

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

September 2, 2016

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The August Employment Report was a little light of expectations. Nonfarm payrolls rose by 151,000 (median forecast: +180,000), with a net revision to June and July of only -1,000. Private-sector payrolls rose by 126,000 - a +150,000 average over the last six months (vs. +221,000 in 2015 and +240,000 in 2014). The unemployment rate held steady at 4.9% (vs. 5.1% a year ago). Average weekly hours fell (and hours for July were revised lower). Average hourly earnings rose just 0.1%, up 2.4% y/y.

The ISM Manufacturing Index fell more than expected in August. New orders and production dipped slightly below the breakeven level. Comments from purchasing managers were mixed, ranging from “flat” to “strong.” The ISM’s survey chief suggested that the August drop was likely an anomaly, as there didn’t appear to be any specific factors for the drop. Consumer confidence improved in August. Unit auto sales fell back (following a strong July). Personal income and spending figures for July were in line with expectations, but income figures for April, May and June were revised substantially higher, suggesting very good consumer fundamentals.

Next week, the economic calendar thins out considerably. The financial markets could react to any surprises in the ISM Non-Manufacturing Index (Tuesday). In making its September policy decision, Fed officials will look beyond the hard data reports and consider anecdotal information, such as contained in the Beige Book. Previous assessments have suggested that growth is modest to moderate.

Indices

	Last	Last Week	YTD return %
DJIA	18419.30	18448.41	5.71%
NASDAQ	5227.21	5212.20	4.39%
S&P 500	2170.86	2172.47	6.21%
MSCI EAFE	1694.50	1702.17	-1.27%
Russell 2000	1239.80	1240.01	9.15%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.39	0.11
30-year mortgage	3.42	3.89

Currencies

	Last	1 year ago
Dollars per British Pound	1.327	1.530
Dollars per Euro	1.120	1.123
Japanese Yen per Dollar	103.23	120.33
Canadian Dollars per Dollar	1.310	1.327
Mexican Peso per Dollar	18.748	16.826

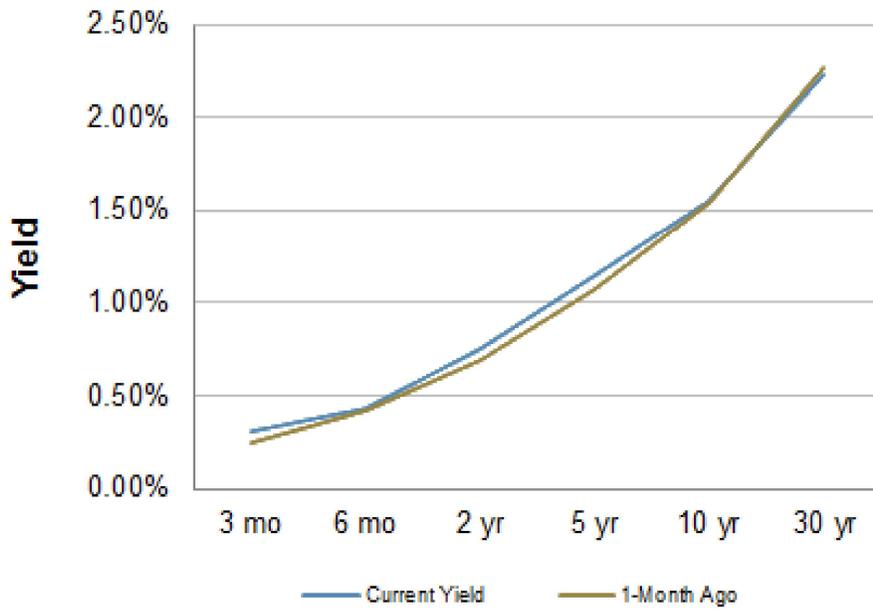
Commodities

	Last	1 year ago
Crude Oil	43.16	46.25
Gold	1317.10	1133.60

Bond Rates

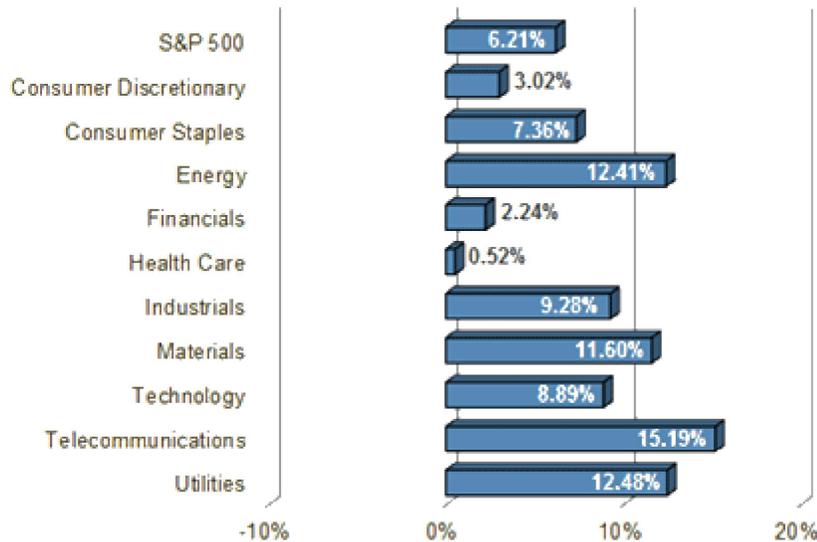
	Last	1 month ago
2-year treasury	0.75	0.69
10-year treasury	1.55	1.53
10-year municipal (TEY)	2.23	2.21

Treasury Yield Curve – 09/02/2016



As of close of business 09/01/2016

S&P Sector Performance (YTD) – 09/02/2016



As of close of business 09/01/2016

Economic Calendar

September 5	—	Labor Day Holiday (markets closed)
September 6	—	ISM Manufacturing Index (August)
September 7	—	Fed Beige Book
September 8	—	Jobless Claims (week ending September 3)

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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 September 1, 2016.

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