

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

October 16, 2015

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The economic data were consistent with a lackluster to moderate pace of growth in the near term. Retail sales disappointed, reflecting strength in autos and lower gasoline prices (but a modest trend otherwise). Industrial production was a little soft. The Producer Price Index showed downward pipeline pressures, and the Consumer Price Index was mixed (reflecting lower energy prices, but some pressure in shelter costs). Excluding food and energy, the CPI rose 0.2% (+1.9%), but if you also exclude shelter, core inflation would have been 0.1% (+1.0% y/y).

In public speeches, two Fed governors suggested that it would be more appropriate for policymakers to delay the initial increase in short-term rates, and the week's economic data seemed to support that sentiment. The market now sees the Fed waiting until March.

Treasury Secretary Jack Lew sent a letter to Congressional leaders advising them that the drop dead date for raising the debt ceiling will be November 3, two days earlier than previously projected.

Next week, the economic calendar thins out somewhat. China will report its third quarter GDP number on Sunday evening (Monday morning in Beijing). The country hit its 7% growth target in both 1Q15 and 2Q15, but does anybody believe these numbers? Investors will be looking for whether the Chinese government recognizes the slowdown (or lowers the growth target). U.S. housing figures are often uneven from month to month, but we should see strength in homebuilding and sales. Earnings reports are expected to drive the stock market, and the bond market is likely to react to the stock market action. Congress will be back in session, hopefully working on an agreement to raise the debt ceiling.

Indices

	Last	Last Week	YTD return %
DJIA	17141.75	17050.75	-3.82%
NASDAQ	4870.10	4810.79	2.83%
S&P 500	2023.86	2013.43	-1.70%

MSCI EAFE	1753.89	1733.56	-1.18%
Russell 2000	1162.77	1163.24	-3.48%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.07
30-year mortgage	3.84	3.97

Currencies

	Last	1 year ago
Dollars per British Pound	1.550	1.594
Dollars per Euro	1.140	1.279
Japanese Yen per Dollar	118.400	105.820
Canadian Dollars per Dollar	1.286	1.129
Mexican Peso per Dollar	16.365	13.579

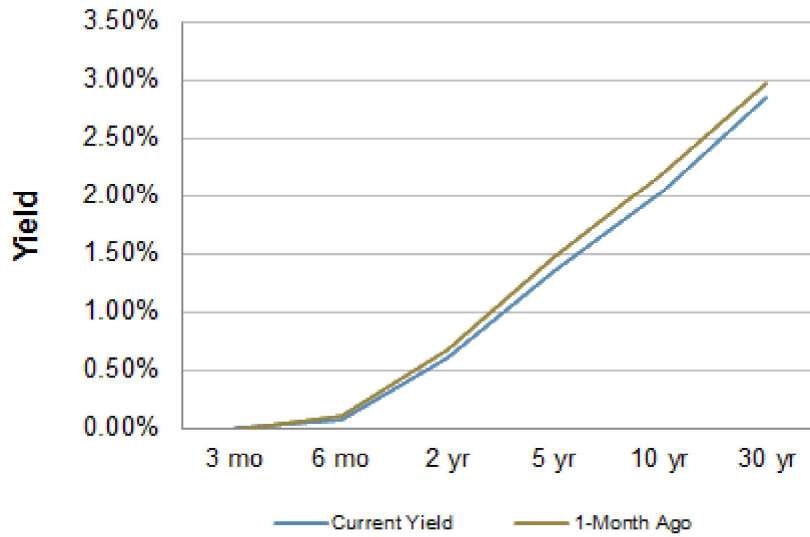
Commodities

	Last	1 year ago
Crude Oil	46.38	81.78
Gold	1187.32	1244.16

Bond Rates

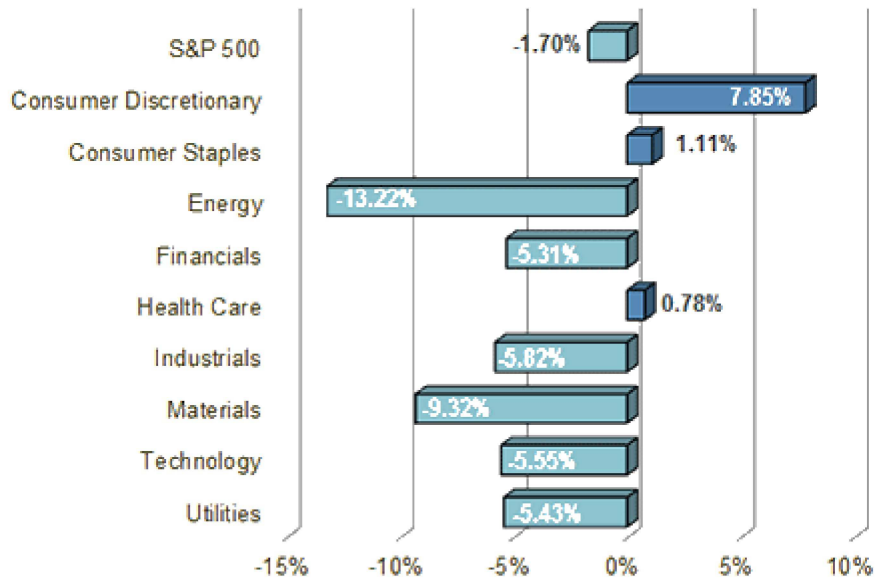
	Last	1 month ago
2-year treasury	0.60	0.68
10-year treasury	2.02	2.17
10-year municipal (TEY)	3.18	3.51

Treasury Yield Curve – 10/16/2015



As of close of business 10/15/2015

S&P Sector Performance (YTD) – 10/16/2015



As of close of business 10/15/2015

Economic Calendar

Oct 18	—	China GDP (3Q15)
Oct 19	—	Homebuilder Sentiment (October)

Oct 20	—	Building Permits, Housing Starts (September)
Oct 22	—	Jobless Claims (week ending October 20) Existing Home Sales (September) Leading Economic Indicators (September)
Oct 26	—	New Home Sales (September)
Oct 27	—	Durable Goods Orders (September) Consumer Confidence (October)

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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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