

# WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

February 27, 2015

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Greece's reform proposals were accepted by European finance ministers, effectively kicking the can down the road for another four months.

In her monetary policy testimony, Fed Chair Janet Yellen signaled that the Fed will begin to consider raising short-term interest rates on a meeting-by-meeting basis. Before then, the Fed will change its forward guidance (currently, the language suggests that the Fed can be "patient" in deciding when to raise rates). However, Yellen emphasized that a change in forward guidance would not necessarily mean that the Fed would hike rates "in a couple of meetings." Yellen indicated that for the Fed to raise rates: 1) it must see further improvement in the job market; 2) it must expect further improvement in the job market beyond that; and 3) it must be "reasonably confident" that inflation will move toward the 2% goal.

The Consumer Price Index fell 0.7% in January, down 0.1% from a year earlier (the first year-over-year decline since October 2009). Ex-food & energy, the CPI rose 0.2% (+1.6% y/y). The estimate of 4Q14 GDP growth was revised to a 2.2% annual rate (vs. +2.6% in the advance estimate). Most of the revision was due to slower inventory growth. Private Domestic Final Sales (GDP less net exports, the change in inventories, and government) rose at a 3.5% annual rate (vs. +3.3% in 3Q14). Consumer spending rose at a 4.2% pace (vs. 4.3% in the advance estimate), while business fixed investment rose to +4.8% (from +1.9%). The week's other data were mixed, but consistent with moderate growth in the near term.

Next week, the economic calendar remains packed, with plenty of potentially market-moving data releases. The focus is expected to be on Friday's employment report, which should reflect an impact from adverse weather.

### Indices

	Last	Last Week	YTD return %
DJIA	18214.42	17985.77	2.20%
NASDAQ	4987.89	4924.70	5.32%
S&P 500	2110.74	2097.45	2.52%

MSCI EAFE	1880.83	1863.88	5.97%
Russell 2000	1239.11	1227.91	2.86%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.07	0.07
30-year mortgage	3.79	4.37

### Currencies

	Last	1 year ago
Dollars per British Pound	1.552	1.669
Dollars per Euro	1.136	1.374
Japanese Yen per Dollar	118.740	102.380
Canadian Dollars per Dollar	1.242	1.108
Mexican Peso per Dollar	14.863	13.234

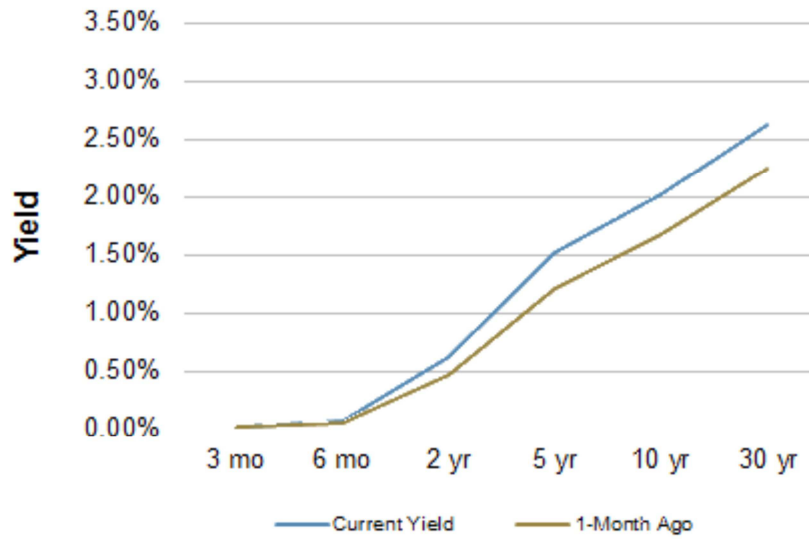
### Commodities

	Last	1 year ago
Crude Oil	48.17	102.59
Gold	1217.99	1339.33

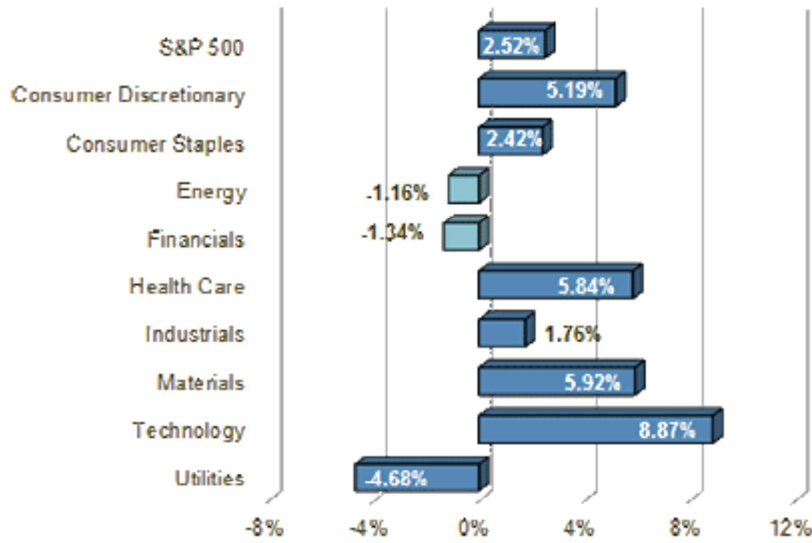
### Bond Rates

	Last	1 month ago
2-year treasury	0.62	0.47
10-year treasury	2.01	1.68
10-year municipal (TEY)	3.25	2.80

### Treasury Yield Curve – 02/27/2015



**S&P Sector Performance (YTD) – 02/27/2015**



**Economic Calendar**

March 2	—	Personal Income and Spending (January) ISM Manufacturing Index (February)
March 3	—	Unit Auto Sales (February)
March 4	—	

		ADP Payroll Estimate (February)
		ISM Non-Manufacturing Index (February)
		Fed Beige Book
<b>March 5</b>	—	ECB Policy Meeting
<b>March 6</b>	—	Employment Report (February) Trade Balance (January)
<b>March 12</b>	—	Retail Sales (February)
<b>March 18</b>	—	FOMC Policy Decision, Yellen Press Conference

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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.

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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.

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