
WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

September 4, 2015

MARKET COMMENTARY BY SCOTT J. BROWN, PH.D., CHIEF ECONOMIST

The economic data were mixed, but generally consistent with moderately strong growth. Unit auto sales improved in August. The ISM Manufacturing Index slowed. The Non-Manufacturing Index pulled back a bit after surging in July (still strong). The Fed's Beige Book described growth as evenly split between "modest" and "moderate" across the 12 Fed districts. The August employment report was mixed, but generally strong. Nonfarm payrolls rose by 173,000 (median forecast: +220,000), but with a net revision of +44,000 to June and July. The unemployment rate fell to 5.1% (median forecast: 5.2%) and average hourly earnings rose by 0.3% (median forecast: +0.2%), giving the Fed's hawks some ammunition in arguing for a September 17 rate hike (although one should really take those figures with a grain of salt).

The financial markets remained focused on the volatility in China, but with the Chinese market closed on Thursday and Friday, fears of the Fed and slower global growth remained. In his Jackson Hole speech on August 29, Fed Vice Chair Stanley Fischer suggested that the Fed was still on track to begin raising short-term interest rates this year and implied that a September move was still on the table. The Fed does take into account what's happening in the rest of the world, said Fischer, but needs to focus on the domestic economy – what's good for the U.S. economy is good for the global economy.

Next week, the economic calendar is thin. Investors will return from the three-day weekend with a focus on the rest of the world (China, in particular). Monetary policy makers in Canada and the United Kingdom will meet (neither is expected to act, but the Bank of Canada is contemplating another rate cut and the Bank of England is contemplating when to raise rates). The Fed's September 17 decision is seen as being determined by financial market volatility (this week and next), but the Fed is still looking to begin raising rates by the end of the year.

Indices

	Last	Last Week	YTD return %
DJIA	16374.76	16654.77	-8.13%
NASDAQ	4733.50	4812.71	-0.05%

S&P 500	1951.13	1987.66	-5.23%
MSCI EAFE	1704.05	1731.13	-3.99%
Russell 2000	1145.15	1153.61	-4.94%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.14	0.09
30-year mortgage	3.99	4.10

Currencies

	Last	1 year ago
Dollars per British Pound	1.526	1.646
Dollars per Euro	1.112	1.315
Japanese Yen per Dollar	120.070	104.790
Canadian Dollars per Dollar	1.318	1.089
Mexican Peso per Dollar	16.800	13.099

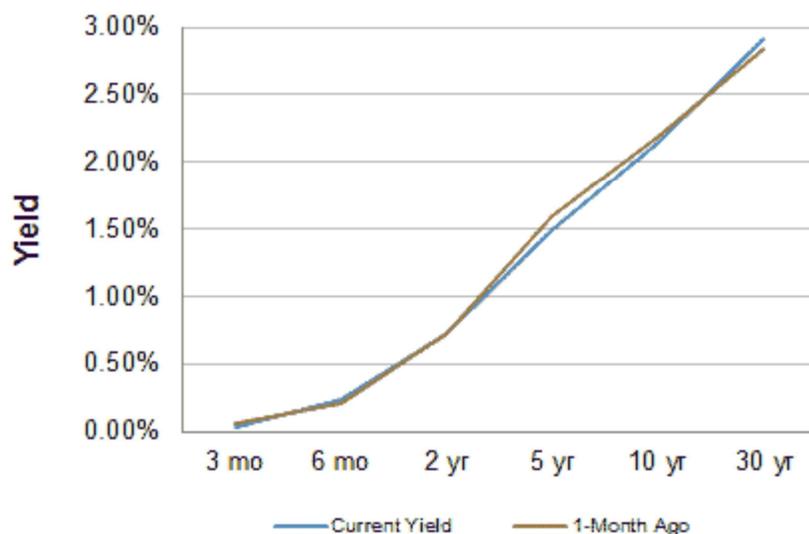
Commodities

	Last	1 year ago
Crude Oil	46.75	95.54
Gold	1125.46	1269.40

Bond Rates

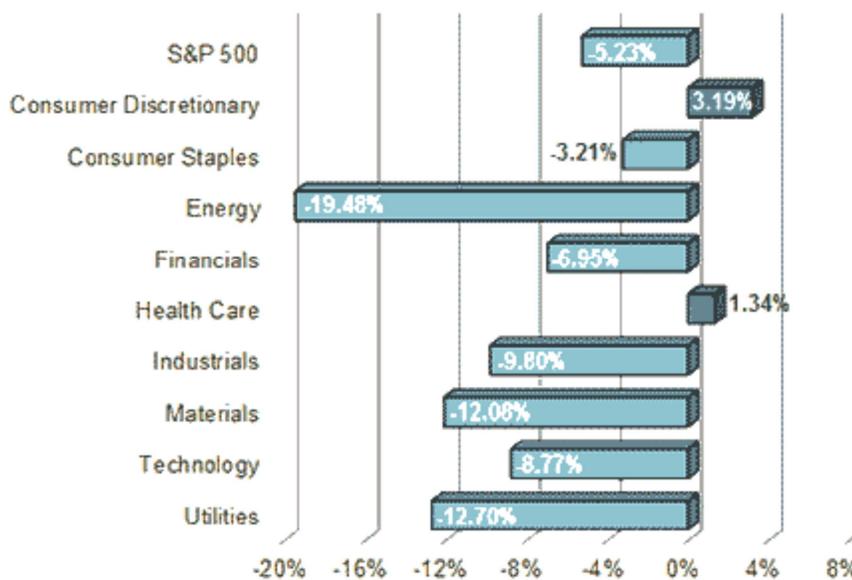
	Last	1 month ago
2-year treasury	0.72	0.72
10-year treasury	2.15	2.18
10-year municipal (TEY)	3.46	3.53

Treasury Yield Curve – 09/04/2015



As of close of business 9/03/2015

S&P Sector Performance (YTD) – 09/04/2015



As of close of business 9/03/2015

Economic Calendar

Sept 7	—	Labor Day (markets closed)
Sept 9	—	Bank of Canada Policy Decision
Sept 10	—	

		Bank of England Policy Decision
		Jobless Claims (week ending September 5)
		Import Prices (August)
Sept 11	—	Producer Price Index (August)
		University of Michigan Consumer Sentiment Index (mid-September)
Sept 15	—	Retail Sales (August)
		Industrial Production (August)
Sept 16	—	Consumer Price Index (August)

Past performance is not a guarantee of future results. There are special risks involved with global investing related to market and currency fluctuations, economic and political instability, and different financial accounting standards. There is no assurance that any trends mentioned will continue in the future. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, state or local taxes. In addition, certain municipal bonds (such as Build America Bonds) are issued without a federal tax exemption, which subjects the related interest income to federal income tax. Also municipal bonds may be subject to capital gains taxes if sold or redeemed at a profit. Investing involves risk and investors may incur a profit or a loss.

US government bonds and treasury bills are guaranteed by the US government and, if held to maturity, offer a fixed rate of return and guaranteed principal value. US government bonds are issued and guaranteed as to the timely payment of principal and interest by the federal government. Treasury bills are certificates reflecting short-term (less than one year) obligations of the US government.

Commodities trading is generally considered speculative because of the significant potential for investment loss. Markets for commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising. Specific sector investing can be subject to different and greater risks than more diversified investments.

Tax Equiv Muni yields (TEY) assumes a 35% tax rate. Municipal securities may lose their tax-exempt status if certain legal requirements are not met, or if tax laws change.

Material prepared by Raymond James for use by its financial advisors.

Data source: Bloomberg, as of close of business September 3, 2015.

RAYMOND JAMES®

John McRae

Branch Manager

512 22nd Avenue // Meridian, MS 39302 // 601-484-5273

john.mcrae@raymondjames.com

If you would prefer not to receive this newsletter, please [e-mail](#) our office.

The information contained herein has been obtained from sources considered reliable, but we do not guarantee that the foregoing material is accurate or complete.

©2015 Raymond James Financial Services, Inc., member [FINRA](#) / [SIPC](#). Securities offered through Raymond James Financial Services, Inc., member [FINRA](#) / [SIPC](#), and are not insured by any financial institution insurance, the FDIC/NCUA or any other government agency, are not deposits or obligations of the financial institution, are not guaranteed by the financial institution, and are subject to risks, including the possible loss of principal. Raymond James is not affiliated with the financial institution or the investment center.