

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

December 4, 2015

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Fed Chair Janet Yellen did not commit to raising rates in December, but she continued to lay the groundwork for an initial hike. She noted that with interest rates close to zero, the consequence of raising rates too soon or too late is not symmetric, which suggests that the Fed should be cautious as it prepares to tighten monetary policy. However, she also noted that monetary policy affects the economy with a lag, and waiting too long raises risks for the economy and for financial stability. She continued to emphasize that 1) monetary policy will still be accommodative after the initial rate hike, 2) future policy moves will remain data-dependent, and 3) economic conditions are expected to warrant a gradual pace of tightening.

Next week, financial market participants will continue to eye the upcoming Fed policy meeting. An initial rate increase is not completely factored in. The important economic data are skewed toward the end of the week. Retail sales are expected to remain consistent with a moderate pace of consumer spending growth (lower gasoline prices should reduce gasoline sales).

Indices

	Last	Last Week	YTD return %
DJIA	17477.67	17813.39	-1.94%
NASDAQ	5037.53	5116.14	6.37%
S&P 500	2049.62	2088.87	-0.45%
MSCI EAFE	1740.66	1740.07	-1.93%
Russell 2000	1170.57	1198.02	-2.83%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.11	0.12

30-year mortgage	4.07	3.89
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Currencies

	Last	1 year ago
Dollars per British Pound	1.494	1.567
Dollars per Euro	1.056	1.233
Japanese Yen per Dollar	123.460	119.370
Canadian Dollars per Dollar	1.333	1.138
Mexican Peso per Dollar	16.546	14.119

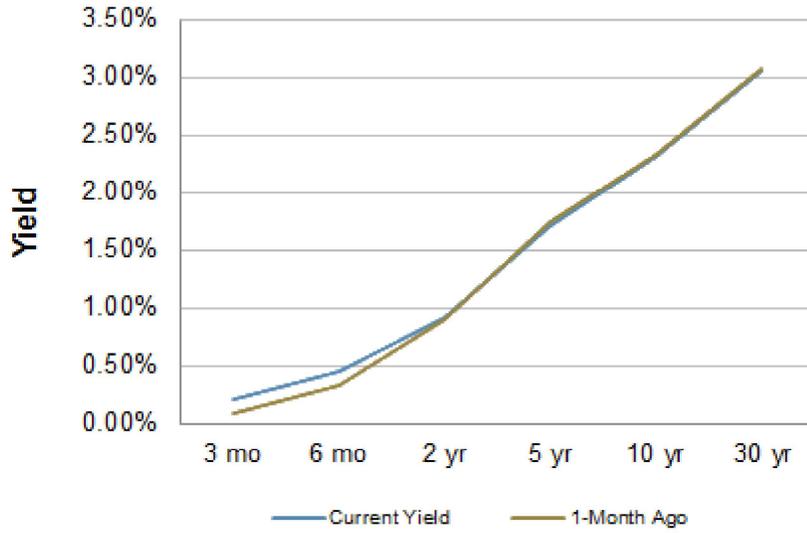
Commodities

	Last	1 year ago
Crude Oil	41.08	67.38
Gold	1051.13	1204.36

Bond Rates

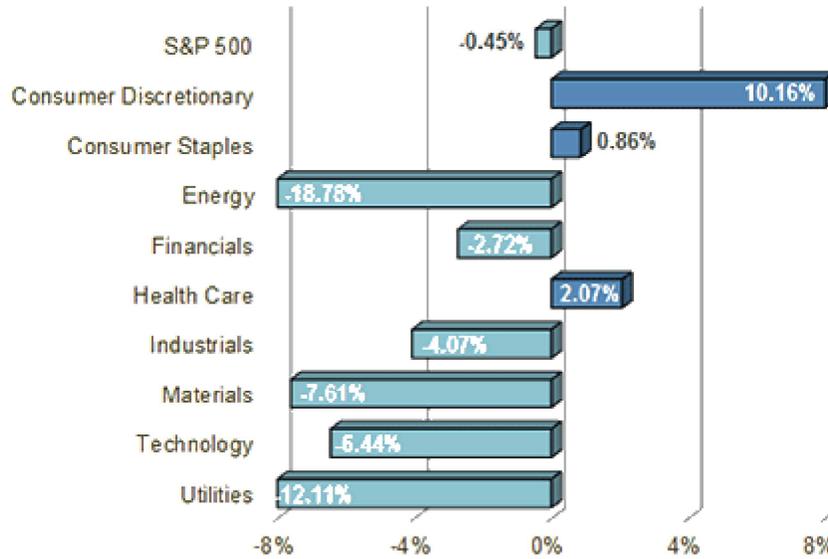
	Last	1 month ago
2-year treasury	0.92	0.90
10-year treasury	2.31	2.32
10-year municipal (TEY)	3.16	3.27

Treasury Yield Curve – 12/04/2015



As of close of business 12/03/2015

S&P Sector Performance (YTD) – 12/04/2015



As of close of business 12/03/2015

Economic Calendar

Dec 10	—	Jobless Claims (week ending December 5)
Dec 11	—	

		Producer Price Index (November)
		Retail Sales (November)
		Consumer Sentiment (mid-November)
Dec 15	—	Consumer Price Index (November)
Dec 16	—	Building Permits, Housing Starts (November)
		Industrial Production (November)
		FOMC Policy Decision, Yellen Press Conference

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.

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