

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

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The economic calendar was light. Existing home sales were stronger than anticipated in March, but new home sales fell far short of expectations. Durable goods orders jumped 4.0%, but that reflected a surge in aircraft orders (which tend to be erratic). Ex-transportation, orders fell 0.2%. Orders for core capital goods (nondefense and excluding aircraft) fell 0.5%, the seventh consecutive monthly decline. Unfilled orders (ex-transportation) fell further (not a good sign), while the inventory-to-shipment ratio continued to trend higher – both of these indicators bear watching, but neither is at a dangerous level.

The financial markets ignored the data for the most part. The Nasdaq composite hit a new high, finally eclipsing the dot-com bubble high. While valuations may be debatable, the foundations appear to be a lot more solid this time around.

Next week, the Fed policy meeting is expected to be dull. No change is anticipated in monetary policy. Fed Chair Janet Yellen has signaled that the June meeting will be “live” – meaning that officials will begin to debate increases in short-term interest rates (that doesn’t mean that they will hike at that time). In this week’s policy statement, the FOMC should recognize the recent slowdown in growth, but should remain optimistic that growth will pick up. The market’s focus is likely to be on the GDP estimate. There’s always a lot of uncertainty in the advance GDP figure, but even more this time. The financial markets typically zero in on the headline figure, but the details and the underlying story are what matters. Consumer spending (70% of GDP) appears to be tracking at about a 2.0% annual rate (vs. +4.4% in 4Q14). Business fixed investment is likely to be weak, reflecting softness in capital spending and the contraction in energy exploration. The plunge in oil and gas drilling should contribute to a drop in business structures and the impact will be magnified by the GDP arithmetic (GDP is reported at an annual rate, so a sharp drop in a single quarter will appear as a much larger decline).

Indices

	Last	Last Week	YTD return %
DJIA	18058.69	18105.77	1.32%
NASDAQ	5056.06	5007.79	6.76%

S&P 500	2112.93	2104.99	2.62%
MSCI EAFE	1916.35	1912.32	7.97%
Russell 2000	1271.54	1272.90	5.55%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.08
30-year mortgage	3.79	4.33

Currencies

	Last	1 year ago
Dollars per British Pound	1.501	1.680
Dollars per Euro	1.074	1.385
Japanese Yen per Dollar	119.940	102.260
Canadian Dollars per Dollar	1.224	1.103
Mexican Peso per Dollar	15.445	13.057

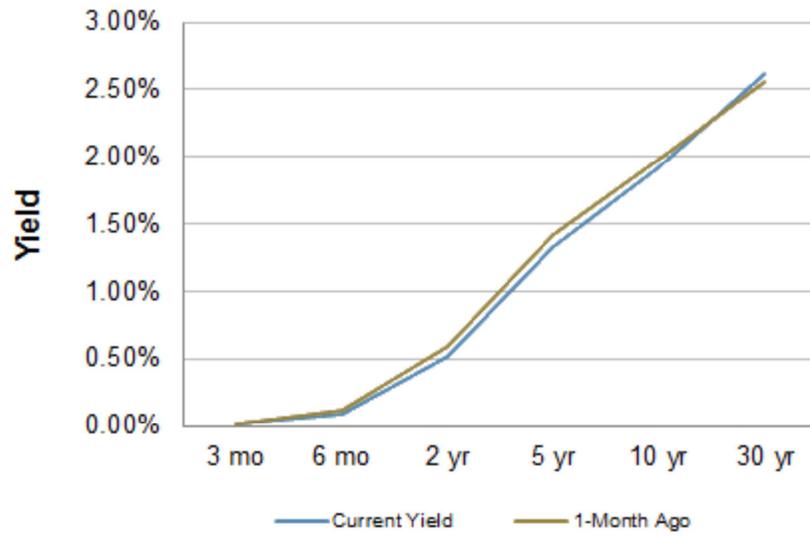
Commodities

	Last	1 year ago
Crude Oil	56.59	101.74
Gold	1189.96	1287.28

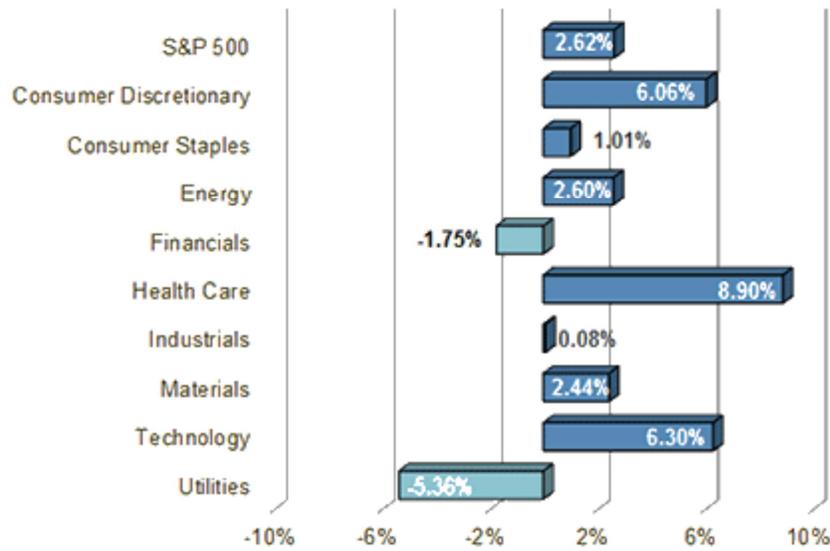
Bond Rates

	Last	1 month ago
2-year treasury	0.51	0.59
10-year treasury	1.92	1.98
10-year municipal (TEY)	3.18	3.14

Treasury Yield Curve – 04/24/2015



S&P Sector Performance (YTD) – 04/24/2015



Economic Calendar

April 28	—	Consumer Confidence (April)
April 29	—	Real GDP (1Q15, advance estimate) Pending Home Sales Index (March) FOMC Policy Decision, no Press Conference
April 30	—	

		Jobless Claims (week ending April 25)
		Employment Cost Index (1Q15)
		Personal Income and Spending (March)
		Chicago Purchasing Managers Index (April)
May 1	—	ISM Manufacturing Index (April)
		Motor Vehicle Sales (April)
May 5	—	ISM Non-Manufacturing Index (April)

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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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