
WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

July 17, 2015

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Greece's parliament approved harsh bailout conditions and European finance ministers agreed with the plan (some details still need to be worked out). The European Central Bank responded with more short-term liquidity for Greece's banks. The International Monetary Fund indicated that there was no hope for the country without debt forgiveness, but the Germans will have none of that. German Finance Minister Wolfgang Schäuble said that a voluntary departure from the eurozone "could perhaps be a better way" for Greece. Bottom line, the final reckoning for Greece has been taken off the table for the near term, but it hasn't gone away.

In her monetary policy testimony to Congress, Fed Chair Janet Yellen said that "if the economy evolves as we expect, economic conditions likely would make it appropriate at some point this year to raise the federal funds rate target, thereby beginning to normalize the stance of monetary policy." She advised against putting too much emphasis on the timing of the initial move: "what matters for financial conditions and the broader economy is the entire expected path of interest rates, not any particular move, including the initial increase, in the federal funds rate." Indeed, "the stance of monetary policy will likely remain highly accommodative for quite some time after the first increase."

Economic data were mixed. Retail sales for June disappointed, while figures for April and May were revised lower. Industrial production rose modestly. Residential construction figures were positive, but partly reflect noisy data (single-family permits, the key figure in the report, rose 0.9%, not statistically different from 0%). Consumer price inflation figures were largely in line with expectations, partly reflecting a pickup in rents.

Next week, the economic calendar thins out. The home sales figures are unlikely to matter much to the overall economic picture. The following week will be much more eventful.

Indices

	Last	Last Week	YTD return %
DJIA	18120.25	17548.62	1.67%
NASDAQ	5163.18	4922.40	9.02%

S&P 500	2124.29	2051.31	3.18%
MSCI EAFE	1893.99	1816.19	6.71%
Russell 2000	1272.83	1234.15	5.66%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.13	0.09
30-year mortgage	4.08	4.13

Currencies

	Last	1 year ago
Dollars per British Pound	1.561	1.713
Dollars per Euro	1.089	1.353
Japanese Yen per Dollar	124.050	101.740
Canadian Dollars per Dollar	1.294	1.077
Mexican Peso per Dollar	15.822	12.946

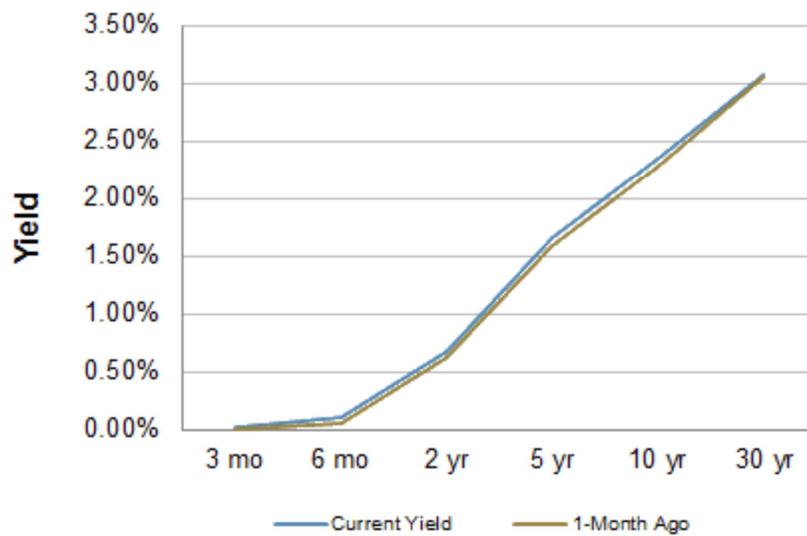
Commodities

	Last	1 year ago
Crude Oil	50.91	101.20
Gold	1144.25	1297.96

Bond Rates

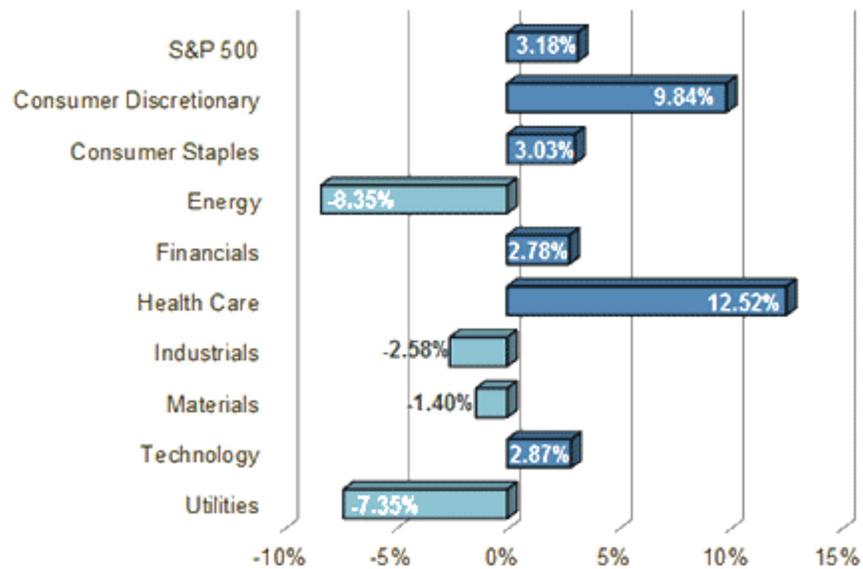
	Last	1 month ago
2-year treasury	0.67	0.66
10-year treasury	2.35	2.35
10-year municipal (TEY)	3.69	3.63

Treasury Yield Curve – 07/17/2015



As of close of business 7/16/2015

S&P Sector Performance (YTD) – 07/17/2015



As of close of business 7/16/2015

Economic Calendar

- July 22 — Existing Home Sales (June)
- July 23 —

		Jobless Claims (week ending July 18)
		Leading Economic Indicators (June)
July 24	—	New Home Sales (June)
July 27	—	Durable Goods Orders (June)

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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 16, 2015.



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