
WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

February 19, 2016

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The economic data were mixed, but consistent with moderate growth in the near term. Industrial production picked up, partly reflecting a return to more normal temperatures (and a rebound in the output of utilities). The Consumer Price Index was higher than anticipated, with a "broad-based" pickup ex-food & energy (according to the BLS). The report on producer prices showed downward pipeline pressures in goods, but upward pressures in services.

Minutes of the January 26-27 FOMC meeting showed officials weighing *"the divergent signals from recent strength in the labor market and the modest increase in real GDP."* However, *"while acknowledging the possible adverse effects of the tightening of financial conditions that had occurred, most policymakers thought that the extent to which tighter conditions would persist and what that might imply for the outlook were unclear, and they therefore judged that it was premature to alter appreciably their assessment of the medium-term economic outlook."* Still, *"almost all participants cited a number of recent events as indicative of tighter financial conditions in the United States; these events included declines in equity prices, a widening in credit spreads, a further rise in the exchange value of the dollar, and an increase in financial market volatility."* In other words, the Fed remains in tightening mode, but will likely delay a rate increase due to financial market volatility.

Next week, the focus is likely to be on the GDP revision. However, January personal income and spending figures, released at the same time, will give us some idea of the strength of the consumer in early 1Q16. The political rhetoric is expected to rise further, as the presidential candidates position themselves ahead of Super Tuesday (March 1, when 25% of delegates will be decided).

Indices

	Last	Last Week	YTD return %
DJIA	16413.43	15660.18	-5.81%
NASDAQ	4487.54	4266.84	-10.38%
S&P 500	1917.83	1829.08	-6.17%
MSCI EAFE	1568.706	1495.39	-8.60%
Russell 2000	1004.71	953.72	-11.55%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.38	0.11
30-year mortgage	3.66	3.76

Currencies

	Last	1 year ago
Dollars per British Pound	1.434	1.541
Dollars per Euro	1.111	1.138
Japanese Yen per Dollar	113.240	119.030
Canadian Dollars per Dollar	1.373	1.253
Mexican Peso per Dollar	18.296	15.002

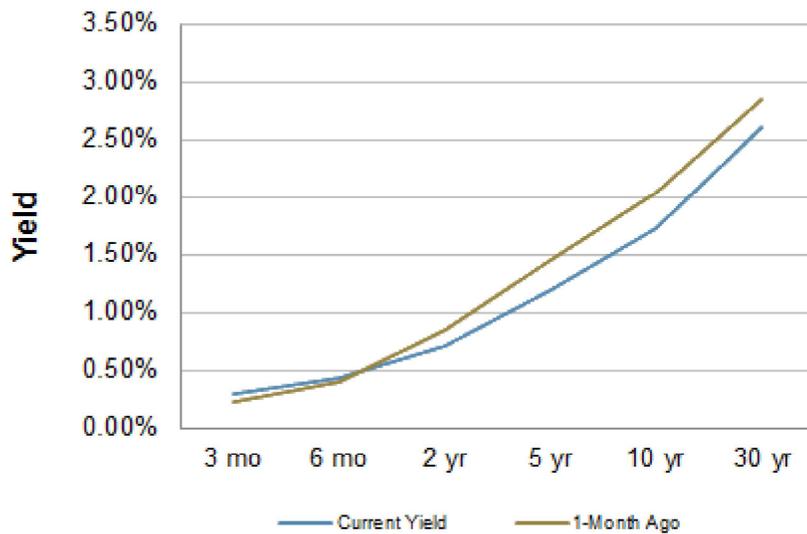
Commodities

	Last	1 year ago
Crude Oil	30.77	50.34
Gold	1226.30	1207.60

Bond Rates

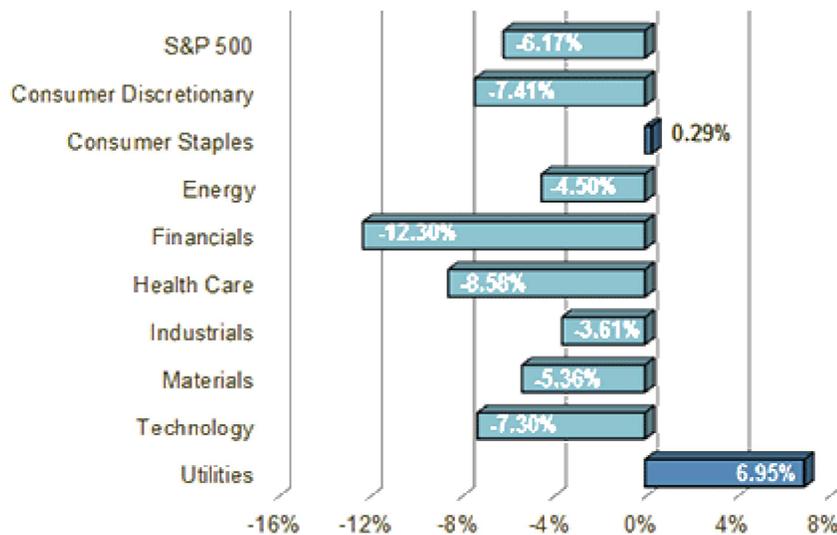
	Last	1 month ago
2-year treasury	0.70	0.85
10-year treasury	1.73	2.04
10-year municipal (TEY)	2.57	2.83

Treasury Yield Curve – 02/19/2016



As of close of business 02/18/2016

S&P Sector Performance (YTD) – 02/19/2016



As of close of business 02/18/2016

Economic Calendar

Feb 23	—	Existing Home Sales (January) Consumer Confidence (February)
Feb 24	—	New Home Sales (January)
Feb 25	—	Jobless Claims (week ending February 20) Durable Goods Orders (January)
Feb 26	—	Real GDP (2nd estimate, 4Q15) Personal Income and Spending (January)

Trade Balance in Goods (January)
UM Consumer Sentiment (February)

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 February 18, 2016.

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