
WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

April 1, 2016

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In her speech, Fed Chair Yellen indicated that *"given the risks, I consider it appropriate for the [FOMC] to proceed cautiously in adjusting policy."* This dovish stance was taken well by financial market participants. Yellen emphasized that the Fed's projections (such as the dots in the dot plot) are expectations and *"not a plan written in stone."* Fed policy decisions will remain data-dependent, but Yellen stressed that the central bank has a limited ability to respond to downside shocks to the economy.

The economic data were mixed. Personal income and spending figures were soft in February, but the downward revision to January's spending (from +0.5% to +0.1%), along with the previous week's report on factory shipments, sent economists to revise lower their forecasts of 1Q16 GDP growth (now seen at a 0.5% to 1.0% annual rate, although there are several missing pieces still). The employment report was roughly in line with expectations (nonfarm payrolls up by 215,000). The ISM manufacturing report was stronger than expected (but still not exactly "strong"). The Fed's annual benchmark revisions to its industrial production figures showed a much slower pace of growth in manufacturing output in 2014-15 than was previously reported - however, the markets paid little attention to the news.

Next week, the economic calendar is relatively light. Investors are expected to focus on the ISM non-manufacturing report and the FOMC minutes. We know that officials are divided in their outlooks for the economy and the appropriate path of short-term interest rates. What's more interesting is the range of views on uncertainty and the balance of risks (most likely, there will be nothing to suggest that the Fed is in any hurry to raise rates).

Indices

	Last	Last Week	YTD return %
DJIA	17685.09	17502.59	1.49%
NASDAQ	4869.85	4768.86	-2.75%
S&P 500	2059.74	2036.71	0.77%
MSCI EAFE	1652.04	1642.18	-3.74%

Russell 2000	1114.03	1075.70	-1.92%
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Consumer Money Rates

	Last	1 year ago
Prime Rate	3.50	3.25
Fed Funds	0.27	0.12
30-year mortgage	3.71	3.69

Currencies

	Last	1 year ago
Dollars per British Pound	1.436	1.482
Dollars per Euro	1.138	1.073
Japanese Yen per Dollar	112.570	120.130
Canadian Dollars per Dollar	1.300	1.269
Mexican Peso per Dollar	17.279	15.264

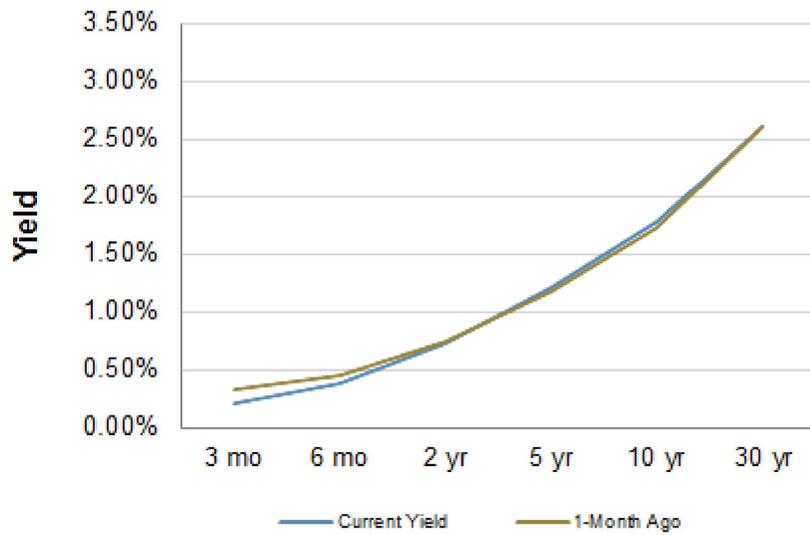
Commodities

	Last	1 year ago
Crude Oil	38.34	47.60
Gold	1235.60	1183.20

Bond Rates

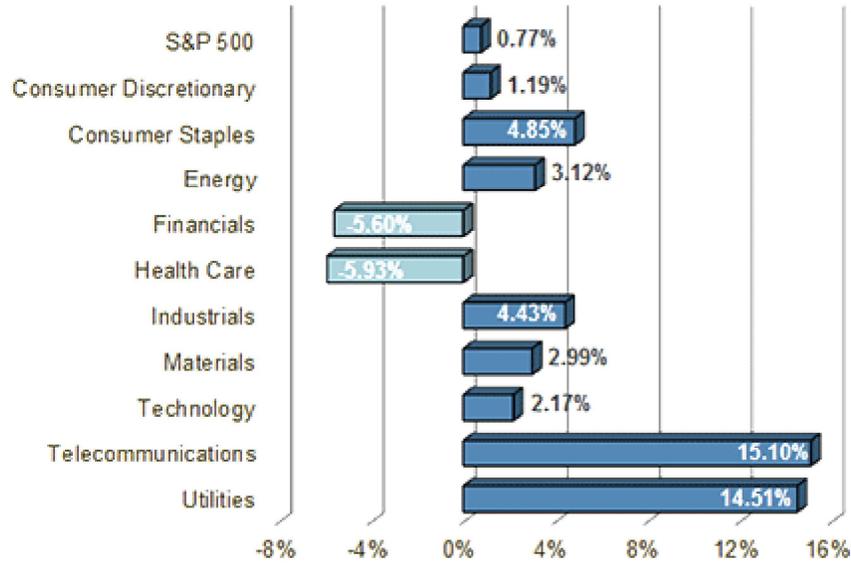
	Last	1 month ago
2-year treasury	0.72	0.74
10-year treasury	1.77	1.73
10-year municipal (TEY)	2.71	2.65

Treasury Yield Curve – 04/01/2016



As of close of business 03/31/2016

S&P Sector Performance (YTD) – 04/01/2016



As of close of business 03/31/2016

Economic Calendar

Apr 4	—	Factory Orders (February)
Apr 5	—	Trade Balance (February) ISM Non-Manufacturing Index (March)
Apr 6	—	FOMC Minutes (March 15-16)

Apr 7

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Jobless Claims (week ending April 2)

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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.

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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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