

---

# WEEKLY MARKETSNAPSHOT

---

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

January 15, 2016

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

The important economic data reports were bunched up on Friday. December retail sales results were somewhat disappointing. Industrial production was weighed down by mild temperatures (lower output of utilities) and a further contraction in energy exploration. Manufacturing output edged down modestly, mixed across sectors, but generally soft over the last several months. The New York Fed's Empire State Manufacturing Index fell sharply in January.

U.S. data reports were largely overshadowed by continued concerns about China (economy, stock market, large capital outflows) and oil. Many investors look at oil prices as a key gauge of global demand. Therefore, a push below \$30 per barrel is taken as a sign of weakness. China's stock market continued to weaken, despite government efforts to prop it up (in addition, the country's central bank injected liquidity into the system).

Next week, the U.S. economic data reports are not critical to the overall outlook, but are likely to be overshadowed anyway by developments in China. Worries about China were a key concern for U.S. investors last summer. At that time, authorities in China appeared to get a handle on things, eventually calming U.S. investors' nerves. Investors here are also worried about the slowdown in U.S. manufacturing, but that's not necessarily consistent with a recession in the overall economy.

### Indices

	Last	Last Week	YTD return %
DJIA	16379.05	16514.10	-6.00%
NASDAQ	4615.00	4689.43	-7.84%
S&P 500	1921.84	1943.09	-5.97%
MSCI EAFE	1583.71	1622.58	-7.72%
Russell 2000	1025.67	1064.57	-9.70%

### Consumer Money Rates

---

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.36	0.28
30-year mortgage	3.93	3.66

### Currencies

	Last	1 year ago
Dollars per British Pound	1.437	1.518
Dollars per Euro	1.092	1.176
Japanese Yen per Dollar	117.720	116.990
Canadian Dollars per Dollar	1.438	1.197
Mexican Peso per Dollar	17.975	14.633

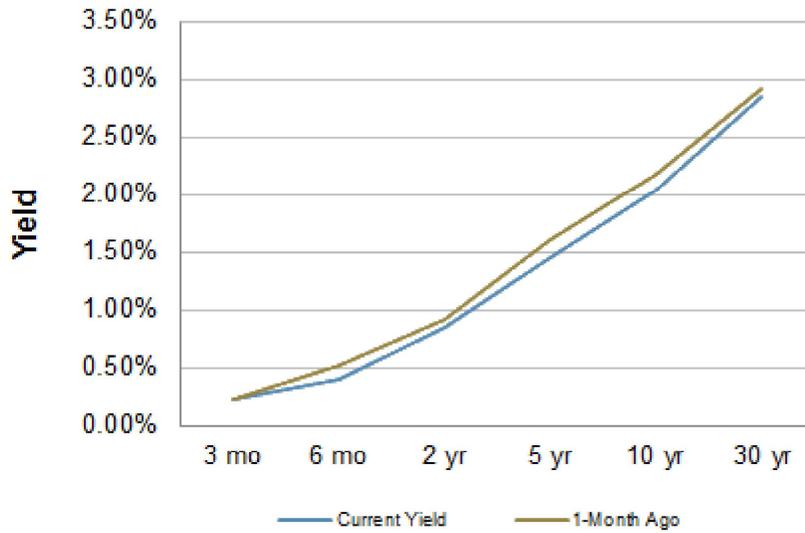
### Commodities

	Last	1 year ago
Crude Oil	31.20	48.48
Gold	1090.85	1229.24

### Bond Rates

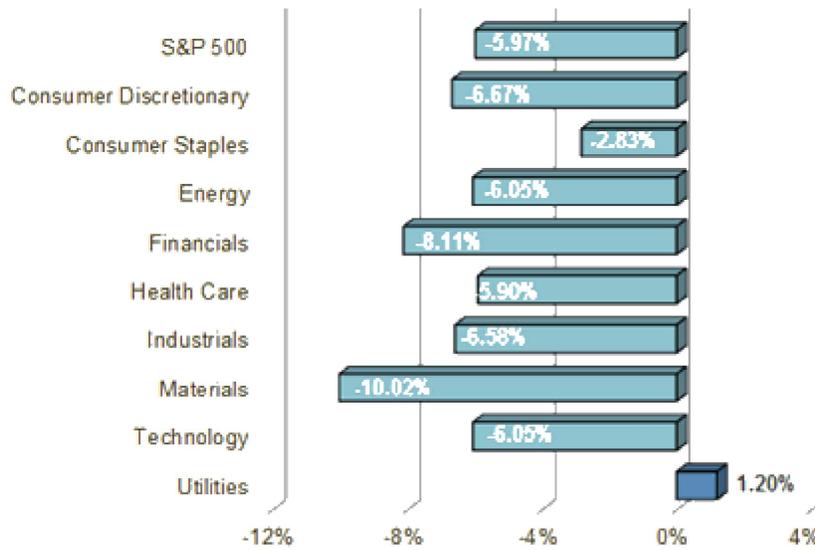
	Last	1 month ago
2-year treasury	0.85	0.91
10-year treasury	2.04	2.06
10-year municipal (TEY)	2.83	3.17

### Treasury Yield Curve – 01/15/2016



As of close of business 01/14/2016

**S&P Sector Performance (YTD) – 01/15/2016**



As of close of business 01/14/2016

**Economic Calendar**

Jan 18	—	MLK Jr. Holiday (markets closed)
Jan 19	—	Homebuilder Sentiment (January)

<b>Jan 20</b>	—	Consumer Price Index (December) Building Permits, Housing Starts (December)
<b>Jan 21</b>	—	ECB Policy Decision Jobless Claims (week ending January 16) Philadelphia Fed Index (January)
<b>Jan 22</b>	—	Existing Home Sales (December) Leading Economic Indicators (December)
<b>Jan 27</b>	—	FOMC Policy Decision (no 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 January 14, 2016.

## RAYMOND JAMES®

**John McRae**

*Branch Manager*

512 22nd Avenue // Meridian, MS 39302 // 601-484-5273

[john.mcrae@raymondjames.com](mailto:john.mcrae@raymondjames.com)

If you would prefer not to receive this newsletter, please [e-mail](#) our office.

The information contained within this commercial email has been obtained from sources considered reliable, but we do not guarantee that the foregoing material is accurate or complete.

©2016 Raymond James Financial Services, Inc., member [FINRA](#) / [SIPC](#). Securities offered through Raymond James Financial Services, Inc., member [FINRA](#) / [SIPC](#), and are not insured by any financial institution insurance, the FDIC/NCUA or any other government agency, are not deposits or obligations of the financial institution, are not guaranteed by the financial institution, and are subject to risks, including the possible loss of principal. Raymond James is not affiliated with the financial institution or the investment center.