

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

May 1, 2015

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GDP growth slowed to a 0.2% annual rate in the advance estimate for 1Q15, reflecting a variety of restraints (weather, West Coast port delays, the strong dollar, and a contraction in energy exploration), many of which are likely to be transitional. Consumer spending rose at a 1.9% pace (vs. +4.4% in 4Q14). Business investment fell, with "mining exploration, shafts, and wells" falling at a 48.7% annual rate. Inventories rose more than anticipated, adding 0.7 percentage point to growth. Net exports subtracted 1.3 percentage points. Personal income was flat in March, but inflation-adjusted disposable income rose at a 6.2% annual rate in 1Q15 (which is likely to support consumer spending growth in 2Q15).

As expected, the Federal Open Market Committee left policy unchanged and provided no further guidance on the timing of the first rate hike. The FOMC recognized that growth slowed in the first quarter, but saw that as reflecting "*transitory factors*."

The financial markets didn't react much to the economic data or the Fed policy statement. Stock market volatility remained elevated. Treasury yields moved higher, mirroring an increase in bonds yields in Germany.

Next week, the focus is expected to be on the April employment figures (Friday). Weather was a factor during the March payroll survey week, so we should see a rebound in job growth. However, the underlying trend has moderated relatively to the very strong pace seen in the final months of 2014. The ADP estimate of private-sector payrolls (Wednesday) is not a good predictor of the official Bureau of Labor Statistics data, but the markets can react if we get a surprise. Note that the ADP figures have a breakout by size of firms. March figures suggested a slowing in hiring at large firms, but continued strength at small and medium-sized firms. The markets could react to other developments, including the news out of Europe.

Indices

	Last	Last Week	YTD return %
DJIA	17840.52	18058.69	0.10%
NASDAQ	4941.42	5056.06	4.34%

S&P 500	2085.51	2112.93	1.29%
MSCI EAFE	1918.40	1916.35	8.09%
Russell 2000	1220.13	1271.54	1.28%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.07
30-year mortgage	3.82	4.29

Currencies

	Last	1 year ago
Dollars per British Pound	1.543	1.682
Dollars per Euro	1.119	1.383
Japanese Yen per Dollar	118.950	102.570
Canadian Dollars per Dollar	1.204	1.097
Mexican Peso per Dollar	15.260	13.097

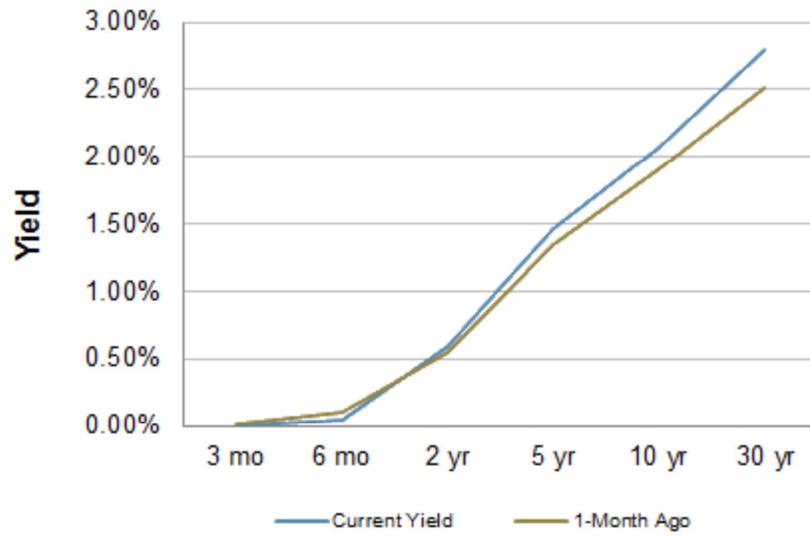
Commodities

	Last	1 year ago
Crude Oil	59.63	99.74
Gold	1203.11	1291.48

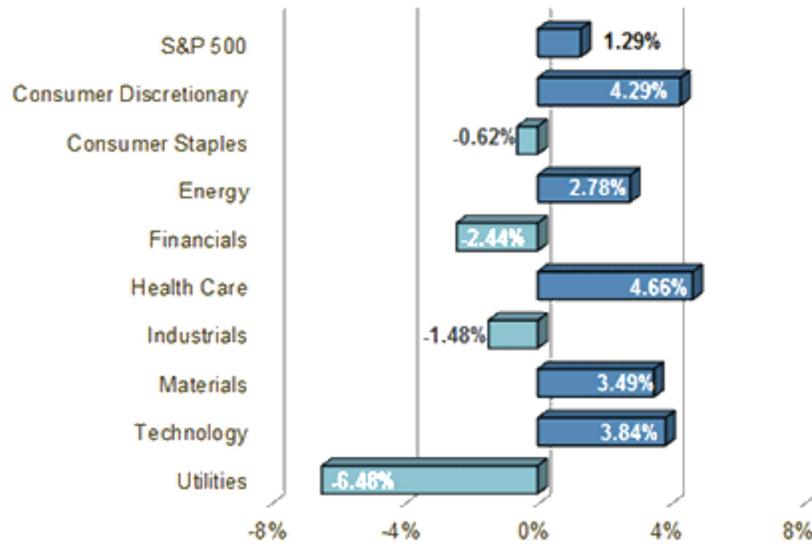
Bond Rates

	Last	1 month ago
2-year treasury	0.59	0.54
10-year treasury	2.13	1.90
10-year municipal (TEY)	3.28	3.04

Treasury Yield Curve – 05/01/2015



S&P Sector Performance (YTD) – 05/01/2015



Economic Calendar

May 4	—	Factory Orders (March)
May 5	—	Trade Balance (March) ISM Non-Manufacturing Index (April)
May 6	—	Trade Balance (March) ADP Payroll Estimate (April)

May 7	—	Jobless Claims (week ending May 2) U.K. Election
May 8	—	Trade Balance (March) Employment Report (April)
May 13	—	Retail Sales (April)

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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