

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

April 15, 2016

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The economic data were mixed, but mostly on the soft side of expectations. Retail sales fell in March, reflecting a pullback in auto sales (dealers noted lean inventories of popular models and a lack of dealer incentives). Ex-autos, gasoline and building materials, sales were flat (+3.2% y/y), but February was revised higher (making it about a wash relative to expectations). Industrial production fell 0.6% in March, reflecting warm temperatures (another drop in the output of utilities) and a further contraction in oil and gas well drilling (down 72% since the end of 2014). Manufacturing output fell 0.2% (+0.5% y/y), reflecting a 1.6% drop in auto production (+5.0% y/y), but that may have reflected an inadequate adjustment for the early Easter (if so, we should see a pretty good pop in the April numbers).

Inflation figures were also lower than anticipated. Core inflation, which had appeared to pick up in January and February, was mild in March. The inflation figures, combined with the softer economic figures from the last couple of weeks, add to the view that the Fed will be more gradual in raising short-term interest rates in the months ahead. However, much of this news is already factored in, and anecdotal evidence suggests a pickup in overall economic growth into April.

Next week, the economic calendar thins out. The residential construction figures will be important, but seasonal adjustment is difficult and the early Easter may distort the numbers. Officials from the European Central Bank will meet to discuss policy. No change is expected, but investors will want to hear what ECB President Draghi has to say in the post-meeting press conference. Recall that the ECB had pulled out all the stops six weeks ago, but Draghi snatched defeat from the jaws of victory by suggesting that the ECB wouldn't do any more to boost growth.

Indices

	Last	Last Week	YTD return %
DJIA	17926.43	17541.96	2.88%
NASDAQ	4945.89	4848.37	-1.23%
S&P 500	2082.78	2041.91	1.90%
MSCI EAFE	1682.93	1607.81	-1.94%

Russell 2000	1128.59	1092.79	-0.64%
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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	3.66	3.67

Currencies

	Last	1 year ago
Dollars per British Pound	1.416	1.484
Dollars per Euro	1.127	1.068
Japanese Yen per Dollar	109.40	119.14
Canadian Dollars per Dollar	1.284	1.229
Mexican Peso per Dollar	17.445	15.274

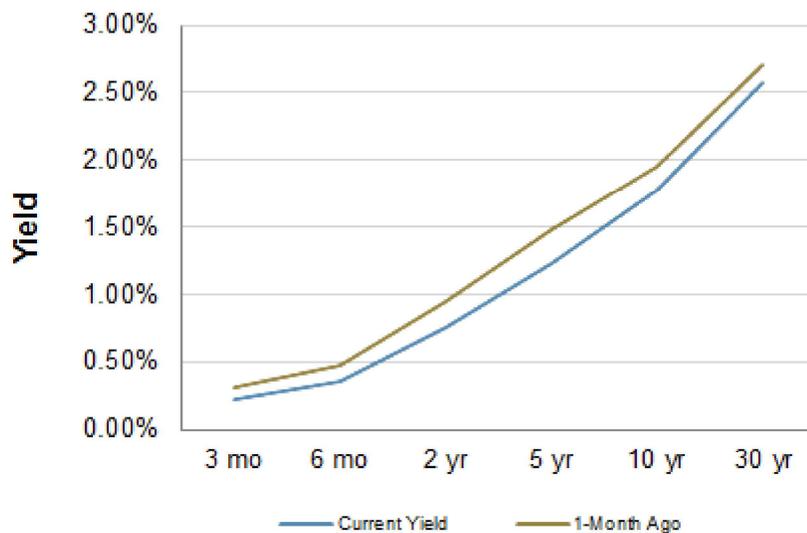
Commodities

	Last	1 year ago
Crude Oil	41.50	56.39
Gold	1226.50	1201.30

Bond Rates

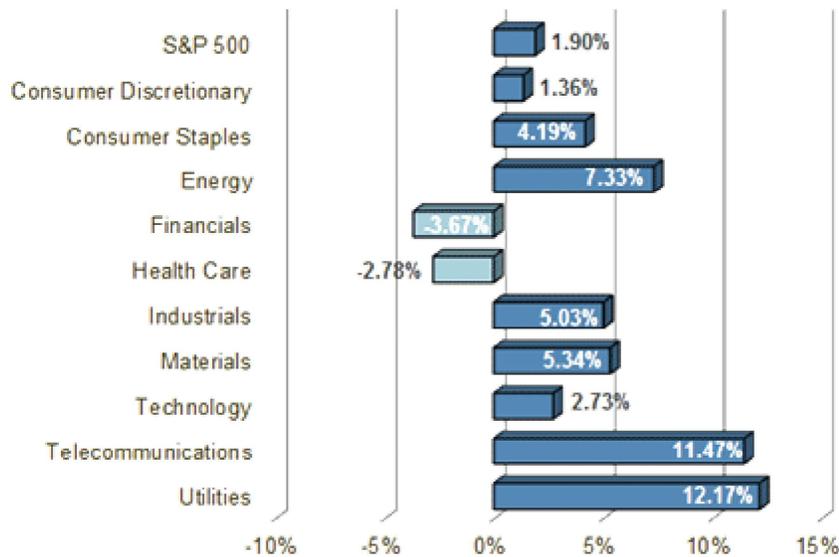
	Last	1 month ago
2-year treasury	0.75	0.95
10-year treasury	1.77	1.95
10-year municipal (TEY)	2.55	2.86

Treasury Yield Curve – 04/15/2016



As of close of business 04/14/2016

S&P Sector Performance (YTD) – 04/15/2016



As of close of business 04/14/2016

Economic Calendar

Apr 18	—	Homebuilder Sentiment (April)
Apr 19	—	Building Permits, Housing Starts (March)
Apr 20	—	Existing Home Sales (March)
Apr 21	—	

ECB Policy Decision

Jobless Claims (week ending April 16)

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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 14, 2016.

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