

# WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**MARCH 10, 2017**

## **Market Commentary**

**by Scott J. Brown, Ph.D., Chief Economist**

The February Employment Report was stronger than anticipated, although market participants were braced for an upside surprise. Nonfarm payrolls rose by 235,000, aided somewhat by mild weather (note that we added more than a million jobs before seasonal adjustment). Retail (-26,000) was the one noted area of weakness, but that's not meaningful (as February falls between the holiday shopping period and the spring selling season). The unemployment rate edged down to 4.7%, as labor force participation edged up. Average hourly earnings rose a moderate 0.2% (+2.8% y/y).

Financial markets have fully factored in a Fed rate hike this month. The European Central Bank left rates unchanged and did not alter its asset purchase program, but the euro strengthened on expectations that the ECB will begin unwinding its unusual accommodation in the months ahead. Oil prices fell sharply (WTI moving back below \$50 per barrel). In a letter to Congress, Treasury Secretary Mnuchin wrote that Treasury will take "certain extraordinary measures" when the debt ceiling goes back into effect on March 16 (such efforts could continue to fund the government until the autumn).

Next week, the focus will be on the Fed policy decision. The Federal Open Market Committee is widely expected to raise the target range for the federal funds rate by a quarter percent (to 0.75-1.00%). Senior Fed officials will revised their projections of GDP growth, unemployment, and inflation (now displayed using fan charts), and there will be a new dot plot (senior officials expectations of the appropriate federal funds target rate over the next few years). Investors will pay close attention to Chair Yellen's post-meeting press conference, where she may provide some clues about the pace of further rate increases.

### Indices

	Last	Last Week	YTD return %
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DJIA	20936.15	21002.97	5.94%
NASDAQ	5864.34	5861.22	8.94%
S&P 500	2374.67	2381.92	6.07%
MSCI EAFE	1747.86	1758.48	3.79%
Russell 2000	1360.12	1395.48	.022%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	3.75	3.50
Fed Funds	0.66	0.37
30-year mortgage	4.35	3.68

### Currencies

	Last	1 year ago
Dollars per British Pound	1.217	1.428
Dollars per Euro	1.058	1.058
Japanese Yen per Dollar	114.95	113.19
Canadian Dollars per Dollar	1.351	1.335
Mexican Peso per Dollar	19.837	17.806

### Commodities

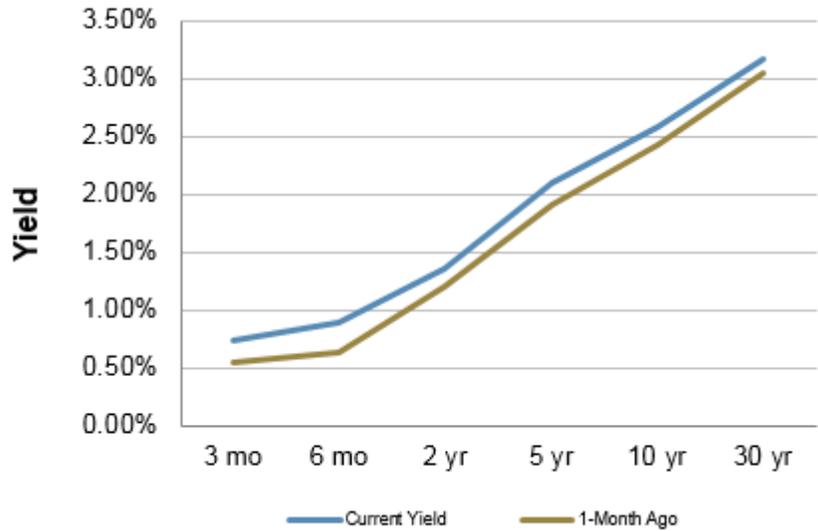
	Last	1 year ago
Crude Oil	48.38	37.84

Gold	1203.20	1272.80
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**Bond Rates**

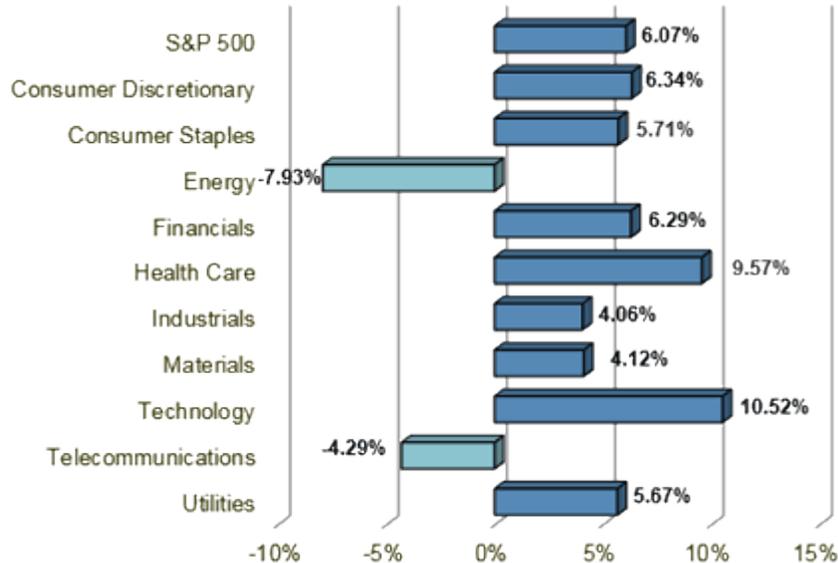
	Last	1 month ago
2-year treasury	1.36	1.19
10-year treasury	2.58	2.43
10-year municipal (TEY)	3.82	3.51

**Treasury Yield Curve – 03/10/2017**



As of close of business 03/09/2017

**S&P Sector Performance (YTD) – 03/10/2017**



As of close of business 03/09/2017

### Economic Calendar

- 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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