
WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

July 15, 2016

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The economic data were generally on the strong side of expectations. Retail sales rose 0.6% in June (median forecast: +0.2%), but figures for April and May were revised down (still a strong quarter). Industrial production rose 0.6%, but that largely reflected a rebound in auto output (which had fallen in May). Ex-autos, manufacturing output was flat (-0.2% y/y, consistent with a soft patch, not a recession).

Brexit fears subsided in the U.S. The U.K. now has a new prime minister, the transition coming months earlier than anticipated. However, Boris Johnson is now the country's chief diplomat (LOL). The Bank of England refrained from easing monetary policy, but most officials expect to ease in early August. The DJIA and the S&P 500 hit new highs. Bond yields moved up off their lows.

Next week, the economic data are second-tier and mostly focused on the housing sector - nothing to significantly alter the overall picture. The GOP national convention gets underway on Monday and there is likely to be more interest than usual in the quadrennial gathering (roll call of states on Tuesday).

Indices

	Last	Last Week	YTD return %
DJIA	18506.41	17895.88	6.21%
NASDAQ	5034.06	4879.81	0.53%
S&P 500	2163.75	2097.90	5.86%
MSCI EAFE	1654.42	1583.06	-3.60%
Russell 2000	1202.17	1149.76	5.84%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25

Fed Funds	0.40	0.13
30-year mortgage	3.42	4.09

Currencies

	Last	1 year ago
Dollars per British Pound	1.334	1.537
Dollars per Euro	1.112	1.095
Japanese Yen per Dollar	105.35	123.76
Canadian Dollars per Dollar	1.289	1.291
Mexican Peso per Dollar	18.353	15.782

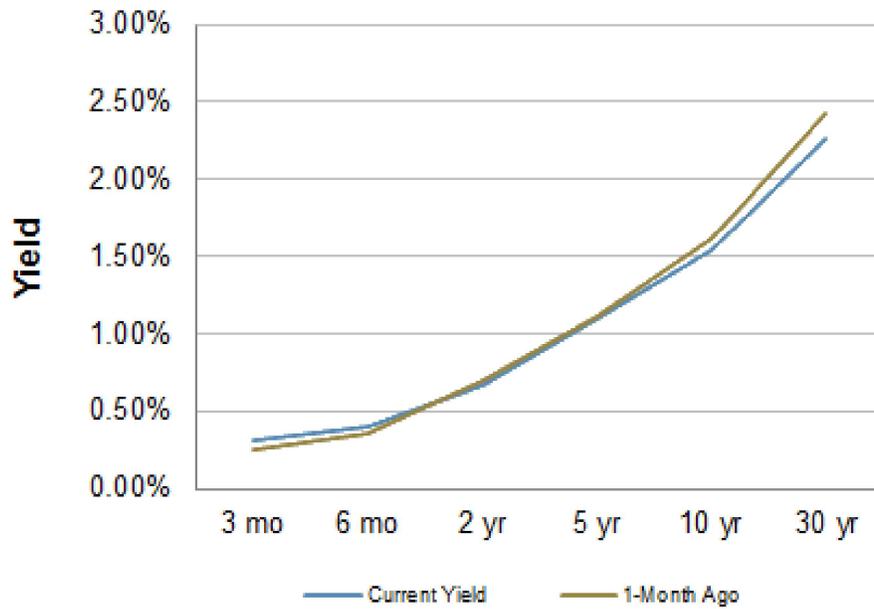
Commodities

	Last	1 year ago
Crude Oil	45.68	51.41
Gold	1332.20	1147.40

Bond Rates

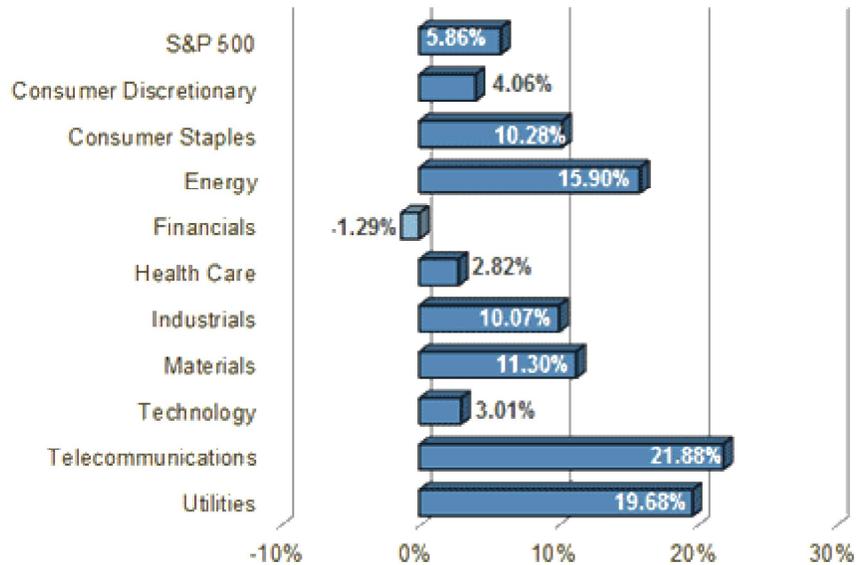
	Last	1 month ago
2-year treasury	0.67	0.69
10-year treasury	1.54	1.61
10-year municipal (TEY)	2.15	2.18

Treasury Yield Curve – 07/15/2016



As of close of business 07/14/2016

S&P Sector Performance (YTD) – 07/15/2016



As of close of business 07/14/2016

Economic Calendar

- July 18 — Homebuilder Sentiment (July)
GOP National Convention begins
- July 19 — Building Permits, Housing Starts (June)
- July 21 —

		ECB Policy Decision
		Jobless Claims (week ending July 16)
		Philadelphia Fed Index (July)
		Existing Home Sales (June)
		Leading Economic Indicators (June)
		GOP Nominee Acceptance Speech
July 26	—	Consumer Confidence (July)
July 27	—	FOMC Policy Decision (no press conference)

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.

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Data source: Bloomberg, as of close of business July 14, 2016.

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