

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

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The data remained consistent with moderate economic growth in the near term. Nonfarm payrolls rose by 156,000 in the initial estimate for December, a bit short of the median forecast: +175,000, but October and November figures were revised a net +19,000 (making it about a wash). The economy added nearly 2 million jobs in 2016, down from 2.65 million in 2015 and 2.89 million in 2014, but the slowing is largely because the job market has grown tighter. The unemployment rate edged up to 4.7%, as expected, while annual benchmark revisions to the household survey data were very minor (benchmark revisions to the payroll figures are due next month). Average hourly earnings rose 0.4%, up 2.9% from a year ago, but these figures have been choppy (the three-month average was up 2.7% y/y). The ISM surveys were both stronger than expected in December. Unit auto sales finished the year on a strong note, capping the best sales year ever.

The FOMC minutes showed that many Fed officials were worried that, with the economy nearing full employment, fiscal stimulus might necessitate somewhat more aggressive policy tightening. However, most officials saw an uncertain outlook.

The Trump rally struggled to regain its footing in the new year. The stock market appears to have optimism fully factored in, but there is uncertainty about the size and timing of policy changes and some risk of global trade disruptions.

Next week, the economic data reports are skewed toward the end of the week, but the figures may not matter much (as investors are focused on the economy ahead, not behind). Retail sales should see a boost in autos and gasoline, but the pace is likely to remain lackluster-to-moderate otherwise (be aware that seasonal adjustment is gigantic in December). The Producer Price Index may show some pressure in energy, but core inflation should be mild.

Indices

	Last	Last Week	YTD return %
DJIA	19899.29	19844.43	0.69%
NASDAQ	5487.94	5438.91	1.95%
S&P 500	2269.00	2252.17	1.35%

MSCI EAFE	1721.78	1675.30	2.35%
Russell 2000	1371.94	1363.18	1.09%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.75	3.50
Fed Funds	0.66	0.37
30-year mortgage	4.10	3.97

Currencies

	Last	1 year ago
Dollars per British Pound	1.242	1.463
Dollars per Euro	1.061	1.078
Japanese Yen per Dollar	115.35	118.47
Canadian Dollars per Dollar	1.323	1.408
Mexican Peso per Dollar	21.423	17.558

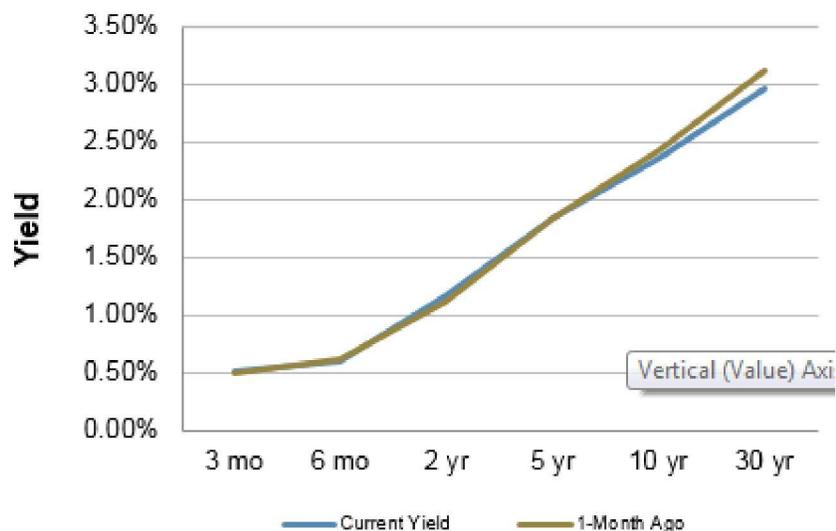
Commodities

	Last	1 year ago
Crude Oil	53.76	33.97
Gold	1181.00	1091.90

Bond Rates

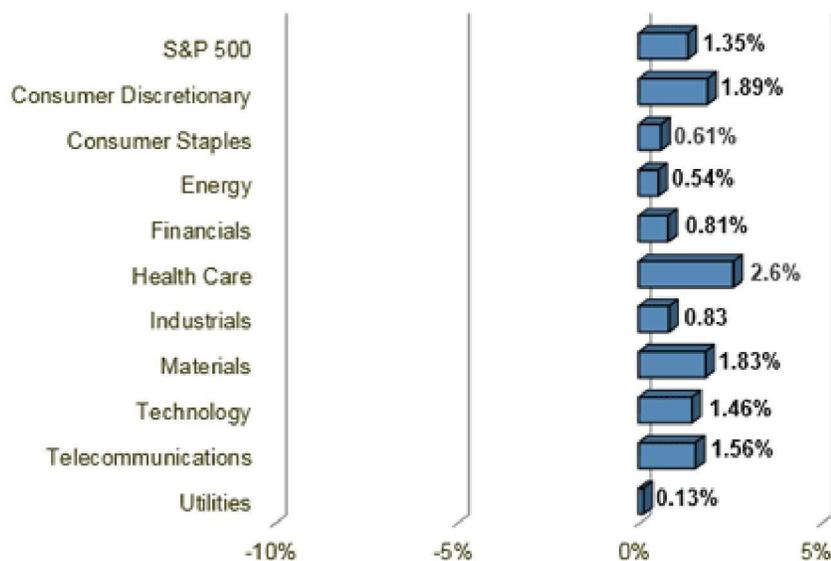
	Last	1 month ago
2-year treasury	1.16	1.11
10-year treasury	2.35	2.42
10-year municipal (TEY)	3.52	3.60

Treasury Yield Curve – 01/06/2017



As of close of business 01/05/2017

S&P Sector Performance (YTD) – 01/06/2017



As of close of business 01/05/2017

Economic Calendar

January 9	—	Small Business Optimism
January 12	—	Jobless Claims (week ending January 7)
	—	Yellen speaks (to educators)
January 13	—	Retail Sales (December)
	—	Producer Price Index (December)

	—	Consumer Sentiment (mid-January)
January 18	—	Producer Price Index (December)
	—	Industrial Production (December)
	—	Fed Beige Book
January 19	—	Building Permits, Housing Starts (December)
January 20	—	Inauguration Day
January 27	—	Real GDP (4Q16, advance estimate)
February 1	—	FOMC Policy Decision (no press conference)
February 3	—	Employment Report (January)
March 15	—	FOMC Policy Decision (Yellen press conference)

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US 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. US 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 US 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.

Tax Equiv Muni yields (TEY) assumes a 35% tax rate. Municipal securities may lose their tax-exempt status if certain legal requirements are not met, or if tax laws change.

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Data source: Bloomberg, as of close of business January 5, 2017.

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