

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

May 29, 2015

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The economic data reports remained mixed. Real GDP fell at a 0.7% annual rate in the second estimate for 1Q15 (vs. +0.2% in the advance estimate). The revision largely reflected slower inventory growth and a wider trade deficit. Consumer spending rose at a 1.8% pace (vs. +1.9%), while business fixed investment fell 2.8% (vs. -3.8%). There is currently a debate about whether the seasonal pattern in a number of GDP components may have changed post-recession. Unfortunately, we really don't have enough data to say for sure. One way around this is to look at year-over-year changes. GDP rose 2.7% y/y, with Domestic Final Sales at 2.9%. Corporate profits fell in the preliminary estimate, no surprise.

Durable goods orders fell 0.5% in April, reflecting only a partial retreat in aircraft orders (which had surged in March). More importantly, core capital goods orders rose 1.0%, following a 1.5% gain in March (they plunged 5.1% in February). The Chicago Purchasing Managers' Index unexpectedly fell below the breakeven level in May, with new orders, backlogs, production and employment all contracting.

Except for the Chicago PMI, financial market participants largely ignored the economic data, seemingly anxious about developments in the rest of the world.

Next week, we'll receive some fresh economic data (ISM surveys, motor vehicle sales, the Fed Beige Book), but the focus is likely to be on Friday's job market figures. The end of the school year often presents some difficulties for the seasonal adjustment (we can expect to add about a million jobs before adjustment). The unemployment rate should hold steady. The employment/population ratio is trending gradually higher, but still suggests an ample amount of slack in the job market.

Indices

	Last	Last Week	YTD return %
DJIA	18126.12	18285.74	1.70%
NASDAQ	5097.98	5090.79	7.64%
S&P 500	2120.79	2130.82	3.01%
MSCI EAFE	1913.47	1948.41	7.81%

Russell 2000	1253.10	1256.74	4.02%
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Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.06	0.07
30-year mortgage	3.96	4.12

Currencies

	Last	1 year ago
Dollars per British Pound	1.532	1.671
Dollars per Euro	1.095	1.359
Japanese Yen per Dollar	123.950	101.850
Canadian Dollars per Dollar	1.244	1.088
Mexican Peso per Dollar	15.315	12.874

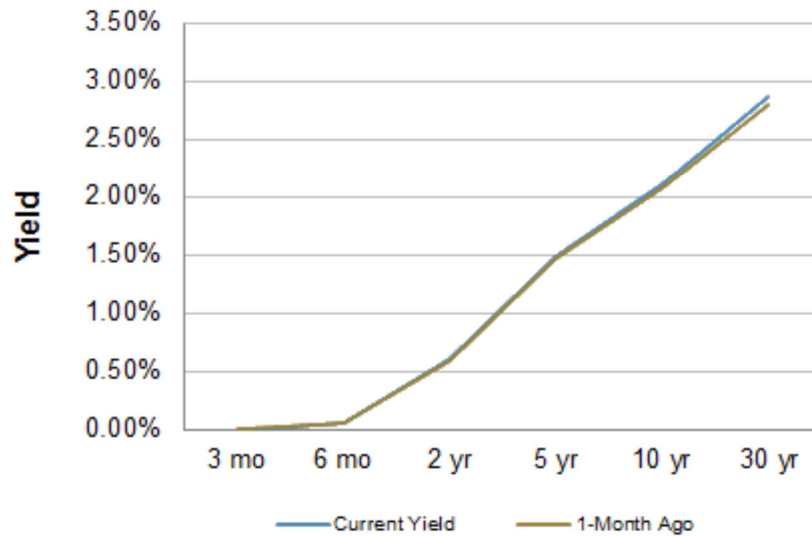
Commodities

	Last	1 year ago
Crude Oil	57.68	102.72
Gold	1188.40	1258.14

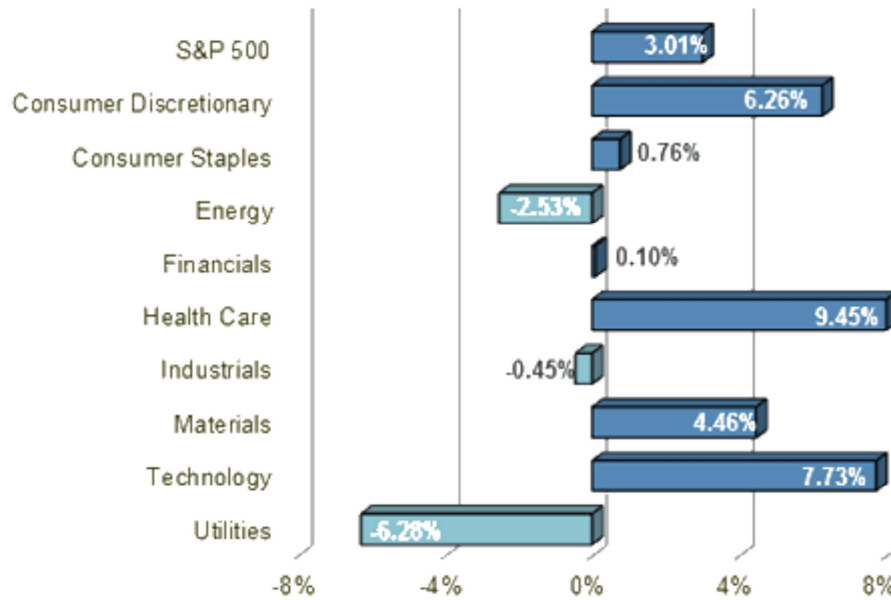
Bond Rates

	Last	1 month ago
2-year treasury	0.61	0.54
10-year treasury	2.11	1.90
10-year municipal (TEY)	3.56	3.20

Treasury Yield Curve – 05/29/2015



S&P Sector Performance (YTD) – 05/29/2015



Economic Calendar

May 29	—	Real GDP (1Q15, 2nd estimate) Chicago Purchasing Managers Index (May) Consumer Sentiment (May)
June 1	—	Personal Income and Spending (April) ISM Manufacturing Index (May)

June 2	—	Motor Vehicle Sales (May)
June 3	—	ADP Payroll Estimate (May) Trade Balance (April) ISM Non-Manufacturing Index (May) Fed Beige Book
June 4	—	Jobless Claims (week ending May 30)
June 5	—	Employment Report (May)
June 11	—	Retail Sales (May)

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.

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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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