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# WEEKLY MARKETSNAPSHOT

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CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

March 4, 2016

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

Nonfarm payrolls rose more than expected in February, while figures for the two previous months were revised higher. At 228,000, the three-month average has remained strong. The unemployment rate held steady at 4.9%, but labor force participation continued to pick up and the employment/population ratio is trending higher. Hours fell, likely reflecting bad weather (weakness in hours was concentrated in mining, which includes energy exploration, and construction). Average hourly earnings fell 0.1% (following a 0.5% rise in January), bringing the year-over-year gain down to 2.2% (from 2.5%), but the three-month average was up nearly 2.5% y/y.

The other economic data reports were mixed. In the Beige Book, two of the 12 Federal Reserve districts described growth as “moderate,” while others saw things at “modest,” “slight,” “flat,” or “mixed,” and The Kansas City Fed noted “a modest decline” in activity. The ISM Manufacturing Index remained below the breakeven level in February, but details were not as bad as in January and survey respondents were generally upbeat. The ISM Non-Manufacturing Index was little changed, consistent with lackluster-to-moderate growth in the overall economy. January foreign trade figures suggested that exports will be a larger drag on GDP growth. The pace of auto sales remained brisk in February.

Next week, the U.S. economic calendar thins out considerably. The focus is expected to be on the European Central Bank’s policy meeting, where officials may once again disappoint market expectations (in this case, more QE or rates pushed further into negative territory).

### Indices

	Last	Last Week	YTD return %
DJIA	16943.90	16697.28	-2.76%
NASDAQ	4707.42	4582.21	-5.99%
S&P 500	1993.40	1951.70	-2.47%
MSCI EAFE	1611.70	1554.15	-6.09%
Russell 2000	1076.05	1031.58	-5.27%

### Consumer Money Rates

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	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.37	0.12
30-year mortgage	3.74	3.75

#### Currencies

	Last	1 year ago
Dollars per British Pound	1.418	1.524
Dollars per Euro	1.096	1.108
Japanese Yen per Dollar	113.690	120.130
Canadian Dollars per Dollar	1.340	1.243
Mexican Peso per Dollar	17.923	15.055

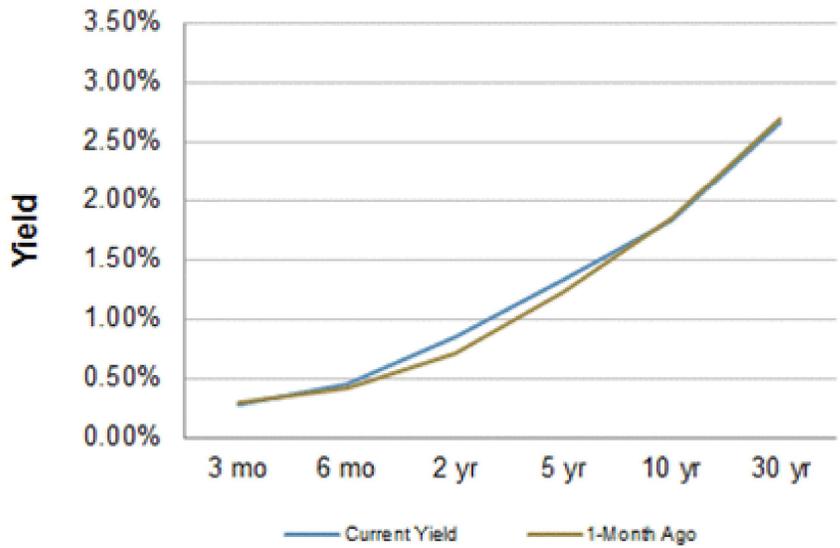
#### Commodities

	Last	1 year ago
Crude Oil	34.57	51.53
Gold	1258.20	1200.90

#### Bond Rates

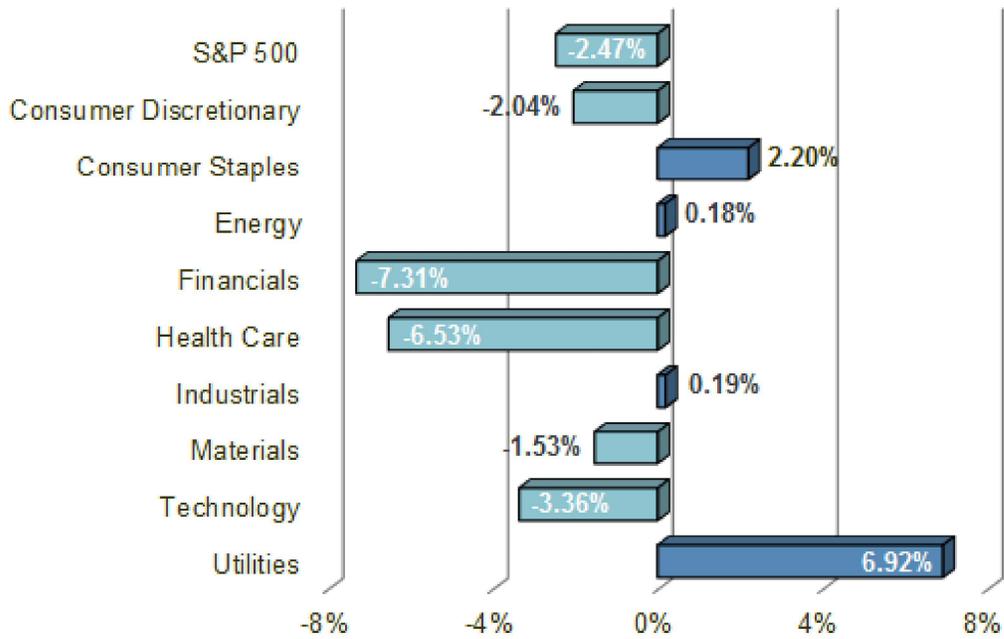
	Last	1 month ago
2-year treasury	0.84	0.71
10-year treasury	1.83	1.85
10-year municipal (TEY)	2.71	2.60

#### Treasury Yield Curve – 03/04/2016



As of close of business 03/03/2016

**S&P Sector Performance (YTD) – 03/04/2016**



As of close of business 03/03/2016

**Economic Calendar**

March 7 — Fed Vice Chair Fischer Speaks (macroeconomics)

		Fed Governor Brainard Speaks (economic outlook)
<b>March 8</b>	—	Small Business Optimism Index (February)
<b>March 10</b>	—	ECB Policy Meeting Jobless Claims (week ending February 27)
<b>March 11</b>	—	Import Prices (February)
<b>Mar 15</b>	—	Producer Price Index (February) Retail Sales
<b>March 16</b>	—	Consumer Price Index (February) Building Permits, Housing Starts (February) Industrial Production (February) FOMC Policy Decision, Revised Fed Projections Yellen Press Conference
<b>Mar 17</b>	—	Leading Economic Indicators (February)
<b>Mar 25</b>	—	Good Friday Holiday (markets closed)
<b>Apr 1</b>	—	Employment Report (March)
<b>Apr 27</b>	—	FOMC Policy Decision (no Yellen press conference)
<b>June 15</b>	—	FOMC Policy Decision (Yellen Press Conference)

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 March 3, 2016.

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