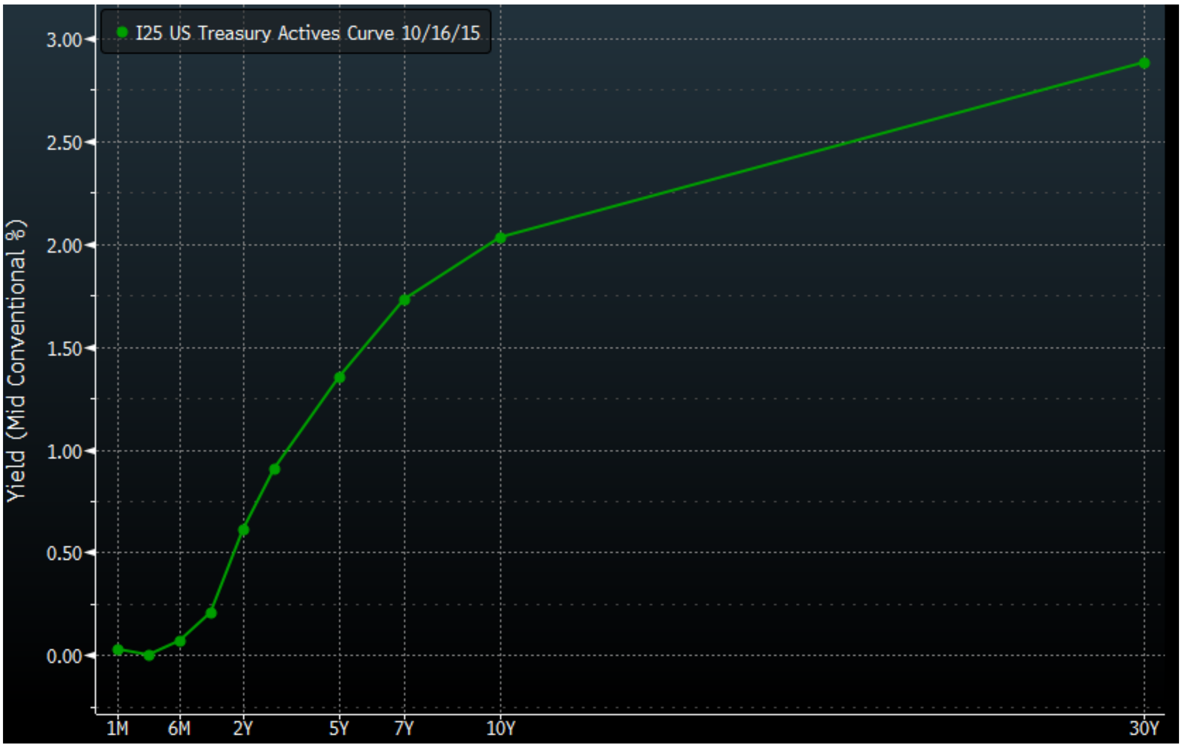
<u>Bond Report:</u>

This week, yields have reached their lowest level in five months. Indeed, the weak economic data provided by the government made investors more confident that the FED will not raise their interest rates before 2016. Indeed, last week release brought doubt about whether inflation will increase enough for the FED to raise its interest rates. According to the CME Group's FedWatch tool, the probability for the FED to increase its rates in October in 6% and 31% in December; This assumption had increased investors' demand for government debt. If we take a look at the two-year maturities, it goes from 0.65% last week to 0.61% this week. The 10-year Treasury note finish the week at 2.03% after falling to its lowest level since April 28 earlier this week. The 30-year edged 0.4 bps to 2.87%.



What's next and key earnings:

On Monday October 19th, the Housing Market index will be released. It is expected to remain at a consensus of 62 as the previous month. The housing supply is low and the low interest rates are two factors that can motivate builders.

On Tuesday October 20Th, the Housing starts indicator will be released. It is expected to increase by 2.0% for the months of September after a decline of 3.0% in August. The main focus will be on whether construction is up for multi-families home where housing permits increase drastically by 3.5% in August.

On Wednesday, October 21st , The EIA Petroleum Status report will be released. This report provides weekly data on the petroleum inventories in the US. This number helps to determine prices of petroleum product.

On Thursday October 22nd, the jobless claims will be released. It is expected to rise to 265,000 in the October 10 week, after reaching last week 255,000, its lowest level in 42 years. On the same day, the Existing house sales report will be released. It is expected to increase by 0.8% for the month of September after a severe drop of 4.8% in August. Finally, The Chicago FED National Activity Index will be released. This is used to measure both the general economic activity and the inflationary pressure. It is expected to reach a consensus of minus 0.05 for the month of September, which is almost at the average growth in the month.

On Friday October 23rd, The PMI Manufacturing Index Flash will be released. Historically, it has been remaining above the breakeven of 50 because of the weak international demand and overall caution among customers.