

RAYMOND JAMES®

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

MARCH 31, 2017

Market Commentary

by Scott J. Brown, Ph.D., Chief Economist

Congress' failure to repeal the Affordable Care Act cast doubt on the ability to enact the rest of the Trump agenda. Stock market investors were looking for something positive to hang their hat on, and got it in the surprise surge in the Conference Board's Consumer Confidence Index (which jumped to a 16-year high in March). However, Friday's data showed that inflation-adjusted consumer spending (69% of Gross Domestic Product) was tracking at below a 1% annual rate in 1Q17. While average hourly earnings have been trending higher, per capita inflation-adjusted income has slowed to a crawl year-over-year, suggesting limited fuel for consumer spending growth. This is likely a temporary lull (following a sharp rise in spending in 4Q16) and we should see a pickup in the pace of spending in 2Q17, but it is one more thing for the market to worry about.

Across the pond, U.K. Prime Minister Theresa May submitted the Article 50 letter to the European Union, effectively launching a two-year period of Brexit negotiations. The White House softened its stance on NAFTA, indicated that it would seek improvement around the edges rather than a complete overhaul. However, President Trump continued his tough talk on China (President Xi will visit Mar-a-Lago April 6 and 7).

Next week, the March data will begin to arrive. While there could be market reactions to any surprises in the ISM surveys, attention should be focused on Friday's employment report. Note that weather may be a factor for nonfarm payrolls in two ways. One, mild February weather may have helped pull forward seasonal job gains that would have otherwise occurred in March. Two, snowstorms during the survey period may depress March payrolls growth somewhat and dampen hours (if so, the Bureau of Labor Statistics

is usually good at picking this up and explaining it).

Indices

	Last	Last Week	YTD return %
DJIA	20697.02	20689.65	4.73%
NASDAQ	5920.06	5849.76	9.97%
S&P 500	2366.92	2353.03	5.72%
MSCI EAFE	1802.11	1793.00	7.01%
Russell 2000	1383.82	1360.19	1.97%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.00	3.50
Fed Funds	0.81	0.26
30-year mortgage	4.21	3.71

Currencies

	Last	1 year ago
Dollars per British Pound	1.247	1.436
Dollars per Euro	1.067	1.138
Japanese Yen per Dollar	111.92	112.97
Canadian Dollars per Dollar	1.334	1.300
Mexican Peso per Dollar	18.715	17.279

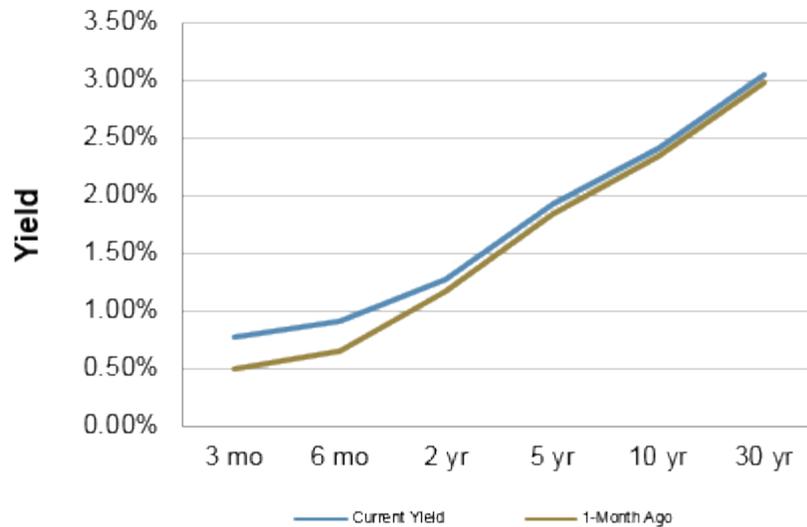
Commodities

	Last	1 year ago
Crude Oil	50.35	38.34
Gold	1244.60	1235.60

Bond Rates

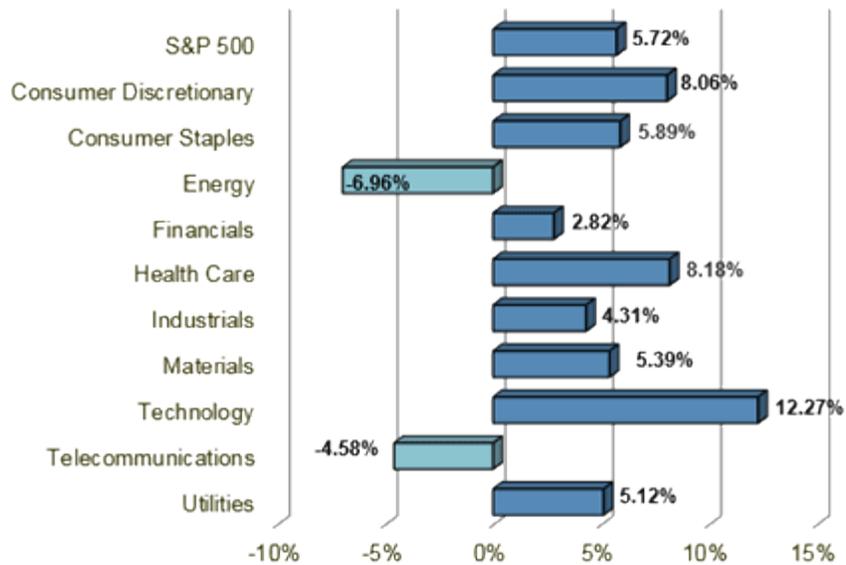
	Last	1 month ago
2-year treasury	1.26	1.16
10-year treasury	2.41	2.34
10-year municipal (TEY)	3.48	3.62

Treasury Yield Curve – 03/31/2017



As of close of business 03/30/2017

S&P Sector Performance (YTD) – 03/31/2017



As of close of business 03/30/2017

Economic Calendar

- | | | |
|-----------------|---|-------------------------------------|
| April 3 | — | ISM Manufacturing Index (March) |
| | — | Motor Vehicle Sales (March) |
| April 5 | — | ADP Payroll Estimate (March) |
| | — | ISM Non-Manufacturing Index (March) |
| | — | FOMC Minutes (March 14-15) |
| April 7 | — | Employment Report (March) |
| April 14 | — | Good Friday Holiday (market closed) |
| | — | Consumer Price Index (March) |
| | — | Retail Sales (March) |

May 3 — FOMC Policy Decision (no press conference)

June 14 — FOMC Policy Decision (Yellen press conference)

All expressions of opinion reflect the judgment of the Research Department of Raymond James & Associates, Inc. and are subject to change. There is no assurance any of the forecasts mentioned will occur or that any trends mentioned will continue in the future. Investing involves risks including the possible loss of capital. Past performance is not a guarantee of future results. International investing is subject to additional risks such as currency fluctuations, different financial accounting standards by country, and possible political and economic risks, which may be greater in emerging markets. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, and 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. Municipal bonds may be subject to capital gains taxes if sold or redeemed at a profit. Taxable Equivalent Yield (TEY) assumes a 35% tax rate.

The Dow Jones Industrial Average is an unmanaged index of 30 widely held stocks. The NASDAQ Composite Index is an unmanaged index of all common stocks listed on the NASDAQ National Stock Market. The S&P 500 is an unmanaged index of 500 widely held stocks. The MSCI EAFE (Europe, Australia, Far East) index is an unmanaged index that is generally considered representative of the international stock market. The Russell 2000 index is an unmanaged index of small cap securities which generally involve greater risks. An investment cannot be made directly in these indexes. The performance noted does not include fees or charges, which would reduce an investor's returns. U.S. 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. U.S. 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 U.S. 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. Gross Domestic Product (GDP) is the annual total market value of all final goods and services produced domestically by the U.S. The federal funds rate ("Fed Funds") is the interest rate at which banks and credit unions lend reserve balances to other depository institutions overnight. The prime rate is the underlying index for most credit cards, home equity loans and lines of credit, auto loans, and personal loans. Material prepared by Raymond James for use by financial advisors. Data source: Bloomberg, as of close of business March 30, 2017.

John McRae

Branch Manager

512 22nd Avenue Meridian MS 39302

john.mcrae@raymondjames.com

To opt out of receiving future emails from us, please reply to this email with the word "Unsubscribe" in the subject line. The information contained within this commercial email has been obtained from sources considered reliable, but we do not guarantee the foregoing material is accurate or complete.

©2017 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.

Raymond James Financial Services does not accept orders and/or instructions regarding your account by email, voice mail, fax or any alternate method. Transactional details do not supersede normal trade confirmations or statements. Email sent through the internet is not secure or confidential. Raymond James Financial Services reserves the right to monitor all email. Any information provided in this email has been prepared from sources believed to be reliable, but is not guaranteed by Raymond James Financial Services and is not a complete summary or statement of all available data necessary for making an investment decision. Any information provided is for informational purposes only and does not constitute a recommendation. Raymond James Financial Services and its employees may own options, rights or warrants to purchase any of the securities mentioned in this email. This email is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this message in error, please contact the sender immediately and delete the material from your computer.