



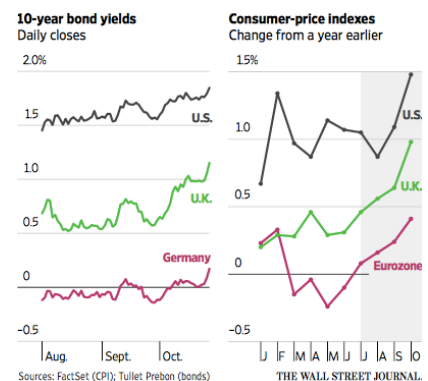
WEDNESDAY OCTOBER 26, 2016

	PRICE	CHANGE	VOLUME	UP/DN %	UP/DN VOL %
Dow:	18,199.33	+30.06	3.78	57	82
Nasdaq:	5,250.27	-33.13	1.73	45	66
S&P 500:	2,139.43	-3.73			
10 yr note:	1.79%	+3bps			
Volatility:	14.24	+0.78			
EUR-USD:	1.090	+0.001	Crude Oil:	49.18	-0.78
USD-JPY:	104.16	-0.36	CRB-Com:	189.72	-0.63



Markets fall on mixed earnings, with the Nasdaq (-0.6%) leads the S&P 500 (-0.2%) lower. The Dow (+0.2%) managed to gain, resuscitated from a 0.2% loss by stronger than expected Boeing earnings. Nevertheless overall market volatility (+5.8%) gained. Crude oil (-1.6%) fell to a 3-week low on as OPEC hesitations outweigh bullish inventory data. Markets in Europe (-0.4%) and Asia (-1%) also fell.

The dollar has gained 2.6% in October, its second strongest month so far this year. The dollar has risen along with Fed rate hike expectations, as markets glimpse budding signs of inflation. 10 year yields in the US are back to their highest levels since June.



ECONOMIC REPORTS:

September New Home Sales: +3.1%. New home sales gain despite lower revisions for July and August. Sales are 13% higher since January and 30% higher over the past year, dominating existing home's 0.6% full year sales gain. Supply fell 0.1 to a very lean 4.8 months.

Weekly Crude Inventories: -0.6 million barrels. Oil inventories fall for the 8th week out of the past nine and are only 4.5% higher over the past year, down from a 9% annual build just a month ago. Gasoline (-2 million) and distillate (-3.4 million) inventories also fell.

Weekly Mortgage Applications: -4.1%. Purchase (7%) applications and refinance (-2%) applications both fell last week. Mortgage activity has suffered as rates follow Treasuries yields higher. Despite his week's decline, mortgage rates are 10bs higher over the past month. Last weeks reading was also skewed by a Columbus Day holiday, highlighting this week's weakness.

Rates:

30 Year Fixed:	3.71%	-2bps
15 Year Fixed:	3.01%	-2bps
5/1 Year ARM:	2.93%	-4bps