WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

March 18, 2016

MARKET COMMENTARY
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As expected, the Federal Open Market Committee (FOMC) left short-term interest rates unchanged. In such circumstances, investors look to the wording of the policy statement for clues about future policy. These changes appeared to have something for everybody. The FOMC noted that *"economic activity has been expanding at a moderate pace despite the global economic and financial developments of recent months."* The FOMC recognized that the job market has strengthened further and that inflation has picked up, but also noted weakness in business fixed investment and exports. The FOMC indicated that *"global economic and financial developments continue to pose risks,"* but in her post-meeting press conference, Chair Yellen said officials believe that the risks to the growth outlook *"have diminished."* The dots in the dot plot drifted lower, with all 17 senior Fed officials expecting at least one 25-basis-point rate hike this year (one at one move, nine at two moves, three at three, and four at four) - but remember, these are expectations, not a preset path (actual policy moves will remain data-dependent).

The financial markets liked what they heard, but the Fed meeting results were not the real catalyst for recent improvement. Rather, earlier fears were way overdone and we're merely seeing a correction to that.

The economic data were mixed, but it's hard to get worked up about winter figures. Retail sales results were soft in February. The CPI fell 0.2%, but the core CPI rose 0.3% – reflecting very low inflation in goods, but increasing inflation in services (including rent). Industrial production fell 0.5%, reflecting a 15.6% drop in oil and gas well drilling (-59.7% y/y and down 70% since December 2014) and a 4.0% decline in the output of utilities (-9.3% y/y, reflecting warmer temperatures). Manufacturing output rose 0.2% (+1.8% y/y), up 0.2% ex-autos (+1.2% y/y). Notably improvement was reported in the Fed's two major regional manufacturing surveys. Residential construction figures were mixed.

Next week, the economic calendar thins out a bit, with nothing critical to the overall outlook. February is not a critical month for home sales. Durable goods orders, while important, are notoriously volatile. Revised GDP figures are reported on Friday, but the markets will be closed for the Good Friday holiday.

Indices

	Last	Last Week	YTD return %

DJIA	17481.49	16995.13	0.32%
NASDAQ	4774.98	4662.16	-4.64%
S&P 500	2040.59	1989.57	-0.16%
MSCI EAFE	1663.75	1612.15	-3.06%
Russell 2000	1091.25	1063.99	-3.93%

Consumer Money Rates

	Last	**1 year ago**
Prime Rate	3.50	3.25
Fed Funds	0.37	0.12
30-year mortgage	3.76	3.86

Currencies

	Last	**1 year ago**
Dollars per British Pound	1.448	1.475
Dollars per Euro	1.132	1.060
Japanese Yen per Dollar	111.390	121.370
Canadian Dollars per Dollar	1.298	1.279
Mexican Peso per Dollar	17.359	15.376

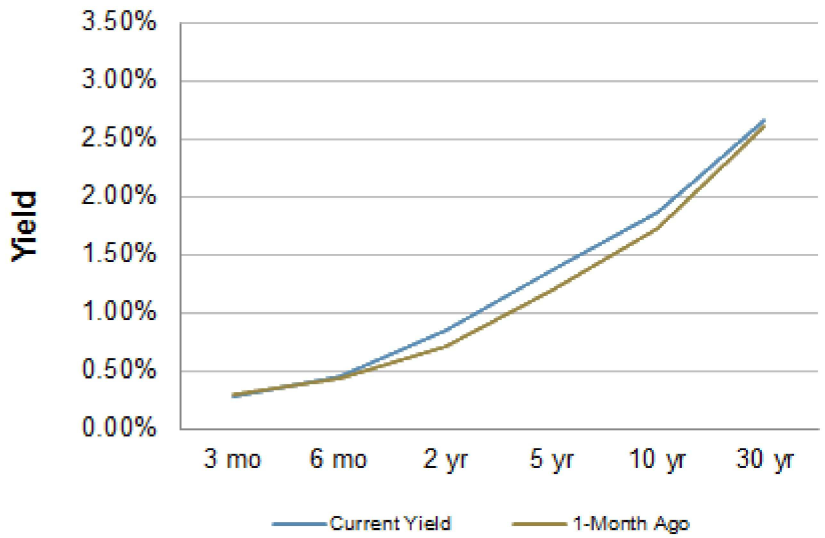
Commodities

	Last	**1 year ago**
Crude Oil	40.20	43.46
Gold	1265.00	1148.20

Bond Rates

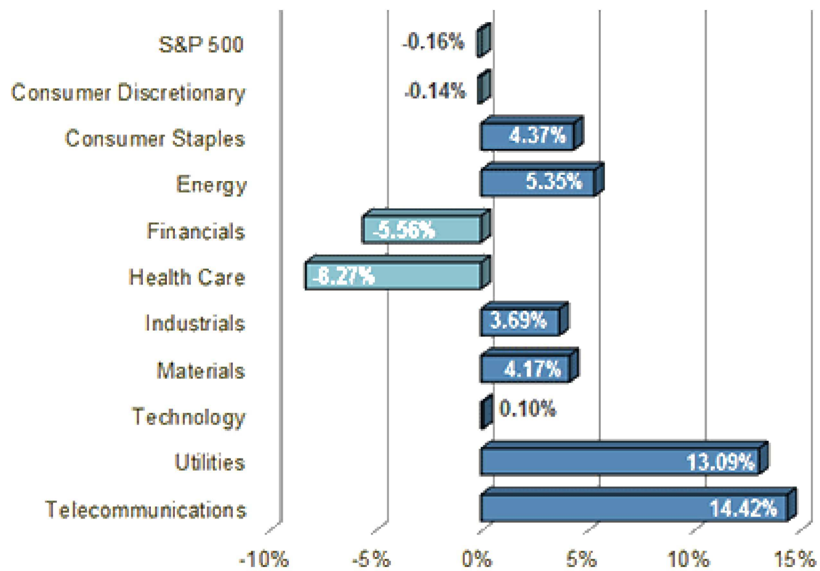
	Last	**1 month ago**
2-year treasury	0.85	0.70
10-year treasury	1.87	1.73
10-year municipal (TEY)	2.82	2.53

Treasury Yield Curve – 03/18/2016



As of close of business 03/17/2016

S&P Sector Performance (YTD) – 03/18/2016



As of close of business 03/17/2016

Economic Calendar

Mar 21	—	Existing Home Sales (February)
Mar 23	—	New Home Sales (February)
Mar 24	—	Jobless Claims (week ending March 19) Durable Goods Orders (February)

Mar 25	—	Good Friday Holiday (markets closed) Real GDP (3rd estimate, 4Q15)

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.

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