

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

June 17, 2016

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The Federal Open Market Committee left short-term interest rates unchanged, as expected. In its policy statement, the FOMC noted that *"the pace of improvement in the labor market has slowed while growth in economic activity appears to have picked up."* At the same time, *"growth in household spending has strengthened" and "the drag from net exports appears to have lessened."* The dots in the dot plot drifted a bit lower (that is, expectations of future rate increases become even more gradual). In her press conference, Fed Chair Yellen suggested that a *"cautious"* approach to raising rates was still valid.

The economic data were varied, showing a moderate trend in retail sales, a weak trend in industrial production, and mixed residential construction activity - all consistent with moderate growth in the near term. Inflation figures showed some pressure from higher gasoline prices. Ex-food & energy, prices of consumer goods continued to edge lower, while services continued to advance, led by higher shelter costs. There were some signs of budding inflation pressure coming through raw materials (still down significantly year-over-year).

Despite their obvious importance, the Fed policy meeting results and the economic data were overshadowed by global growth concerns and fears that the United Kingdom will vote to leave the European Union. Recent polls have shown the "leave" vote in the lead, but many believe the polls to be unreliable and betting odds have remained in favor of "remain."

Next week, Yellen will present her monetary policy testimony to Congress. However, the markets are expected to be more focused on the U.K. referendum (polls close at 5 p.m. EDT Thursday and results are likely to be announced between 9 p.m. and midnight). A "remain" victory would likely result in a higher stock market and some unwinding of the flight to safety (higher bond yields). A "leave" victory would send stock markets down.

Indices

| | Last | Last Week | YTD return % |
|--------|----------|-----------|--------------|
| DJIA | 17733.10 | 17838.56 | 1.77% |
| NASDAQ | 4844.91 | 4971.36 | -3.25% |

| | | | |
|--------------|---------|---------|--------|
| S&P 500 | 2077.99 | 2105.26 | 1.67% |
| MSCI EAFE | 1568.83 | 1652.98 | -8.59% |
| Russell 2000 | 1148.19 | 1170.58 | 1.08% |

Consumer Money Rates

| | Last | 1 year ago |
|------------------|------|------------|
| Prime Rate | 3.50 | 3.25 |
| Fed Funds | 0.52 | 0.13 |
| 30-year mortgage | 3.52 | 4.00 |

Currencies

| | Last | 1 year ago |
|-----------------------------|--------|------------|
| Dollars per British Pound | 1.429 | 1.425 |
| Dollars per Euro | 1.126 | 1.126 |
| Japanese Yen per Dollar | 104.27 | 104.28 |
| Canadian Dollars per Dollar | 1.291 | 1.292 |
| Mexican Peso per Dollar | 18.875 | 18.875 |

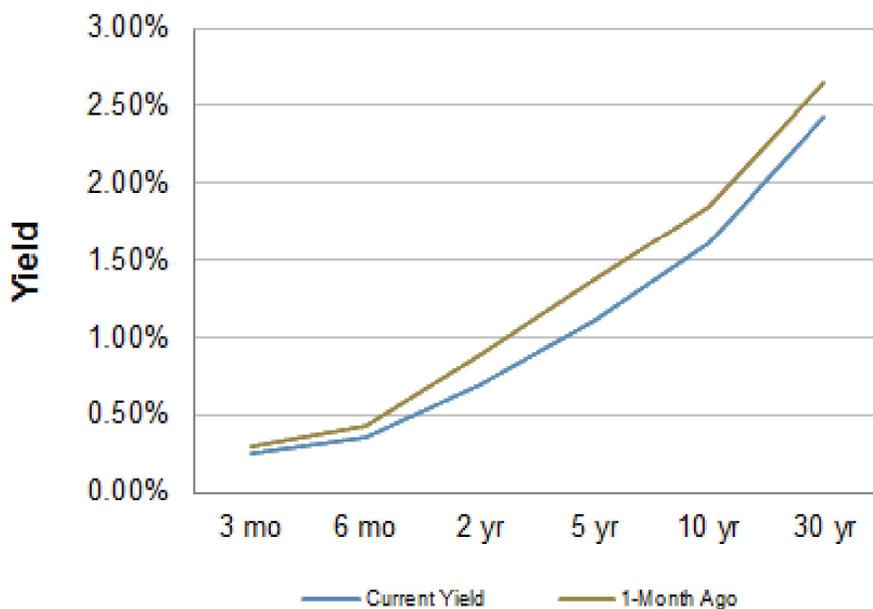
Commodities

| | Last | 1 year ago |
|-----------|---------|------------|
| Crude Oil | 46.21 | 46.59 |
| Gold | 1298.40 | 1291.10 |

Bond Rates

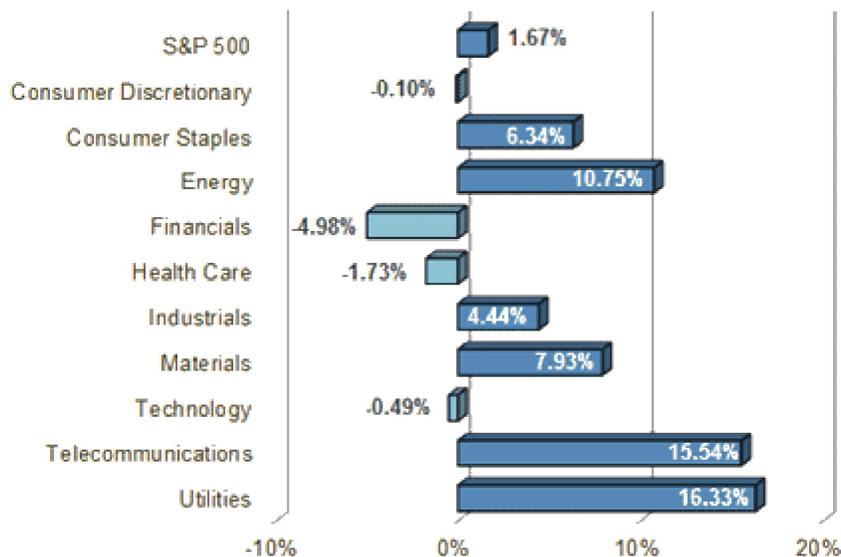
| | Last | 1 month ago |
|-------------------------|------|-------------|
| 2-year treasury | 0.69 | 0.88 |
| 10-year treasury | 1.61 | 1.85 |
| 10-year municipal (TEY) | 2.18 | 2.42 |

Treasury Yield Curve – 06/17/2016



As of close of business 06/16/2016

S&P Sector Performance (YTD) – 06/17/2016



As of close of business 06/16/2016

Economic Calendar

| | | |
|---------|---|--|
| June 21 | — | Fed Chair Yellen's Monetary Policy Testimony |
| June 22 | — | Existing Home Sales (May) Yellen Testimony part 2 |
| June 23 | — | |

Jobless Claims (week ending June 4)
New Home Sales (May)
Leading Economic Indicators (May)
UK referendum vote on EU membership

June 24

—

Durable Goods Orders (May)

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 June 16, 2016.

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