

WEEKLY MARKET SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

January 13, 2017

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The economic calendar was relatively thin. Small business optimism rose sharply in December. Growth in retail sales was concentrated in autos and gasoline – mixed and generally flat otherwise (with unusual softness in food) – but it was still a relatively good quarter overall. Department store sales were weak, but that is a long-term trend (not necessarily a sign of consumer weakness). The PPI was largely in line with expectations, reflecting moderate pipeline inflationary pressures (consistent with further Fed rate hikes in the months ahead).

In his first press conference in many months, President-elect Trump moved markets (pharma, the peso). Earnings results were a key driver for the stock market, with banks reporting mostly good news.

Next week will be bracketed by the MLK holiday and Inauguration Day (most federal government offices will be closed on Friday and trading activity may be a bit subdued). The economic data are not expected to be important for the markets (which are focused ahead to the post-inauguration economy). Earnings reports should remain the main driver for the stock market. Federal Reserve Chair Janet Yellen speaks twice (Wednesday afternoon and Thursday evening), while Fed Governor Brainard will talk about the interactions between fiscal and monetary policies on Tuesday.

Indices

	Last	Last Week	YTD return %
DJIA	19891	19899.29	0.65%
NASDAQ	5547.49	5487.94	3.05%
S&P 500	2270.44	2269.00	1.41%
MSCI EAFE	1722.24	1721.78	2.27%
Russell 2000	1361.07	1371.94	0.29%

Consumer Money Rates

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	Last	1 year ago
Prime Rate	3.75	3.50
Fed Funds	0.75	0.50
30-year mortgage	4.11	3.92

Currencies

	Last	1 year ago
Dollars per British Pound	1.216	1.441
Dollars per Euro	1.065	1.088
Japanese Yen per Dollar	114.63	117.68
Canadian Dollars per Dollar	1.313	1.434
Mexican Peso per Dollar	21.669	17.948

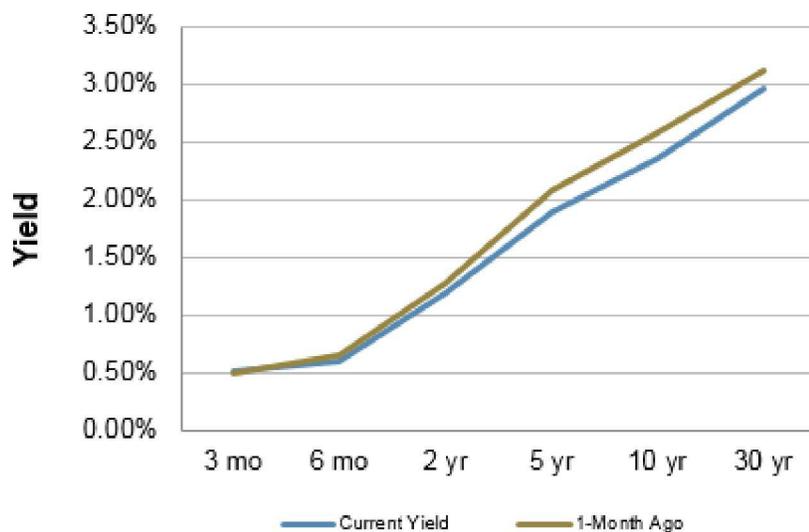
Commodities

	Last	1 year ago
Crude Oil	53.01	30.48
Gold	1199.80	1087.10

Bond Rates

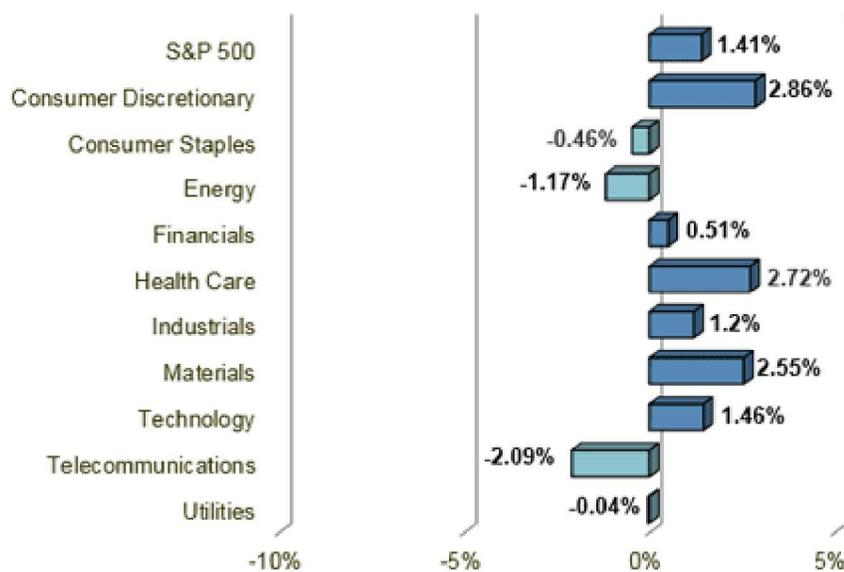
	Last	1 month ago
2-year treasury	1.18	1.26
10-year treasury	2.36	2.57
10-year municipal (TEY)	3.35	3.83

Treasury Yield Curve – 01/13/2017



As of close of business 01/12/2017

S&P Sector Performance (YTD) – 01/13/2017



As of close of business 01/12/2017

Economic Calendar

January 16	—	MLK Jr. Holiday (markets closed)
January 17	—	Empire State Manufacturing Index (January)
	—	Fed Governor Brainard speaks (“Monetary and Fiscal Policy”)
January 18	—	Consumer Price Index (December)
	—	Industrial Production (December)

	—	Fed Beige Book
	—	Fed Chair Yellen speaks (“The Goals of Monetary Policy”)
January 19	—	Jobless Claims (week ending January 14)
	—	Building Permits, Housing Starts (December)
	—	Philadelphia Fed Index (January)
	—	Fed Chair Yellen speaks (“The Economic Outlook”)
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 13, 2017.

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