
WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

May 15, 2015

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The mid-month economic data disappointed. Retail sales were weaker than anticipated in April. Industrial production fell short of expectations. Consumer sentiment slid in the mid-May assessment. However, weekly claims for unemployment benefits remained remarkably low. The reports on import prices and producer prices continued to show disinflationary pressures.

Real GDP for the euro area rose 0.4% q/q (a 1.7% annual rate) in the flash estimate for the first quarter. Bond yields in Europe moved higher, but seemed to meet some resistance.

Yields on long-term U.S. Treasury securities followed European yields higher, but fell back on the soft U.S. data. The euro strengthened against the dollar.

Next week, the economic data reports have some potential to move the markets (provided we see a big enough surprise relative to expectations). However, the focus is expected to be on the Fed. In its April 29 policy statement, the FOMC recognized that *"economic growth slowed during the winter months, in part reflecting transitory factors."* However, while the 1Q15 slowdown was seen as temporary, there may have been some concern about a more extended period of lackluster growth. We may get some answers in the FOMC meeting minutes. More importantly, speeches by Vice Chair Stanley Fischer and Chair Janet Yellen, later in the week, will give us a more up-to-date assessment of how the Fed sees the current situation. Fischer will speak about the euro area outlook (which has some implications for bond yields and exchange rates), while Yellen (speaking in the early afternoon Friday) will specifically address the U.S. economic outlook.

Indices

	Last	Last Week	YTD return %
DJIA	18252.24	17924.06	2.41%
NASDAQ	5050.80	4945.54	6.65%
S&P 500	2121.10	2088.00	3.02%
MSCI EAFE	1942.47	1893.01	9.44%

Russell 2000	1245.11	1225.54	3.35%
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Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.07
30-year mortgage	4.04	4.20

Currencies

	Last	1 year ago
Dollars per British Pound	1.580	1.677
Dollars per Euro	1.143	1.371
Japanese Yen per Dollar	119.220	101.840
Canadian Dollars per Dollar	1.195	1.090
Mexican Peso per Dollar	15.240	12.926

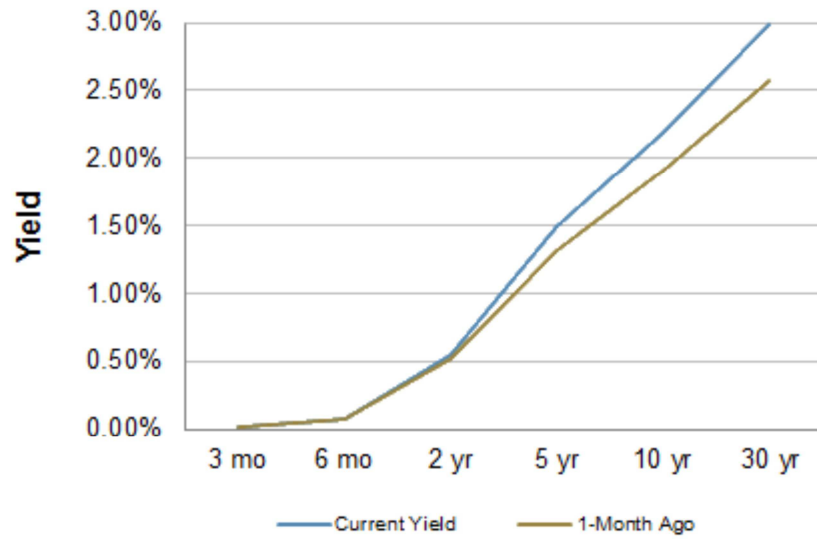
Commodities

	Last	1 year ago
Crude Oil	59.88	102.37
Gold	1219.09	1304.69

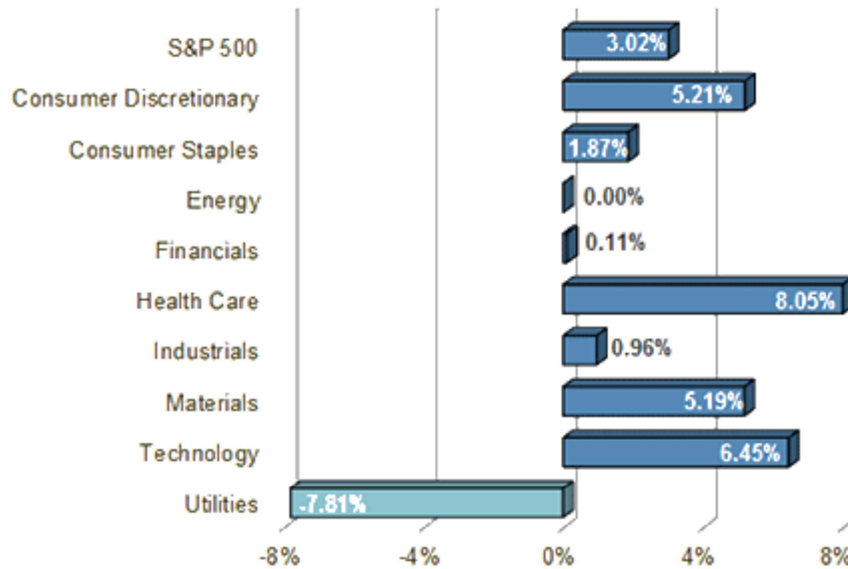
Bond Rates

	Last	1 month ago
2-year treasury	0.55	0.51
10-year treasury	2.19	1.90
10-year municipal (TEY)	3.52	3.04

Treasury Yield Curve – 05/15/2015



S&P Sector Performance (YTD) – 05/15/2015



Economic Calendar

May 18	—	Homebuilder Sentiment (May)
May 19	—	Building Permits, Housing Starts (April)
May 20	—	FOMC Minutes (April 28-29)
May 21	—	

		Jobless Claims (week ending May 16)
		Philadelphia Fed Survey (May)
		Existing Home Sales (April)
		Leading Economic Indicators (April)
		Fed Vice Chair Fischer Speaks (on euro area economy)
May 22	—	Consumer Price Index (April)
May 25	—	Memorial Day Holiday (markets closed)

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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