

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

AUGUST 4, 2017

Market Commentary

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The economic data reports were mixed, but generally consistent with moderately strong economic growth in the near term. Unit motor vehicle sales edged up in July on a seasonally adjusted basis, but have been trending 3% below year-ago levels in 2017. The ISM Manufacturing Index edged a bit lower, but details remained strong. The ISM Non-Manufacturing Index softened more than anticipated, with details and supply managers' comments consistent with more moderate growth in the overall income. The personal income figures for June disappointed, with benchmark revisions showing a slower trend in inflation-adjusted disposable income over the last year. Consumer spending growth was soft, as anticipated, in July.

The July Employment Report was largely in line with expectations. Nonfarm payrolls rose by 209,000, higher than the median forecast (+185,000), but well within the usual range of noise (the monthly change in payrolls is reported accurate to $\pm 120,000$). The unemployment rate edged down to 4.3% (essentially unchanged). Average hourly earnings rose 0.3%, up 2.5% from a year ago – good, but still puzzlingly low given the unemployment rate.

Next week, the economic calendar is thin. The highlight is expected to be the Consumer Price Index, which should post a mild gain (both overall and ex-food & energy). We tend to get very few surprises in the CPI report. Note that the Fed is worried more about *future* inflation than *past* inflation, but a low inflation trend allows the central bank to be gradual in normalizing monetary policy.

[Indices](#)

	Last	Last Week	YTD return %
DJIA	22026.10	21796.55	11.45%
NASDAQ	6340.34	6382.19	17.78%
S&P 500	2472.16	2475.42	10.42%
MSCI EAFE	1955.39	1936.45	16.12%
Russell 2000	1405.23	1433.62	3.54%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.25	3.50
Fed Funds	1.16	0.40
30-year mortgage	3.98	3.40

Currencies

	Last	1 year ago
Dollars per British Pound	1.314	1.311
Dollars per Euro	1.187	1.113
Japanese Yen per Dollar	110.05	101.22
Canadian Dollars per Dollar	1.259	1.302
Mexican Peso per Dollar	17.842	18.908

Commodities

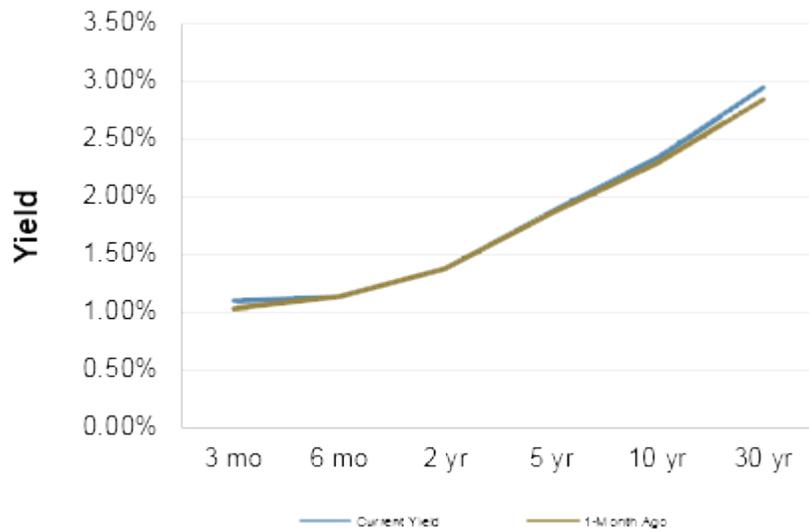
	Last	1 year ago
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Crude Oil	49.03	41.93
Gold	1274.40	1367.40

Bond Rates

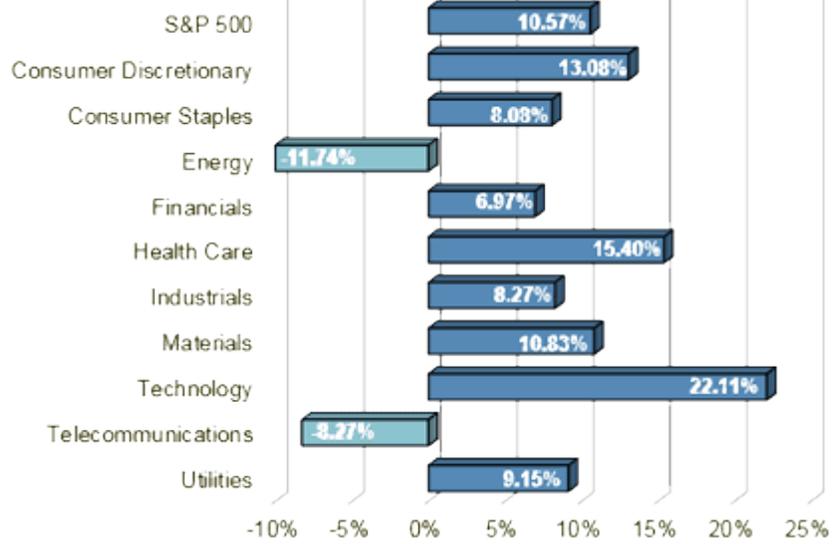
	Last	1 month ago
2-year treasury	1.38	1.39
10-year treasury	2.27	2.38
10-year municipal (TEY)	2.88	3.09

Treasury Yield Curve – 08/04/2017



As of close of business 08/03/2017

S&P Sector Performance (YTD) – 08/04/2017



As of close of business 08/03/2017

Economic Calendar

August 8	—	Small Business Optimism Index (July)
August 9	—	Nonfarm Productivity (2Q17, preliminary)
August 10	—	Jobless Claims (week ending August 5)
	—	Producer Price Index (July)
August 11	—	Consumer Price Index (July)
August 15	—	Retail Sales (July)
August 16	—	Building Permits, Housing Starts (July)
	—	FOMC Minutes (July 25-26)
August 17	—	Industrial Production (July)

August 25	—	Durable Goods Orders (July)
September 1	—	Employment Report (August)
September 4	—	Labor Day Holiday (markets closed)
September 20	—	FOMC Policy Decision (Yellen press conference)

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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 August 04, 2017.