
WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

January 23, 2015

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As expected, the European Central Bank (ECB) signaled that it would begin a quantitative easing program, purchasing €60 billion per month in public and private securities through September 2016. The amount of monthly purchases was a bit higher than anticipated, but that included the ECB's already-existing program to purchase asset-backed securities and covered bonds. The ECB's announcement sent the euro sharply lower.

The Bank of Canada surprised the markets, by cutting short-term interest rates. Canada faces a mixed reaction to lower oil prices, which will hurt energy producers in the West, but benefit energy users in the East. However, the net impact already appears to be negative.

Next week, global financial markets are expected to react to Greek election results (Sunday). The Fed policy meeting is expected to be uneventful – there is no Janet Yellen press conference and the wording of the policy statement is expected to be little changed. The advance estimate of GDP growth is always an adventure. Realistically, we could see the initial headline growth figure come in anywhere from +2.0% to +4.0%.

As a general theme, worries about the global situation are expected to keep market volatility at elevated levels in the near term. However, the fundamentals of the U.S. economy are generally improving. The drop in gasoline prices should provide a considerable benefit to consumers and small businesses through the first half of the year.

Indices

	Last	Last Week	YTD return %
DJIA	17813.98	17320.71	-0.05%
NASDAQ	4750.40	4570.82	0.30%
S&P 500	2063.15	1992.67	0.21%
MSCI EAFE	1780.11	1744.97	0.29%
Russell 2000	1190.37	1154.71	-1.19%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.07
30-year mortgage	3.69	4.39

Currencies

	Last	1 year ago
Dollars per British Pound	1.518	1.653
Dollars per Euro	1.163	1.355
Japanese Yen per Dollar	117.700	104.300
Canadian Dollars per Dollar	1.233	1.096
Mexican Peso per Dollar	14.718	13.302

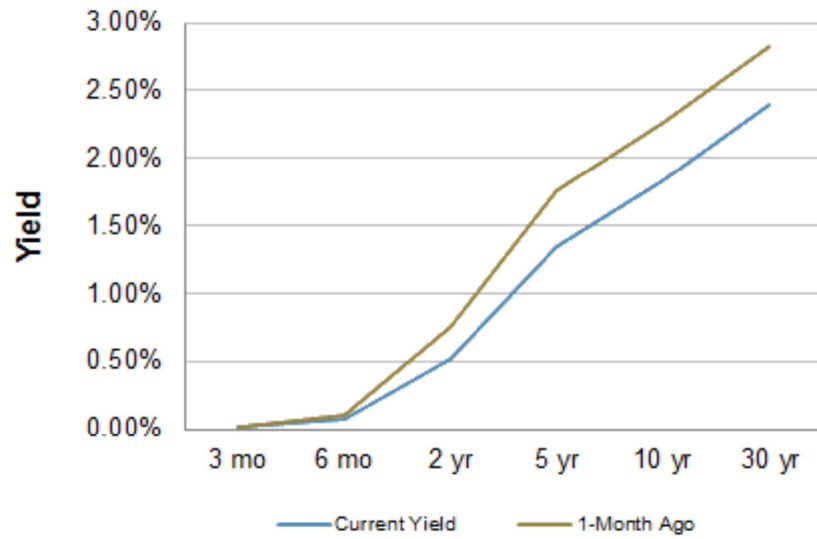
Commodities

	Last	1 year ago
Crude Oil	45.99	96.78
Gold	1286.69	1240.30

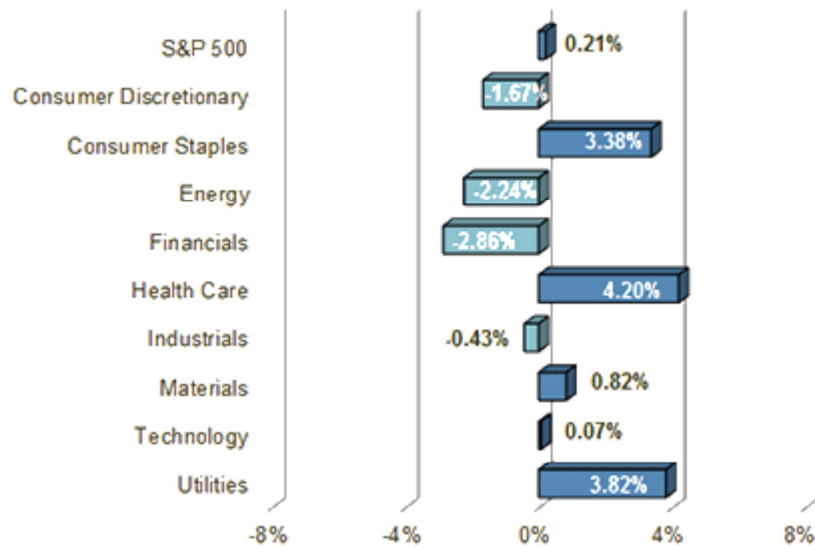
Bond Rates

	Last	1 month ago
2-year treasury	0.51	0.75
10-year treasury	1.83	2.26
10-year municipal (TEY)	2.86	3.23

Treasury Yield Curve – 01/23/2015



S&P Sector Performance (YTD) – 01/23/2015



Economic Calendar

January 25	—	Greek Elections
January 27	—	Durable Goods Orders (December) Consumer Confidence (January)
January 28	—	FOMC Policy Decision (no press conference)

January 29	—	Jobless Claims (week ending January 24)
January 30	—	Real GDP (4Q14, advance) Employment Cost Index (4Q14)

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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.

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