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# WEEKLY MARKETSNAPSHOT

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CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

April 22, 2016

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

The economic data remained consistent with a lackluster to moderate pace of growth in the near term. Building permits and housing starts disappointed in March, reflecting a pullback in multi-family activity (which appears to have been unsustainably strong in 2015). Single-family permits, the key figure in the report, fell 1.2%, but the first quarter total was 15.2% higher than in 1Q15. Existing home sales rebounded from a soft February (likely reflecting weather effects in the Northeast and Midwest). The Index of Leading Economic Indicators rose 0.2%, following three consecutive monthly declines.

While the economic calendar was light, the earnings calendar was heavy and reports were generally disappointing. Bond yields crept higher.

Next week, the economic calendar picks up. The focus is expected to be on the FOMC meeting and the advance GDP estimate. The Fed is widely expected to leave monetary policy unchanged. There won't be any revised economic projections or a Yellen press conference. So the only thing left is for investors to sift through the wording of the policy statement. GDP growth is expected to have been relatively soft in the first quarter, but we won't have a complete picture in the advance estimate. The headline growth figure will be revised in late May (2nd estimate), late June (3rd estimate), and late July (when annual benchmark revisions are due). Consumer spending is expected to have slowed (still positive), while business fixed investment should trend a bit lower. Foreign trade and slower inventory growth should reduce the headline figure. Financial market participants often put too much weight on the GDP figure. The outlook for the second quarter and beyond should be more important (that data will start to arrive in the following week).

### Indices

	Last	Last Week	YTD return %
DJIA	17982.52	18077.23	3.20%
NASDAQ	4945.89	4848.50	-1.23%
S&P 500	2091.48	2101.60	2.33%
MSCI EAFE	1716.51	1712.19	0.01%

Russell 2000	1135.77	1139.83	-0.01%
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### Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.37	0.13
30-year mortgage	3.73	3.65

### Currencies

	Last	1 year ago
Dollars per British Pound	1.432	1.504
Dollars per Euro	1.129	1.073
Japanese Yen per Dollar	109.46	119.91
Canadian Dollars per Dollar	1.267	1.223
Mexican Peso per Dollar	17.470	15.444

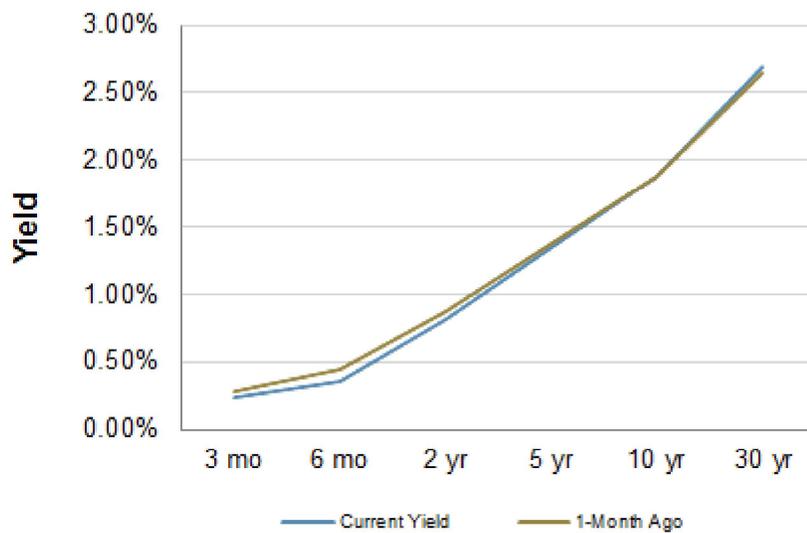
### Commodities

	Last	1 year ago
Crude Oil	43.18	56.59
Gold	1250.30	1189.96

### Bond Rates

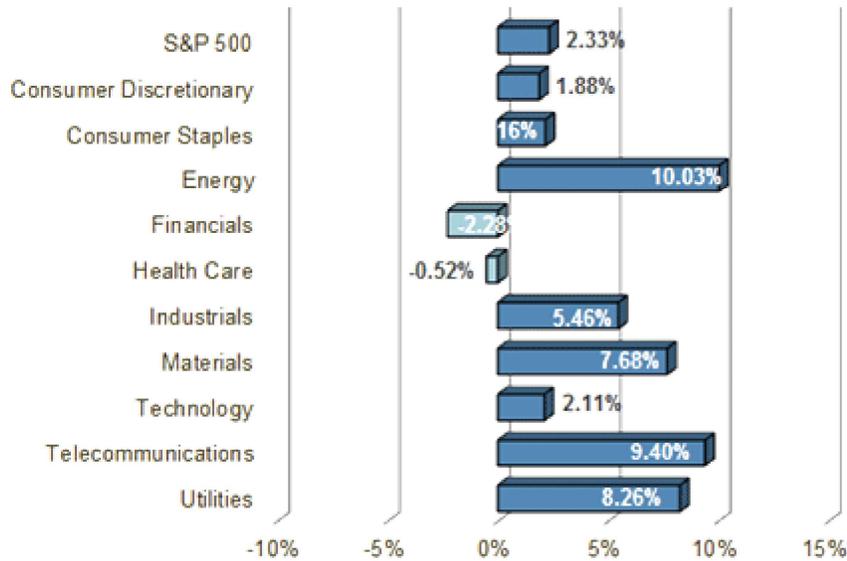
	Last	1 month ago
2-year treasury	0.82	0.87
10-year treasury	1.88	1.88
10-year municipal (TEY)	2.57	2.80

### Treasury Yield Curve – 04/22/2016



As of close of business 04/21/2016

**S&P Sector Performance (YTD) – 04/22/2016**



As of close of business 04/21/2016

**Economic Calendar**

Apr 25	—	New Home Sales (March)
Apr 26	—	Durable Goods Orders (March) Consumer Confidence (April)
Apr 27	—	

		Advance Trade in Goods (March)
		Pending Home Sales Index (March)
		FOMC Policy Decision (no Yellen press conference)
<b>Apr 28</b>	—	Jobless Claims (week ending April 23)
		Real GDP (1Q16, advance estimate)
<b>Apr 29</b>	—	Personal Income and Spending (March)
		Employment Cost Index (1Q16)
		Chicago Purchasing Managers (April)

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 April 21, 2016.

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