

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**DECEMBER 8, 2017**

**Market Commentary**

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The economic data reports remained consistent with a moderate pace of economic growth in the near term. Nonfarm payrolls rose by 228,000, more than expected, in November, lifted partly by gains in retail (following a weak trend for much of 2017) and an unexpected pickup in manufacturing. Note that private-sector payrolls averaged a 173,000 gain over the last three months (vs. a +170,000 average for the first 11 months of 2017, the exact same pace as in 2016). The unemployment rate held steady at 4.1%. Average hourly earnings rose 0.2%, as anticipated, but figures for September and October were each revised lower, leaving the year-over-year gain at 2.5%.

Congress passed a Continuing Resolution to fund the government for another two weeks (to December 22), and most likely lawmakers will kick the can down the road into January. Lawmakers worked to bring the House and Senate tax cut bills together (Alabama's December 12 senatorial election result may prompt them to work a little faster).

Next week, the mid-month economic figures will help to fill in the 4Q17 picture, but the focus will be on the Fed policy meeting. The Fed is widely expected to raise short-term interest rates another 25 basis points. Market participants may look to the revised dot plot (senior Fed officials' forecasts of the year-end federal funds target rate) to gauge the likely course of policy in 2018 – however, many of the individuals behind the dots will change in 2018. This will be Janet Yellen's last post-FOMC press conference. Needless to say, with new leadership and other personnel changes, how the Fed reacts to a tightening labor market will be one of the main financial market uncertainties in 2018.

## Indices

	Last	Last Week	YTD return %
DJIA	24211.48	24272.35	22.51%
NASDAQ	6812.84	6873.97	26.56%
S&P 500	2636.98	2647.58	17.78%
MSCI EAFE	1997.81	2020.13	18.63%
Russell 2000	1520.47	1544.14	12.04%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	4.25	3.50
Fed Funds	1.16	0.41
30-year mortgage	3.97	4.15

## Currencies

	Last	1 year ago
Dollars per British Pound	1.347	1.259
Dollars per Euro	1.177	1.062
Japanese Yen per Dollar	113.09	114.04
Canadian Dollars per Dollar	1.285	1.319

Mexican Peso per Dollar	18.969	20.317
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### Commodities

	Last	1 year ago
Crude Oil	56.69	50.84
Gold	1253.10	1172.40

### Bond Rates

	Last	1 month ago
2-year treasury	1.79	1.65
10-year treasury	2.37	2.37
10-year municipal (TEY)	2.98	3.00

### Treasury Yield Curve – 12/08/2017

As of close of business 12/07/2017

### S&P Sector Performance (YTD) – 12/08/2017

As of close of business 12/07/2017

## Economic Calendar

<b>December 12</b>	—	Producer Price Index (November)
<b>December 13</b>	—	Consumer Price Index (November)
	—	FOMC Policy Decision (Yellen press conference)
<b>December 14</b>	—	Jobless Claims (week ending December 9)
	—	Retail Sales (November)
	—	Import Prices (November)
<b>December 15</b>	—	Industrial Production (November)
<b>December 19</b>	—	Industrial Production (November)
<b>December 21</b>	—	Real GDP (3Q17, 3rd estimate)
<b>December 22</b>	—	Durable Goods Orders (November)
	—	Personal Income and Spending (November)
<b>December 25</b>	—	Christmas Holiday (markets closed)
<b>January 1</b>	—	New Year's™ Holiday (markets closed)
<b>January 5</b>	—	Employment Report (December)

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state or local taxes. In addition, certain municipal bonds (such as Build America Bonds) are issued without a federal tax exemption, which subjects the related interest income to federal income tax. Municipal bonds may be subject to capital gains taxes if sold or redeemed at a profit. Taxable Equivalent Yield (TEY) assumes a 35% tax rate.

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