

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

February 6, 2015

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The January Employment Report was strong. Nonfarm payrolls rose by 257,000 (median forecast: +235,000), with a net upward revision of +147,000 to the two previous months (three month average at +336,000). Payrolls fell by 2.76 million before seasonal adjustment, but were up 3.21 million from a year earlier. The unemployment rate edged up to 5.7% (from 5.6%) reflecting noise in the labor force participation figure (down in December, up in January). The employment/population ratio edged higher. Average hourly earnings jumped 0.5%, following a 0.2% decline in December (up 2.2% y/y, still a relatively lackluster trend). Personal income and spending figures were mixed in December (quarterly spending figures were strong). The PCE Price Index fell 0.2% (+0.7% y/y), flat excluding food & energy (+1.3% y/y, vs. the Fed's official goal of 2.0%). The trade deficit was wider than expected in December, implying (all else equal) a slight downward revision to the estimate of 4Q14 GDP.

The soap opera in Europe continued. Greece's new prime minister and finance minister toured the various capitals pleading for less austerity, but were met with a hardline stance. The ECB symbolically tightened the screws, shutting off a lending channel that the Greek banks don't use much (or even need). Something's got to give at some point, but this could drag on for a while (with headlines possibly having some impact on U.S. financial markets).

Next week, the economic calendar thins out. January isn't an important month for most retailers, but investors will be watching the figures closely after December's disappointing data (watch for revisions). A thin economic calendar means that investors may focus attention elsewhere (for example, on developments abroad).

Indices

	Last	Last Week	YTD return %
DJIA	17884.88	17416.85	0.35%
NASDAQ	4765.10	4683.407	0.61%
S&P 500	2062.52	2021.25	0.18%
MSCI EAFE	1820.75	1792.03	2.58%

Russell 2000	1208.71	1190.18	0.33%
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Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.06
30-year mortgage	3.59	4.23

Currencies

	Last	1 year ago
Dollars per British Pound	1.524	1.628
Dollars per Euro	1.143	1.351
Japanese Yen per Dollar	117.420	101.250
Canadian Dollars per Dollar	1.252	1.105
Mexican Peso per Dollar	14.783	13.331

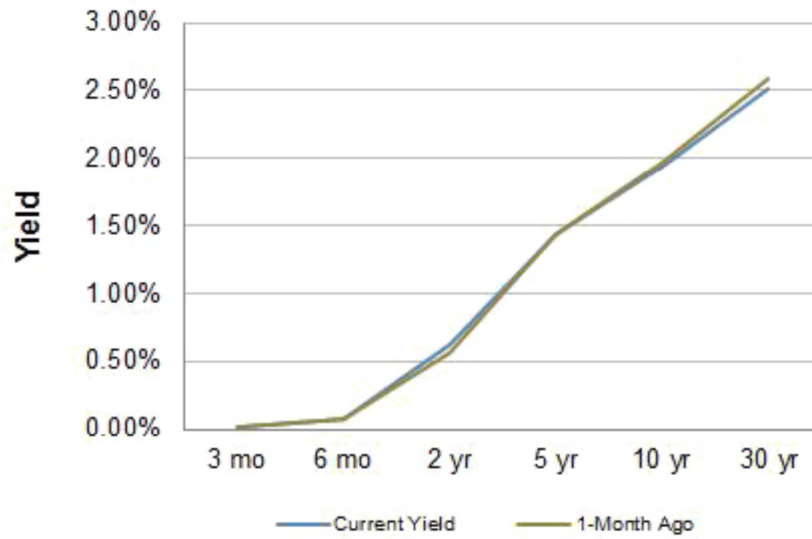
Commodities

	Last	1 year ago
Crude Oil	50.48	97.38
Gold	1260.76	1257.31

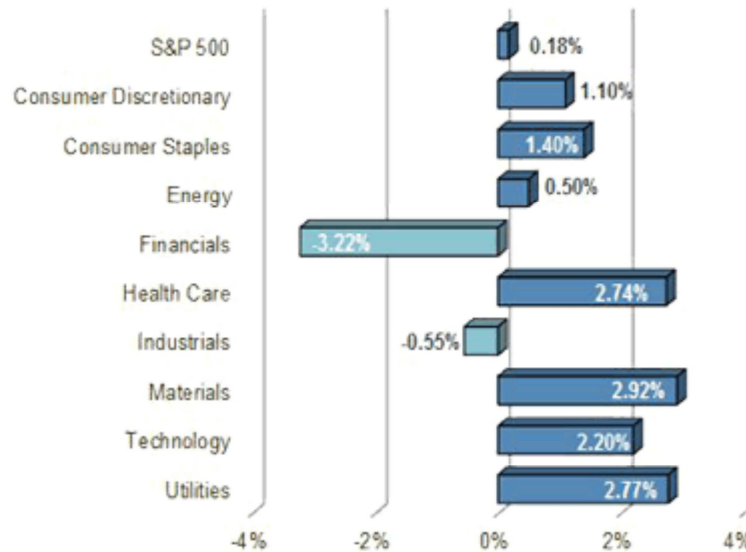
Bond Rates

	Last	1 month ago
2-year treasury	0.62	0.56
10-year treasury	1.93	1.97
10-year municipal (TEY)	2.87	3.12

Treasury Yield Curve – 02/06/2015



S&P Sector Performance (YTD) – 02/06/2015



Economic Calendar

February 10	—	Small Business Optimism Index (January) JOLTS data (December)
February 12	—	Retail Sales (January)
February 13	—	Import Prices (January) Consumer Sentiment (mid-February)

February 16	—	Presidents Day holiday (markets closed)
February 18	—	Producer Price Index (January) Building Permits, Housing Starts (January) Industrial Production (January) FOMC Minutes (January 27-28)

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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