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# WEEKLY MARKETSNAPSHOT

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CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

July 10, 2015

## MARKET COMMENTARY BY SCOTT J. BROWN, PH.D., CHIEF ECONOMIST

Concerns about Greece and China added to financial market volatility. Greek voters chose to reject requirements for a bailout deal (a deal that was no longer on the table and insufficient in size), but the Greek government submitted a new plan that accepts more strenuous conditions (to get a larger bailout); investors rejoiced. Chinese equities plunged despite government efforts to prop up the market - but then the Chinese market rallied after the government severely limited sales by large shareholders, and everybody was happy with that. Really, you could not make this stuff up.

The economic data calendar was light. The trade gap widened about as expected in May and details suggested the net exports may not make much of a contribution one way or another to 2Q15 GDP growth (after subtracting 1.9 percentage points in 1Q15). The ISM Non-Manufacturing Index was consistent with moderate growth overall.

The FOMC minutes showed that officials expected growth to pick up following temporary restraints, but *“while participants generally saw the risks to their projections of economic activity and the labor market as balanced, they gave a number of reasons to be cautious in assessing the outlook.”* Officials cited concerns about Greece and China. In her speech on the current economic situation, Fed Chair Janet Yellen said that she expected that *“it will be appropriate at some point later this year to take the first step to raise the federal funds rate,”* but noted that *“unanticipated developments could delay or accelerate this first step.”* She emphasized that monetary policy will still be very accommodative even after that first move and subsequent tightening is likely to be gradual.

Next week, the financial markets will react to the European Commission’s decision on the latest Greek proposal. For U.S. investors, attention should then turn to the economic data and Fed Chair Yellen’s monetary policy testimony to Congress. It’s a busy week for the data and figures are likely to be mixed. Investors will be looking for clues from Yellen on whether worries about China, Greece and the low trend in inflation will lead officials to delay the initial increase in short-term interest rates (in the market’s eyes, odds for a September move have been fading).

### Indices

	Last	Last Week	YTD return %
DJIA	17548.62	17757.91	-1.54%
NASDAQ	4922.40	5013.12	3.93%
S&P 500	2051.31	2077.42	-0.37%
MSCI EAFE	1816.19	1856.10	2.33%

Russell 2000	1234.15	1256.40	2.45%
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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	4.08	4.10

### Currencies

	Last	1 year ago
Dollars per British Pound	1.539	1.711
Dollars per Euro	1.104	1.361
Japanese Yen per Dollar	121.450	101.640
Canadian Dollars per Dollar	1.272	1.067
Mexican Peso per Dollar	15.779	12.994

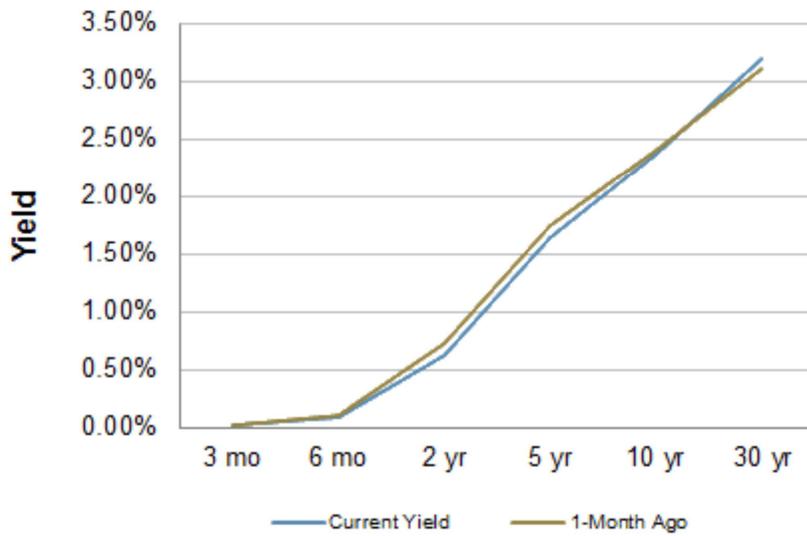
### Commodities

	Last	1 year ago
Crude Oil	52.78	102.29
Gold	1162.60	1326.00

### Bond Rates

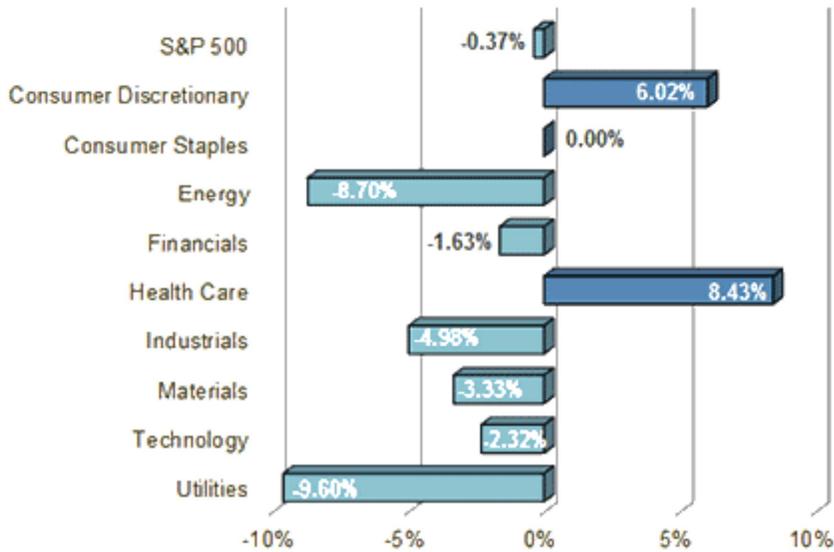
	Last	1 month ago
2-year treasury	0.62	0.73
10-year treasury	2.37	2.39
10-year municipal (TEY)	3.50	3.66

### Treasury Yield Curve – 07/10/2015



As of close of business 7/09/2015

**S&P Sector Performance (YTD) – 07/10/2015**



As of close of business 7/09/2015

**Economic Calendar**

<b>July 14</b>	—	Import Prices (June) Retail Sales (June) Small Business Optimism Index (June) Business Inventories (June)
<b>July 15</b>	—	Producer Price Index (June) Industrial Production (June)

		Yellen Monetary Policy Testimony (House) Bank of Canada Policy Decision
<b>July 16</b>	—	Jobless Claims (week ending July 11) Homebuilder Sentiment (July) Yellen Monetary Policy Testimony (Senate)
<b>July 17</b>	—	Consumer Price Index (June) Building Permits, Housing Starts (June)

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.

Data source: Bloomberg, as of close of business July 9, 2015.



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