
WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

December 11, 2015

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The economic calendar was thin. The headline retail sales figures for November were not far from expectations, but core sales (which exclude autos, building materials and gasoline) were up 0.6% (stronger than anticipated). The Producer Price Index continued to reflect disinflation pressure, with falling prices within the pipeline.

Commodity prices fell further, led by a drop in oil (now below the critical \$40 level). Anxieties about the decline in commodity prices fed through to the stock market, which fell broadly during the week and cast some doubt about the Fed's ability to raise rates next week (still likely, but increased financial instability could lead to a delay). The China Foreign Exchange Trade System, part of the country's central bank, began issuing a new exchange rate index - the renminbi (RMB) vs. a basket of currencies. The move was, according to the CFETS, meant to shift the focus away from RMB/US\$, and was widely interpreted as paving the way for currency devaluation - adding to worries about commodity prices.

Next week, the Federal Open Market Committee is widely expected to raise the target range for federal funds (to 0.25-0.50%). In its policy statement, the FOMC is expected to stress that 1) policy will still be accommodative, 2) future moves will be data-dependent and 3) economic conditions are expected to evolve in such a way as to warrant a gradual path of interest rate increases. Fed officials will revise their projections of growth, unemployment and inflation, including a new dot plot. Fed Chair Yellen will explain it all in her post-meeting press conference. In a perfect world, the Fed results would lead to a collective yawn on Wednesday and we would all sit back and contemplate what's for dinner. However, there are a lot of moving parts here and we could see some over-reaction in the global markets.

Indices

	Last	Last Week	YTD return %
DJIA	17574.75	17477.67	-1.39%
NASDAQ	5045.17	5037.53	6.53%
S&P 500	2052.23	2049.62	-0.32%
MSCI EAFE	1705.53	1740.66	-3.91%

Russell 2000	1149.02	1170.57	-4.62%
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Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.14	0.12
30-year mortgage	4.02	3.93

Currencies

	Last	1 year ago
Dollars per British Pound	1.516	1.572
Dollars per Euro	1.094	1.245
Japanese Yen per Dollar	121.560	117.820
Canadian Dollars per Dollar	1.363	1.148
Mexican Peso per Dollar	17.192	14.560

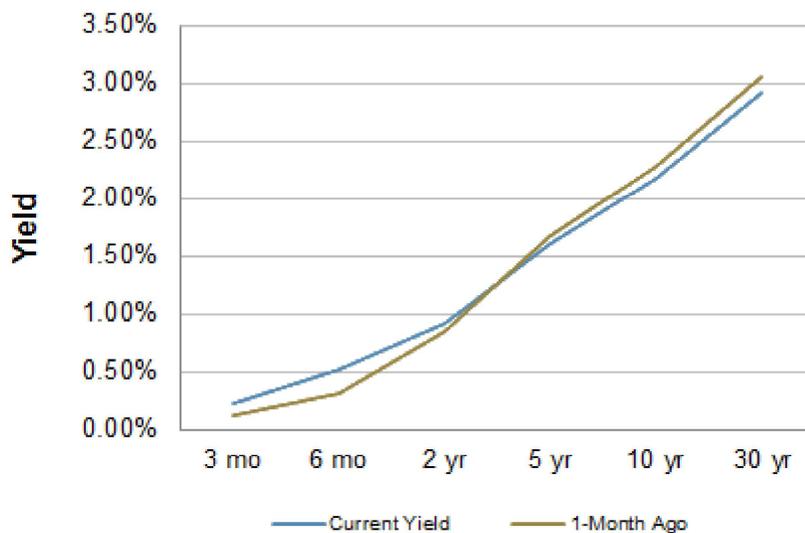
Commodities

	Last	1 year ago
Crude Oil	36.76	60.94
Gold	1071.58	1226.31

Bond Rates

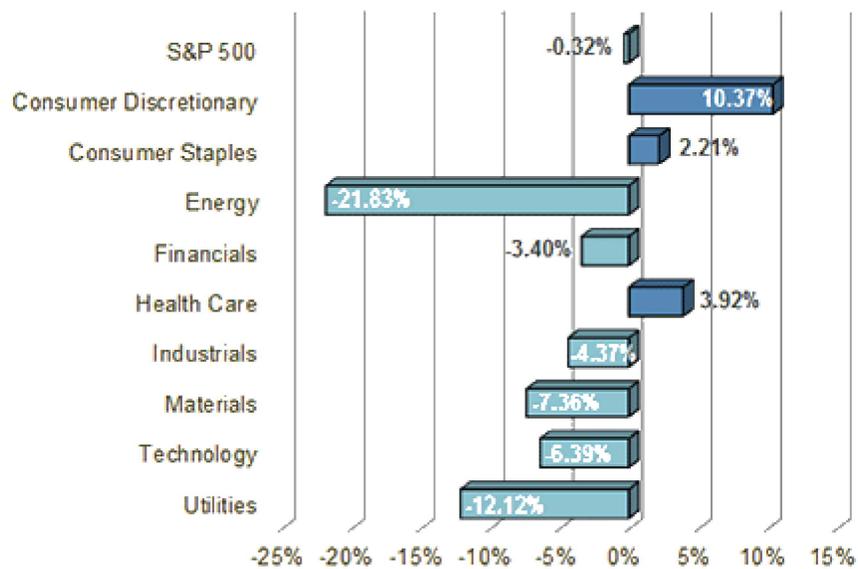
	Last	1 month ago
2-year treasury	0.91	0.85
10-year treasury	2.06	2.22
10-year municipal (TEY)	3.17	3.42

Treasury Yield Curve – 12/11/2015



As of close of business 12/10/2015

S&P Sector Performance (YTD) – 12/11/2015



As of close of business 12/10/2015

Economic Calendar

Dec 16 —

		Building Permits, Housing Starts (November)
		Industrial Production (November)
		FOMC Policy Decision, Yellen Press Conference
Dec 17	—	Jobless Claims (week ending 12/12)
		Leading Economic Indicators (November)
Dec 22	—	Real GDP (3Q15, 3rd estimate)
		Existing Home Sales (November)
Dec 23	—	Durable Goods Orders (November)
		Personal Income and Spending (November)
		New Home Sales (November)
Dec 25	—	Christmas 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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