

**General Market Overview**

The most notable news last week was the Fed's decision to hike the discount rate to .75%, up from .50%. Despite the rate increase, all major indices made healthy gains, as the Dow Jones Industrial Average and S&P 500 added 3.0% and 3.1%, respectively. Small cap stocks, represented in the Russell 2000, garnered 3.4%, while tech-based Nasdaq stocks picked up 2.8%. Gold and the 10-year Treasury also made ground, gaining 2.8% and 2.4%, respectively, however, crude oil jumped a massive 7.7% throughout the week. This week's calendar is filled with announcements by major retailers including Wisconsin-based Kohl's corp.

**Major Indices and Rates**

Index	Week Close	Week % Chg	YTD
S&P 500	1,109.17	3.13%	-0.25%
Dow Jones	10,402.35	3.00%	-0.53%
Nasdaq	2,243.87	2.76%	-1.11%
Russell 2000	631.62	3.42%	1.00%

Asset	Week Begin	Week End	% Change
10yr T-Note	3.69	3.78	2.44%
Gold	1,082.00	1,112.75	2.84%
Crude Oil	74.13	79.81	7.66%

Source: briefing.com, eia.doe.gov, ustreas.gov, lbma.org.uk

**Political Forefront**

•According to bloomberg news, president Obama has proposed new rules that would allow the US Dept of Health and Human Services to govern insurance-rate increases it deems unreasonable. The legislation, first proposed by Dianne Feinstein of California, would consist of a seven-member panel known as the Health Insurance Rate Authority, and would include consumer reps, an insurance industry rep, a physician, and experts in health economics, and actuarial science.

Source: bloomberg.com

**Economic Indicators and Announcements**

•Economists had anticipated the consumer price index, a measurement of inflation, to rise of about 0.3% for January. However the reading came in below estimates at 0.2%, while core CPI, which excludes energy and food prices, fell 0.1%. Despite the increase in the discount rate, low inflation pressures should allow the Fed to have comfort in keeping interest rates near zero.

•This week's announcements include February Consumer Confidence on Tuesday, January New Home Sales Wednesday, January Durable Orders Thursday, and GDP-Second Estimate and Existing Home Sales Friday.

Source: briefing.com, federalreserve.gov

**Earnings Calendar**

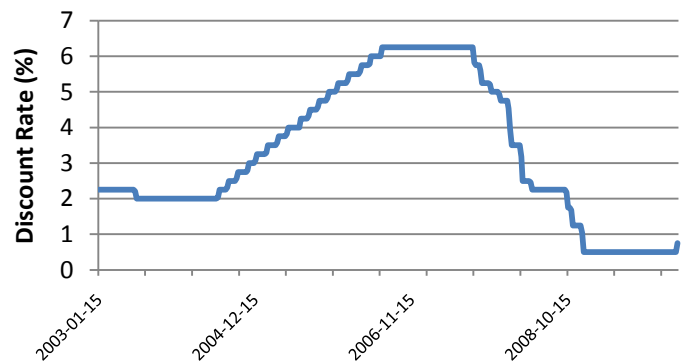
Date	Company	Sym.	Price	Est.
US 2/22	Campbell Soup	CPB	33.64	0.74
2/22	Lowe's	LOW	23.13	0.12
2/22	Nordstrom	JWN	36.20	0.79
2/23	Home Depot	HD	30.32	0.17
2/23	Macy's	M	18.70	1.32
2/23	Medtronic	MDT	43.67	0.76
2/23	Office Depot	ODP	6.64	(0.22)
2/23	Sears Holdings	SHLD	95.34	3.54
2/23	Target	TGT	50.99	1.16
2/24	Transocean	RIG	85.10	2.56
2/25	Gap	GPS	19.90	0.49
2/25	H.J. Heinz Company	HNZ	45.92	0.76
2/25	Safeway	SWY	23.75	0.53
WI 2/25	Kohl's Corp.	KSS	51.34	1.37

Source: finance.yahoo.com, earnings.com, briefing.com

**Discount Rate**

The chart below shows the historical interest rate charged at the discount window to borrowers with primary credit. In other words, it is the overnight rate in which banks with primary credit are charged to borrow from the Fed. This rate, which is set by the Fed, is in contrast to the Fed Funds rate, which is the overnight rate that banks lend to each other. The significance of these rates depict the cost of borrowing money.

**Discount Rate for Primary Credit**



Source: bls.gov

**Quote of the Week**

"Sooner or later, those who win are those who think they can."  
-Paul Tournier

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