
WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

September 9, 2016

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It was a thin week for economic data. The ISM Non-Manufacturing Index surprised to the downside (51.4 in August, vs. 55.5 in July), but remained consistent with modest-to-moderate growth in the near term (in the report, purchasing managers' comments were mostly "flat" or "stable"). The Fed's Beige Book noted that labor market conditions "*remained tight.*" Wage pressures were "*moderate on balance,*" but had "*increased further.*" Fed comments were mixed, with Governor Tarullo wanting to see more evidence that inflation is going to rise (to the 2% target) before raising rates.

The Bank of Canada and the European Central Bank each kept interest rates steady. ECB President Draghi suggested that policy efforts could be expanded if warranted. Financial market participants ended the week in a nervous state. North Korea tested another atomic bomb but, oddly, bond yields rose (no flight to safety).

Next week, the economic calendar picks up sharply on Thursday. While we could see some surprises, the data are unlikely to sway the Fed's upcoming rate decision (although financial market responses to the data could matter for the Fed). Retail sales are likely to be relatively soft (watch for possible revisions to July), but that shouldn't alter the outlook for spending much. Seasonal adjustment appeared to boost industrial production figures in July, and that is likely to unwind in August (making the figures appear softer). Gasoline prices declined last month, roughly in line with the normal seasonal pattern, leaving the PPI and CPI up moderately. Note that Fed Governor Lael Brainard, a noted dove, speaks about the economy and monetary policy on Monday afternoon (a shift to a hawkish stance would alter market expectations for the Fed).

Indices

	Last	Last Week	YTD return %
DJIA	18479.91	18419.30	6.05%
NASDAQ	5259.48	5227.21	5.03%
S&P 500	2181.30	2170.86	6.72%
MSCI EAFE	1732.92	1694.50	0.97%
Russell 2000	1258.36	1239.80	10.78%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.40	0.14
30-year mortgage	3.40	3.90

Currencies

	Last	1 year ago
Dollars per British Pound	1.330	1.537
Dollars per Euro	1.126	1.121
Japanese Yen per Dollar	102.49	120.50
Canadian Dollars per Dollar	1.294	1.326
Mexican Peso per Dollar	18.673	16.826

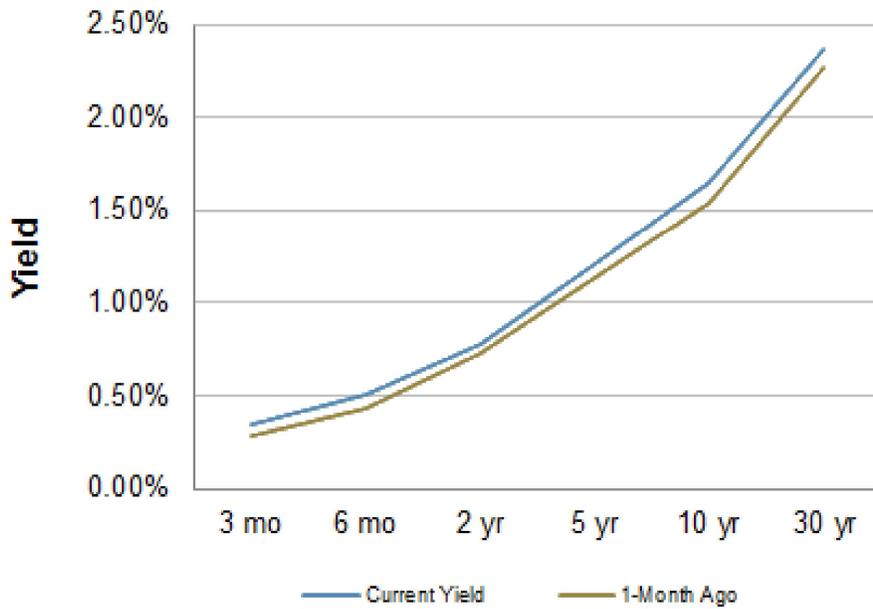
Commodities

	Last	1 year ago
Crude Oil	47.62	44.15
Gold	1341.60	1102.00

Bond Rates

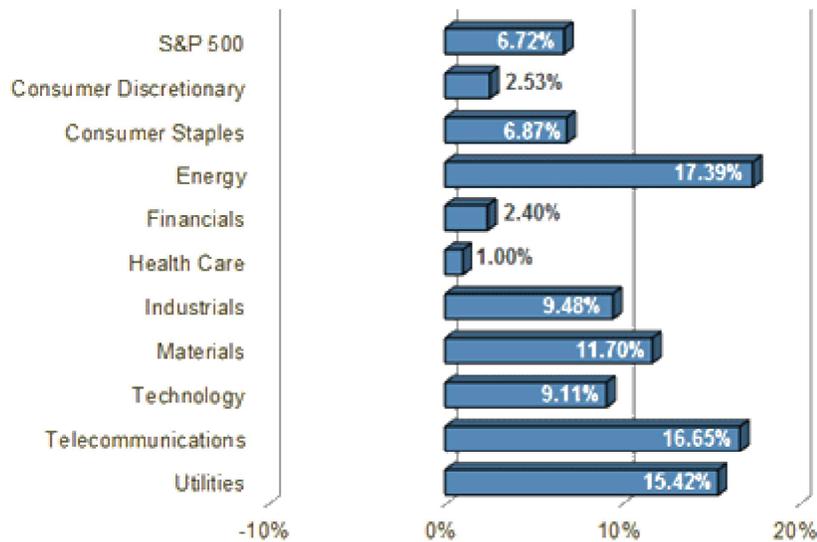
	Last	1 month ago
2-year treasury	0.78	0.73
10-year treasury	1.65	1.54
10-year municipal (TEY)	2.26	2.22

Treasury Yield Curve – 09/09/2016



As of close of business 09/08/2016

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



As of close of business 09/08/2016

Economic Calendar

September 12	—	Fed Gov Brainard speaks (econ outlook and monetary policy)
September 14	—	Import Prices (August)
September 15	—	

Jobless Claims (week ending September 10)

Producer Price Index (August)

Retail Sales (August)

September 16

— Consumer Price Index (August)

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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.

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