
WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

October 30, 2015

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The Federal Open Market Committee left short-term interest rates unchanged, but the tone of the policy statement was unexpectedly hawkish. The FOMC removed the phrase about downside risks from the global economy, but said that it would monitor global economic and financial developments. It also specifically talked about the decision framework for "the next meeting," clearly putting a December 16 rate hike back in play.

We got some good news out of Washington for a change. Congress and the White House reached a tentative agreement on a two-year budget deal, which would also suspend the debt ceiling until March 2017. That removes a key near-term uncertainty for the markets (although market participants hadn't seemed too worried).

The economic data were mixed. Real GDP rose at a 1.5% annual rate in 3Q15, as expected, as strength in consumer spending was partly offset by slower inventory growth. Personal income and spending figures for September showed some loss of momentum at the end of the quarter. The Employment Cost Index rose as anticipated, but left the year-over-year pace at a lackluster 2.0% (+1.9% for private industry).

Next week, the economic data will be important. With a December rate increase on the table, the October job market data will be seen as a possible driver. Job growth is likely to have been moderately strong, but watch for possible revisions to August and September. Note that the ADP payroll estimate includes a breakdown by size of firm - hiring at small and medium-size businesses picked up in recent quarters, driving overall job growth higher, but the pace appeared to slow in 3Q15. The ISM Manufacturing Index may improve somewhat (still mixed across industries). Fed Chair Janet Yellen will testify and Vice Chair Stanley Fischer will give a dinner speech on Wednesday, but neither is set to talk specifically about monetary policy (that may not prevent someone from asking).

Indices

	Last	Last Week	YTD return %
DJIA	17755.80	17489.16	-0.38%
NASDAQ	5074.27	4920.05	7.14%

S&P 500	2089.41	2052.51	1.48%
MSCI EAFE	1759.41	1759.62	-0.87%
Russell 2000	1165.63	1154.52	-3.24%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.06	0.07
30-year mortgage	3.91	3.98

Currencies

	Last	1 year ago
Dollars per British Pound	1.527	1.612
Dollars per Euro	1.097	1.274
Japanese Yen per Dollar	120.830	108.090
Canadian Dollars per Dollar	1.321	1.116
Mexican Peso per Dollar	16.638	13.443

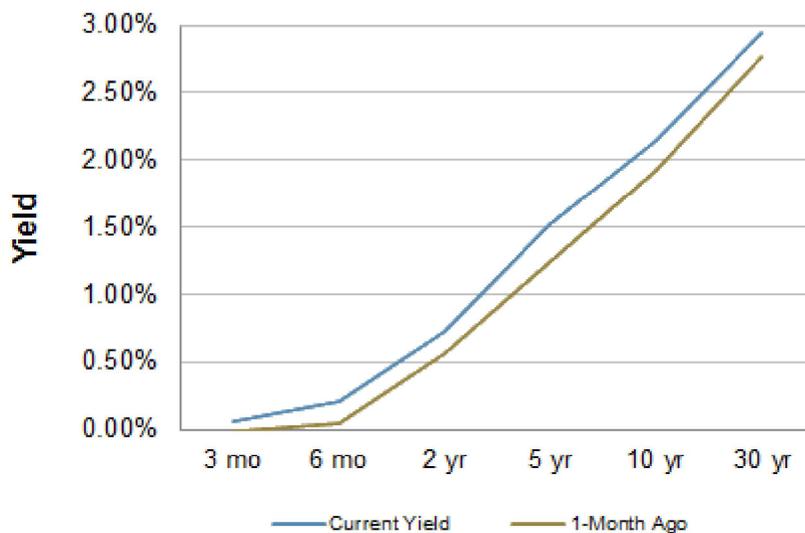
Commodities

	Last	1 year ago
Crude Oil	46.06	82.20
Gold	1160.10	1228.26

Bond Rates

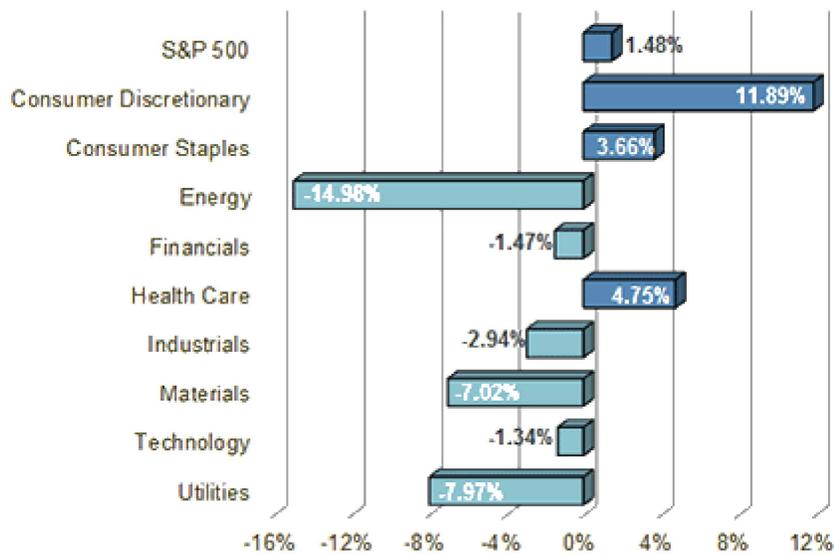
	Last	1 month ago
2-year treasury	0.73	0.63
10-year treasury	2.15	1.92
10-year municipal (TEY)	3.19	3.26

Treasury Yield Curve – 10/30/2015



As of close of business 10/29/2015

S&P Sector Performance (YTD) – 10/30/2015



As of close of business 10/29/2015

Economic Calendar

- Nov 1 — Daylight Savings Time ends
- Nov 2 — ISM Manufacturing Index (October)

Nov 3	—	Motor Vehicle Sales (October)
Nov 4	—	ADP Payroll Estimate (October) ISM Non-Manufacturing Index (October) Yellen Testimony (on regulation) Fed Vice Chair Fischer Speaks (on central bank independence)
Nov 5	—	Jobless Claims (week ending 10/31)
Nov 6	—	Employment Report (October)
Nov 11	—	Veterans Day (bond market 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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