
WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

February 10, 2017

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The economic data calendar was thin. December trade figures were roughly in line with expectations. The University of Michigan Consumer Sentiment Index fell in the mid-February estimate.

Stock market investors were encouraged by the prospect for tax cuts following comments by President Trump. In contrast, the bond market, recognizing that the process for cutting taxes will be contentious and lengthy, is less fearful of a large boost to the federal budget deficit (hence, bond yields have backed down over the past month).

Next week, there are several economic reports, but January figures are subject to a number of seasonal distortions. More importantly, Fed Chair Janet Yellen will deliver her semiannual monetary policy testimony on Tuesday and Wednesday. We may not learn much new regarding the outlook for rate increases (still expected to be gradual). Monetary policy will remain data-dependent. Lawmakers will likely try to pull Yellen into a discussion of fiscal policy (infrastructure spending and tax cuts), but she will steer clear of that. Many may see Yellen as something of a lame duck. Her term as Fed chair ends February 3, 2018. However, she will almost certainly have a lot to say about financial regulation.

Indices

	Last	Last Week	YTD return %
DJIA	20172.40	19884.91	2.07%
NASDAQ	5715.18	5636.20	6.17%
S&P 500	2307.87	2280.85	3.08%
MSCI EAFE	1734.20	1736.42	2.98%
Russell 2000	1378.53	1360.54	1.58%

Consumer Money Rates

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	Last	1 year ago
Prime Rate	3.75	3.50
Fed Funds	0.66	0.37
30-year mortgage	4.13	3.65

Currencies

	Last	1 year ago
Dollars per British Pound	1.250	1.452
Dollars per Euro	1.066	1.129
Japanese Yen per Dollar	113.25	113.35
Canadian Dollars per Dollar	1.315	1.393
Mexican Peso per Dollar	20.350	18.938

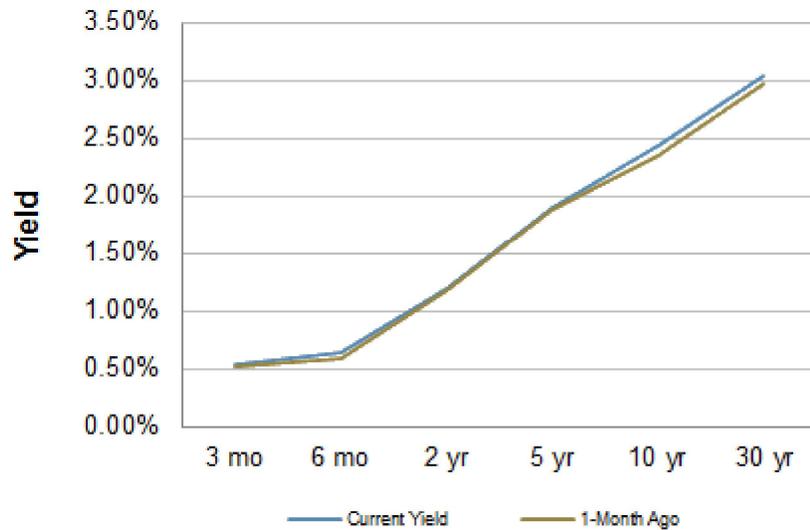
Commodities

	Last	1 year ago
Crude Oil	53.00	27.45
Gold	1236.80	1194.60

Bond Rates

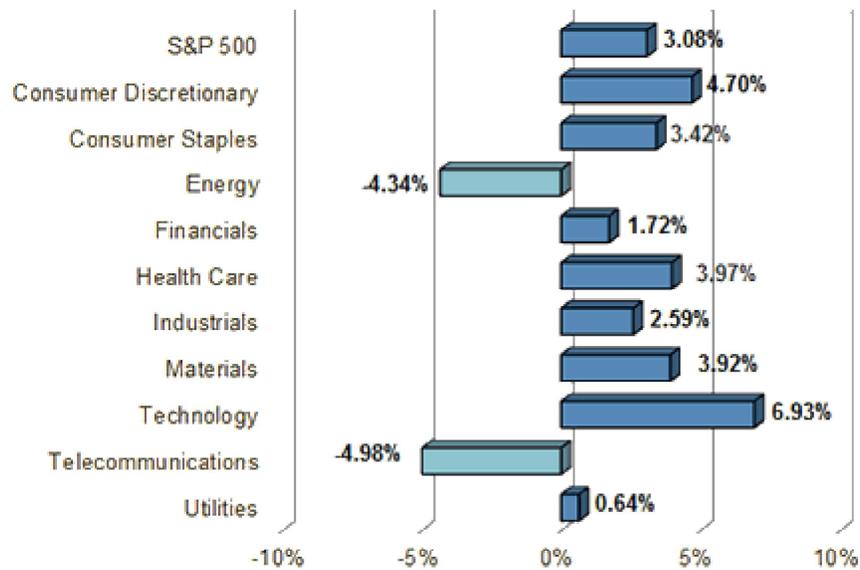
	Last	1 month ago
2-year treasury	1.19	1.18
10-year treasury	2.43	2.36
10-year municipal (TEY)	3.51	3.35

Treasury Yield Curve – 02/10/2017



As of close of business 02/09/2017

S&P Sector Performance (YTD) – 02/10/2017



As of close of business 02/09/2017

Economic Calendar

February 14	—	Small Business Optimism Index (January) Producer Price Index (January) Yellen Monetary Policy Testimony (Senate)
February 15	—	Consumer Price Index (January) Retail Sales (January) Industrial Production (January) Yellen Monetary Policy Testimony (House)

February 16	—	Jobless Claims (week ending February 11) Building Permits, Housing Starts (January)
February 17	—	Leading Economic Indicators (January)
February 20	—	Presidents Day (markets closed)
March 10	—	Employment Report (February)
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 February 9, 2017.

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