

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**MARCH 17, 2017**

**Market Commentary**

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As was widely expected, the Federal Open Market Committee raised the target range for the federal funds rate by 25 basis points, to 0.75-1.00%, citing realized and expected progress toward the Fed's employment and inflation objectives. The Fed's Board of Governors also approved a 25-basis-point increase in the primary credit rate (the discount rate) to 1.50%. In the Fed's Summary of Economic Projections, senior Fed officials' projections of growth, unemployment and inflation were little changed from December. A few of the more dovish dots in the dot plot edged up, but the median expectation for the number of rate hikes this year remained at three. Financial market participants had feared that it could rise to four. Still, future Fed policy moves will remain data dependent.

The economic data were mixed. Retail sales rose modestly in February (a transitional month for most retailers), but January figures were revised higher. Industrial production was softer than expected in February, but that was due to another large drop in the output of utilities (reflecting unseasonably warm temperatures). Manufacturing output rose moderately. Residential construction figures were mixed, suggesting single-family strength on top of the usual multi-family volatility. For the private sector, the quit rate rose to 2.5% in January, the highest since before the recession. The Consumer Price Index rose 0.1% (+2.7% y/y), up 0.2% ex-food & energy (+2.2% y/y). The Producer Price Index rose 0.3% (+2.2% y/y), reflecting a surge in electricity prices, but there were also signs of pipeline pressures at the earlier stages of production. The Small Business Optimism Index edged back, but remained close to its 12-year high.

Next week, the calendar thins out again. February home sales data aren't particularly meaningful (noisy and subject to seasonal distortions). Investors will look to Friday's durable goods orders to gauge the strengthening in business fixed investment.

### Indices

	Last	Last Week	YTD return %
DJIA	20934.55	20936.15	5.93%
NASDAQ	5900.76	5864.34	9.62%
S&P 500	2381.38	2374.67	6.37%
MSCI EAFE	1796.80	1747.86	6.70%
Russell 2000	1386.03	1347.86	2.13%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	4.00	3.50
Fed Funds	0.90	0.37
30-year mortgage	4.27	3.73

### Currencies

	Last	1 year ago
Dollars per British Pound	1.236	1.448
Dollars per Euro	1.077	1.132
Japanese Yen per Dollar	113.31	111.39
Canadian Dollars per Dollar	1.332	1.298

Mexican Peso per Dollar	19.265	17.319
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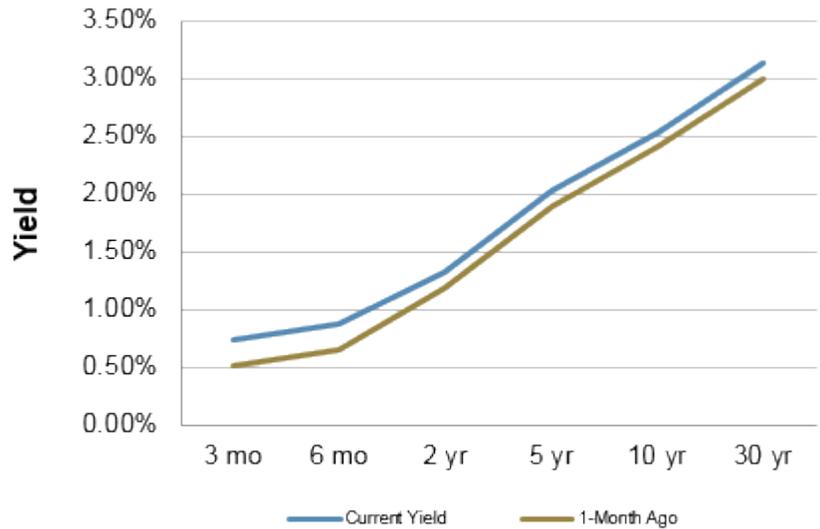
**Commodities**

	Last	1 year ago
Crude Oil	48.75	40.20
Gold	1227.10	1265.00

**Bond Rates**

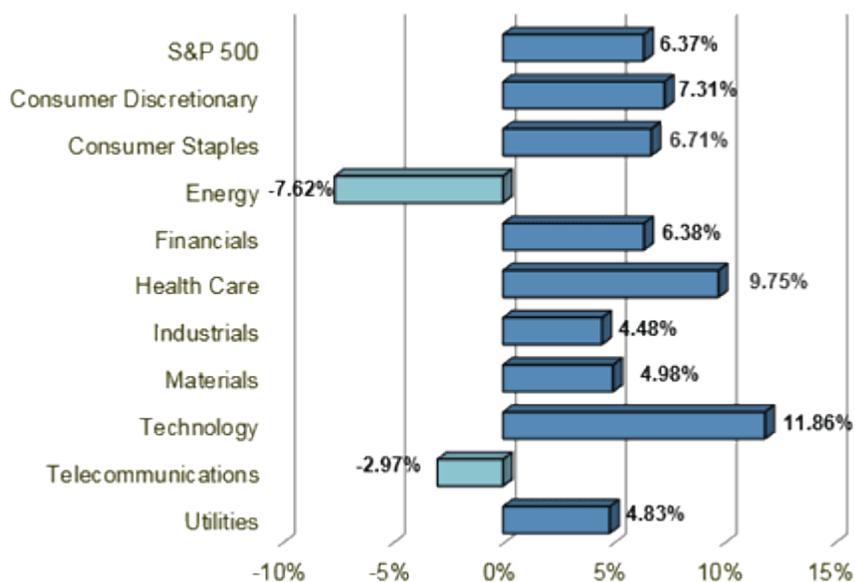
	Last	1 month ago
2-year treasury	1.32	1.18
10-year treasury	2.52	2.40
10-year municipal (TEY)	3.78	3.69

**Treasury Yield Curve – 03/17/2017**



As of close of business 03/16/2017

## S&P Sector Performance (YTD) – 03/17/2017



As of close of business 03/16/2017

## Economic Calendar

- |                 |   |                                       |
|-----------------|---|---------------------------------------|
| <b>March 21</b> | — | Current Account Deficit (4Q16)        |
| <b>March 22</b> | — | Existing Home Sales (February)        |
| <b>March 23</b> | — | Jobless Claims (week ending March 18) |
|                 | — | New Home Sales (February)             |
| <b>March 24</b> | — | Durable Goods Orders (February)       |
| <b>March 28</b> | — | CB Consumer Confidence (March)        |
| <b>March 29</b> | — | Pending Home Sales Index (February)   |
| <b>March 30</b> | — | Real GDP (4Q16, 3rd estimate)         |

<b>March 31</b>	—	Personal Income and Spending (February)
<b>April 7</b>	—	Employment Report (March)
<b>May 3</b>	—	FOMC Policy Decision (no press conference)
<b>June 14</b>	—	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.

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