 mo	1.24%
1 yr	1.54%	1 yr	1.50%	1 yr	1.80%	1 yr	1.25%
2 yr	1.61%	2 yr	1.65%	2 yr	1.76%	2 yr	1.26%
5 yr	1.65%	5 yr	1.65%	5 yr	1.99%	5 yr	1.42%
10 yr	1.83%	10 yr	2.05%	10 yr	2.47%	10 yr	1.89%
30 yr	2.30%	30 yr		30 yr	3.24%	30 yr	2.52%

CHANGE IN TREASURY YIELD CURVE



EQUITY

INDEX RETURNS	LAST WEEK	YTD
Dow Jones Industrials	1.20%	22.64%
S&P 500 (Large Cap)	0.99%	26.52%
S&P 400 (Mid Cap)	0.30%	21.99%
Russell 2000 (Small Cap)	0.12%	19.77%
NASDAQ Composite	0.94%	29.96%
MSCI EAFE (International)	-0.03%	18.65%
iShares Real Estate	1.34%	26.29%

U.S. equity finished the week higher as the S&P 500 Index earned a sixth straight week of gains. U.S.-China trade talk continues to dominate headlines while Fedspeak continues to remain consistent and retail sales come in stronger-than-expected. Amongst sectors, Utilities returned the most with gains of 2.12% while Energy fell -1.38% to close the week. Gold and oil both finished positive for the week, 0.68% and 1.65%, respectively.

Retail sales rebound slightly in October as the headline sales report came in at 0.3% beating the expectations of 0.2% and up from September's -0.3%. Automobile sales came in stronger-than-expected while core retail sales missed expectations by 0.2%. November Empire State Manuf acturing Survey reported a 2.9, lower than the consensus of 5.9, and October's Industrial Production Report of -0.8% m/m disappointed compared to the consensus of -0.4%, largely due to the GM strike.

The Financial Times released a report noting that funds focused on buying U.S. equities suffered just over $400M in withdrawa ls for the week ending November 13th, clipping two weeks of inflows that had added up to $7B since a potential deal between Washington and Beijing took root. According to the report, around $658M was also pulled out of funds invested in U.S. high-yield corporate bonds, ending four weeks of inflows.

Fedspeak continues to remain consistent with the theme of "wait and see." As Chairman Jerome Powell noted for the second day of speeches, there is confidence from their side that economic expansion will stay on track. As stated by New York Fed's President Williams, the U.S. economy and Fed policy are in a good place. Williams also forecasted for moderated GDP growth, the labor market remaining strong, and inflation to move back to the symmetric 2% target, and that the Fed would adjust its policy if the outlook materially changes.

The S&P 500 Large Cap Index continues to make new highs as it closes positive for its sixth straight week. The Index's main l evel of support continues to be around the ~3025 mark. The S&P 500 closed at 3120.

ASSET ALLOCATION

CURRENT SENTIMENT	
Cash	Neutral
Short Fixed Income	Neutral
Intermediate Fixed Income	Neutral
Inflation-Adjusted Fixed Income	Unfavorable
High Yield Fixed Income	Neutral
International Fixed Income	Unfavorable
Equity Income	Favorable
Large Cap Equity	Favorable
Mid Cap Equity	Favorable
Small Cap Equity	Neutral
International Equity	Neutral
Emerging Markets Equity	Neutral
Real Estate	Neutral
Commodities	Unfavorable

Below is a summary of our current stance on most asset classes:

Cash - Neutral weighting now that Fed Funds rate is above 2%. Any exposure is for defensive positioning or liquidity needs.
Short Term Bonds - Relative to Intermediate Bonds, the reduced duration is preferable given the outlook for higher interest rates.
Intermediate Term Bonds - The current trading range of intermediate bonds warrants a neutral position with limited upside potential. Some opportunities still remain present in floating rate securities.
Inflation-Adjusted Bonds - Low inflation expected in near-term providing zero real return.
High Yield Bonds - Spreads have tightened considerably and do not warrant exposure to unnecessary credit risk when compared to Treasuries.
International Bonds - Foreign bonds offer good diversification qualities and higher yield opportunities, however, risks have been elevated recently and investment should be made cautiously.
Equity Income - High quality and higher-dividend-paying companies remain attractive for long-term investors given their favorable risk-adjusted profile and current yield curves.
Large Cap Stocks - A favorable weighting is recommended. Growth continues to be a more favorable style and should be overweighed versus Value.
Mid Cap Stocks - Mid cap exposure remains an attractive market capitalization. Mid cap stocks continue to provide the "sweet spot" of market capitalization - large enough to provide stability, but small enough to be more nimble.
Small Cap Stocks - In broad market corrections, small cap stocks will suffer most with increased volatility. However, a recent divergence of relative strength between small caps and large caps warrants a neutral exposure.
International Stocks - Given most foreign investment is in developed markets and European countries, until sovereign debt concerns are alleviated, an underweight to neutral weight is recommended.
Emerging Market Stocks - Stronger balance sheets, less debt, and better growth potential make emerging markets more fundamentally attractive than developed countries longer-term. However, trade uncertainty and dollar strength provide a headwind for EM in the near term.
Real Estate - Pricing has stabilized and long-term valuations appear attractive. Real Estate has performed well of late and should continue to be a strong alternative to other asset classes.
Commodities - Global demand should support higher prices if the global recovery remains on track. Volatility will be higher, and commoditi es will be susceptible to short-term price shocks, however, if used in conjunction with other asset classes, risk can be reduced substantially within a diversified portfolio. Used alone though is not recommended as the short-term outlook is not favorable.