

# WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**SEPTEMBER 15, 2017**

## **Market Commentary**

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Though not as bad as feared, Hurricane Irma was significantly disruptive to the Florida economy. Around 5.6 million people were ordered to evacuate. Utility workers struggled to restore electricity in the days following the hurricane. Many businesses remained closed, gradually reopening toward the end of the week. Still, while the loss of lives and damage to homes and businesses were tragic, the state's economy is expected to bounce back in the weeks ahead.

Retail sales were weaker than expected in August (down 0.2% overall and -0.1% ex-autos and gasoline), partly reflecting the impact of Hurricane Harvey. However, figures for June and July were revised lower, suggesting a softer trend in consumer spending in 3Q17. Industrial production fell 0.9%, reflecting Harvey's impact on energy exploration (in addition, unseasonably mild East Coast temperatures contributed to a 5.5% drop in the output of utilities). Manufacturing output fell 0.3%, despite a 2.2% rebound in auto production. The Consumer Price Index (CPI) rose more than expected, reflecting higher gasoline prices. While the CPI showed a continued deflationary trend in consumer goods, the Producer Price Index suggested some pickup in inflationary pressure in raw materials and intermediate goods.

Next week, the focus is clearly going to be on the Fed policy meeting. There's little suspense about what the Federal Open Market Committee (FOMC) will do. The federal funds target rate range is widely expected to remain at 1.00 – 1.25%. Officials are also expected to announce the start of the balance sheet unwinding. The FOMC has already indicated [how this will proceed](#) (it just hasn't given a start date yet – although, back in June, market expectations had quickly solidified on October). Market participants will be more interested in the signals that the Fed sends on future policy moves – hence focus on the dot plot. In her post-meeting press conference, Chair Yellen is expected to assess the impact of hurricanes and discuss the recent low trend in inflation.

## Indices

	Last	Last Week	YTD return %
DJIA	22203.48	21807.64	12.35%
NASDAQ	6429.09	6393.31	19.43%
S&P 500	2495.62	2465.54	11.47%
MSCI EAFE	1959.03	1934.55	16.33%
Russell 2000	1425.02	1402.20	5.00%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	4.25	3.50
Fed Funds	1.16	0.40
30-year mortgage	3.95	3.47

## Currencies

	Last	1 year ago
Dollars per British Pound	1.340	1.324
Dollars per Euro	1.192	1.124
Japanese Yen per Dollar	110.24	102.10
Canadian Dollars per Dollar	1.217	1.316
Mexican Peso per Dollar	17.666	19.345

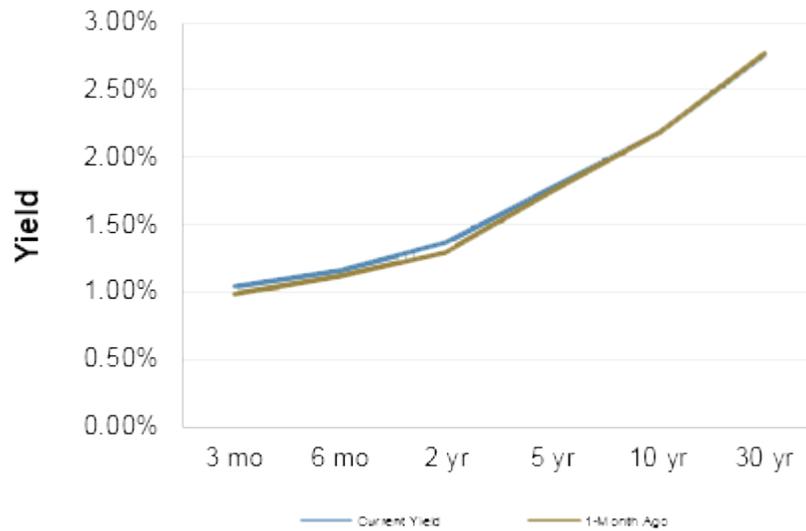
## Commodities

	Last	1 year ago
Crude Oil	49.89	43.91
Gold	1329.30	1318.00

### Bond Rates

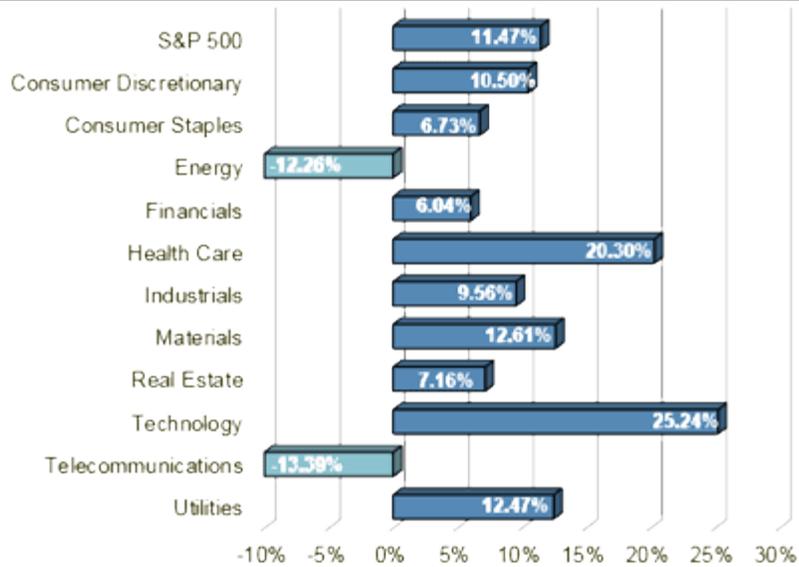
	Last	1 month ago
2-year treasury	1.36	1.23
10-year treasury	2.18	2.18
10-year municipal (TEY)	2.86	2.92

### Treasury Yield Curve – 09/15/2017



As of close of business 09/14/2017

### S&P Sector Performance (YTD) – 09/15/2017



As of close of business 09/14/2017

### Economic Calendar

- September 18** — Homebuilder Sentiment (September)
  
- September 19** — Building Permits, Housing Starts (August)
- Import Prices (August)
  
- September 20** — Existing Home Sales (August)
- FOMC Policy Decision
- Fed Summary of Economic Projections (new dot plot)
- Yellen press conference
  
- September 21** — Jobless Claims (week ending September 16)
- Leading Economic Indicators (August)

<b>September 26</b>	—	CB Consumer Confidence (September)
	—	Yellen Speech (to NABE conference)
<b>October 6</b>	—	Employment Report (September)
<b>November 1</b>	—	FOMC Policy Decision (no press conference)
<b>December 13</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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