WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

January 29, 2016

MARKET COMMENTARY
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As expected, the Federal Open Market Committee left short-term interest rates unchanged. That was never in doubt. However, investors expected the FOMC to strongly signal that policy will remain on hold for the foreseeable future. Instead, policymakers kept their options open. While acknowledging that growth has slowed, the FOMC also pointed to further improvement in labor market conditions. Risks were no longer seen as balanced, but the FOMC offered no alternative, adding that it is *"closely monitoring global economic and financial developments and is assessing their implications for the labor market and inflation, and for the balance of risks to the outlook"* (similar language to what was used when the Fed postponed a rate increase in September).

Real GDP rose at a 0.7% annual rate in the advance estimate for 4Q15 - a bit lower than anticipated, but well within the usual range of uncertainty (these figures will be revised, and revised again). As expected, foreign trade and slower inventory growth subtracted for overall growth. Private Domestic Final Purchases, a measure of domestic demand, rose 1.8%. Consumer spending slowed to a moderate (but respectable) 2.2% pace, while business fixed investment fell 1.8% (split between structures and equipment). Durable goods orders plunged, reflecting the usual year-end noise in aircraft, but ex-transportation orders were also softer than expected (with downward revisions to November).

Next week, fresh January figures will arrive, although seasonal adjustment can exaggerate minor weather effects in the first month of the year. ISM surveys are expected to remain mixed (manufacturing weak, non-manufacturing moderate). The report on productivity growth should be terrible. The Employment Report will include annual benchmark revisions, which should be relatively minor. Seasonal adjustment is gigantic in January - we can expect to lose more than 2.8 million jobs before adjustment (due to the end of the holiday shopping season and school year effects). The unemployment rate is expected to hold steady, but labor market slack is still being reduced (hence, the Fed's desire to move gradually toward a more neutral policy position). Fed Vice Chair Stanley Fischer, who was seen as an important voice driving the December decision to raise rates, will speak on monetary policy.

Indices

	Last	Last Week	YTD return %
DJIA	16069.64	15882.68	-7.78%
NASDAQ	4506.68	4472.06	-10.00%
S&P 500	1893.36	1868.81	-7.37%
MSCI EAFE	1574.547	1518.551	-8.26%
Russell 2000	1003.273	997.342	-11.68%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.38	0.10
30-year mortgage	3.82	3.66

Currencies

	Last	1 year ago
Dollars per British Pound	1.436	1.507
Dollars per Euro	1.090	1.129
Japanese Yen per Dollar	118.820	118.290
Canadian Dollars per Dollar	1.403	1.262
Mexican Peso per Dollar	18.326	14.795

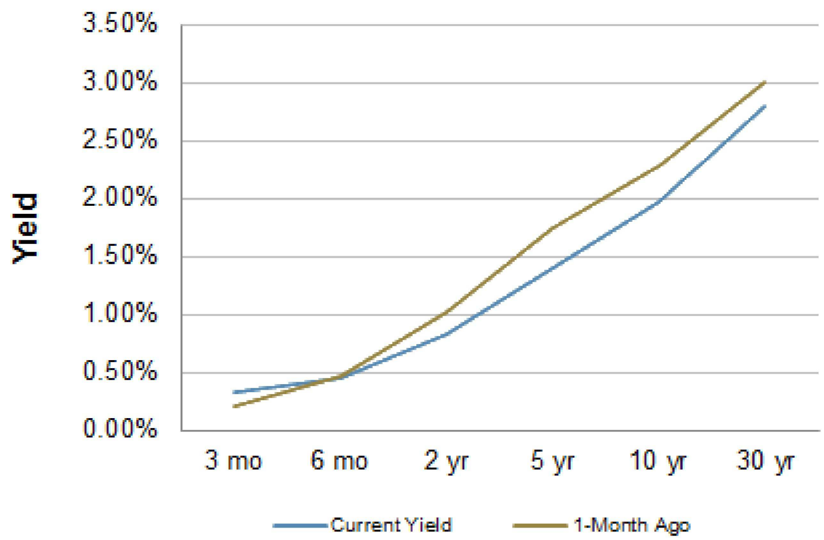
Commodities

	Last	1 year ago
Crude Oil	33.22	44.53
Gold	1115.60	1255.90

Bond Rates

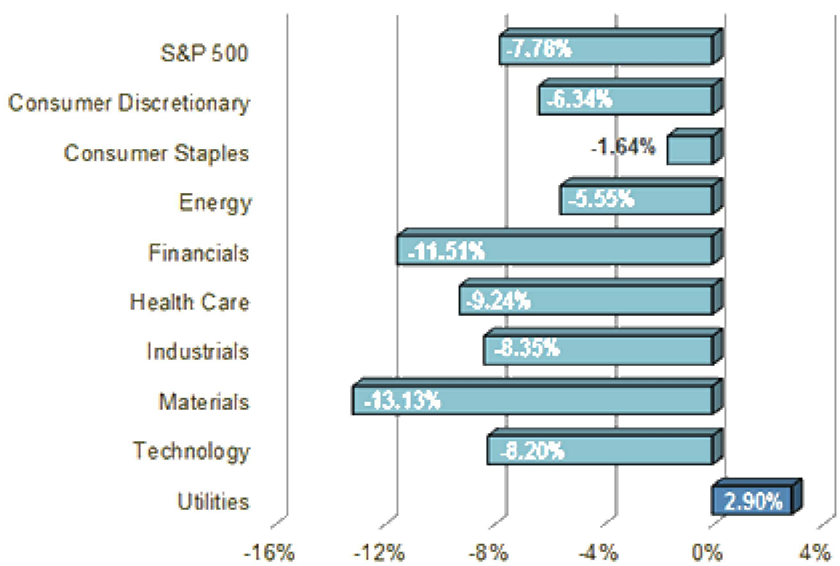
	Last	1 month ago
2-year treasury	0.82	1.01
10-year treasury	1.97	2.27
10-year municipal (TEY)	2.74	3.10

Treasury Yield Curve – 01/29/2016



As of close of business 01/28/2016

S&P Sector Performance (YTD) – 01/29/2016



As of close of business 01/28/2016

Economic Calendar

Feb 1	—	ISM Manufacturing Index (January) Fed VC Fischer Speaks
Feb 2	—	Unit Auto Sales (January)

Feb 3	—	ADP Payroll Estimate (January) ISM Non-Manufacturing Index (January)
Feb 4	—	Jobless Claims (week ending January 30) Nonfarm Productivity (4Q15)
Feb 5	—	Employment Report (January)

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 January 28, 2016.

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