

# WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**MARCH 3, 2017**

## **Market Commentary by Scott J. Brown, Ph.D., Chief Economist**

In his first major address to a joint session of Congress, President Trump was less “ranty” and more “presidential.” His speech played well for the Republicans in Congress, who appear to be more united with the White House. The stock market was enthused.

New York Fed President Dudley said that the case for increasing short-term interest rates was more compelling. The federal funds futures market began to price in a better than even chance of a March 15 rate hike.

The economic data were generally on the strong side of expectations. The estimate of 4Q16 GDP growth remained at a 1.9% annual rate, but consumer spending growth was revised to 3.0% (from 2.5%). January personal income and spending figures suggested some restraint on the household sector. While income rose a little more than expected, the increase was eaten away by higher inflation. Spending fell a little short of expectations, reflecting a drop in vehicle sales and a decrease in home heating (unseasonably warm temperatures). Unit auto sales were little changed (on a seasonally adjusted basis) in February, well below the fourth quarter average (suggesting a subtraction from 1Q17 GDP growth). The ISM Manufacturing Index was stronger than expected, with upbeat comments from supply managers. The Fed’s Beige Book described growth as “modest to moderate,” with limited inflation pressure, suggesting no pressing need for the Fed to slam on the brakes.

Next week, the focus will be on the February employment report. Nonfarm payrolls are expected to have risen at a moderately strong pace (keep an eye on the three-month average). The unemployment rate is likely to have edged lower. Average hourly earnings should have risen moderately.

## Indices

	Last	Last Week	YTD return %
DJIA	21002.97	20810.32	6.28%
NASDAQ	5862.22	5835.51	8.88%
S&P 500	2381.92	2363.81	6.39%
MSCI EAFE	1758.48	1764.17	4.42%
Russell 2000	1395.67	1394.62	2.84%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	3.75	3.50
Fed Funds	0.66	0.37
30-year mortgage	4.24	3.64

## Currencies

	Last	1 year ago
Dollars per British Pound	1.227	1.418
Dollars per Euro	1.051	1.096
Japanese Yen per Dollar	114.41	113.69
Canadian Dollars per Dollar	1.339	1.340
Mexican Peso per Dollar	19.999	17.923

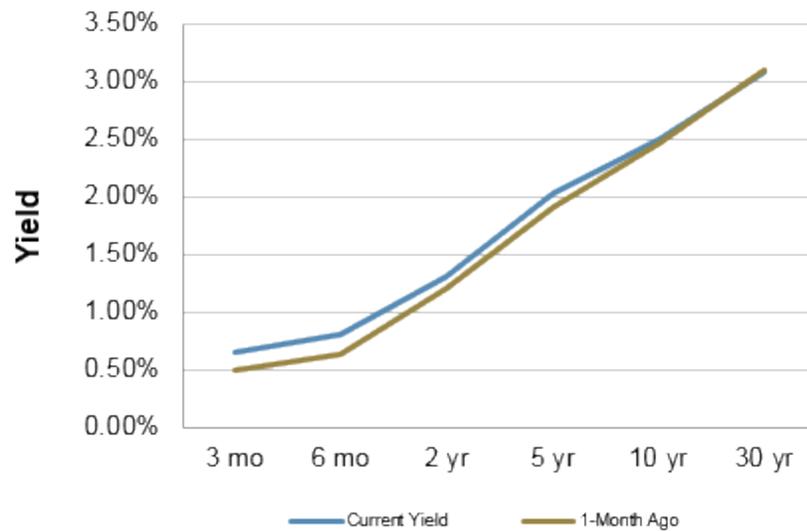
## Commodities

	Last	1 year ago
Crude Oil	52.61	34.57
Gold	1232.90	1258.20

### Bond Rates

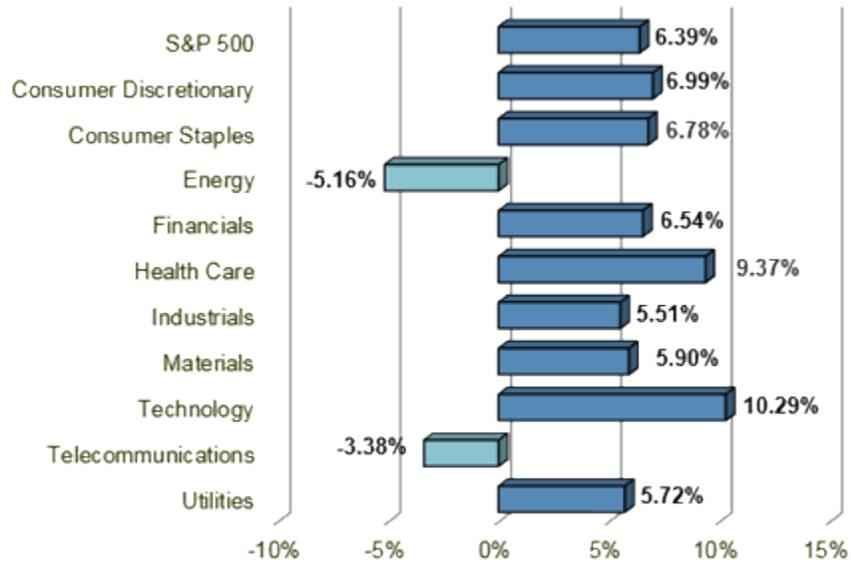
	Last	1 month ago
2-year treasury	1.31	1.19
10-year treasury	2.49	2.46
10-year municipal (TEY)	3.69	3.56

### Treasury Yield Curve – 03/03/2017



As of close of business 03/02/2017

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



As of close of business 03/02/2017

### Economic Calendar

- March 6** — Factory Orders (January)
- March 7** — International Trade (January)
- March 8** — ADP Payroll Estimate (February)
- March 9** — Jobless Claims (week ending March 4)
- March 10** — Employment Report (February)
- March 15** — Consumer Price Index (February)
- Retail Sales (February)
- FOMC Policy Decision (Yellen press conference)
- March 16** — Building Permits, Housing Starts (February)

- March 17** — Industrial Production
- May 3** — FOMC Policy Decision (no press conference)
- June 14** — FOMC Policy Decision (Yellen press conference)

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**John C. McRae**  
512 22<sup>nd</sup> Avenue  
Meridian, MS 39302  
[John.mcrae@raymondjames.com](mailto:John.mcrae@raymondjames.com)  
601-484-5273

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