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WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

MARCH 9, 2018

Market Commentary

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

Citing national security concerns, President Trump signed proclamations imposing a 25% tariff on imported steel and a 10% tariff on imported aluminum effective March 23, but exempted (for the time being) Canada and Mexico. While the stock market has expressed concerns regarding retaliatory tariffs on U.S. goods, the possibility of a broader trade war, supply chain disruptions, and increased uncertainty for global investment, the backing off on Canada and Mexico was viewed favorably.

Nonfarm payrolls rose by 313,000 (median forecast: +200,000), reflecting fewer unadjusted job losses in retail, increased temp hiring, plus solid gains in local education, manufacturing and construction. The unemployment rate held steady at 4.1%, despite a 0.3 percentage point jump in labor force participation. The employment/population ratio rose to 60.4% (from 60.1% in January and 60.0% in February 2017). Average hourly earnings (AHE) rose 0.1%, up 2.6% y/y (three-month average: +2.7% y/y). For nonsupervisory workers, AHE rose 0.3% (+2.5% y/y). Despite strong (what the Fed sees as unsustainable) pace of job growth, the stock market rallied on the soft wage figure.

Next week, there are two key reports that matter more to the financial markets than to the actual economic outlook. The Consumer Price Index is a backward-looking indicator (the Fed is focused on future inflation), but markets will likely put a lot of weight on the core figure. February is a transition month for most retailers, but sales are expected to pick up following weather-related restraint in January. Attention will turn toward the upcoming monetary policy meeting, where the Fed is widely expected to raise short-term interest rates (markets will be more interested in expectations of the future pace of tightening, reflected in the revised dot plot and Powell's press conference).

[Indices](#)

	Last	Last Week	YTD return %
DJIA	24895.21	24608.98	0.71%
NASDAQ	7427.95	7180.56	7.60%
S&P 500	2738.97	2677.67	2.44%
MSCI EAFE	2036.81	2022.43	0.68%
Russell 2000	1571.97	2022.43	2.37%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.50	3.75
Fed Funds	1.41	0.66
30-year mortgage	4.58	4.35

Currencies

	Last	1 year ago
Dollars per British Pound	1.381	1.217
Dollars per Euro	1.231	1.058
Japanese Yen per Dollar	106.23	106.23
Canadian Dollars per Dollar	1.290	1.349
Mexican Peso per Dollar	18.660	19.672

Commodities

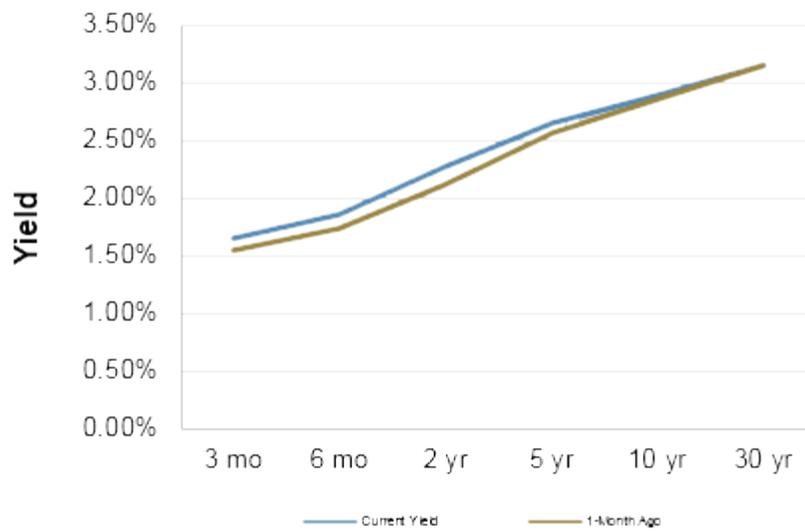
	Last	1 year ago
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Crude Oil	60.12	50.28
Gold	1321.70	1209.40

Bond Rates

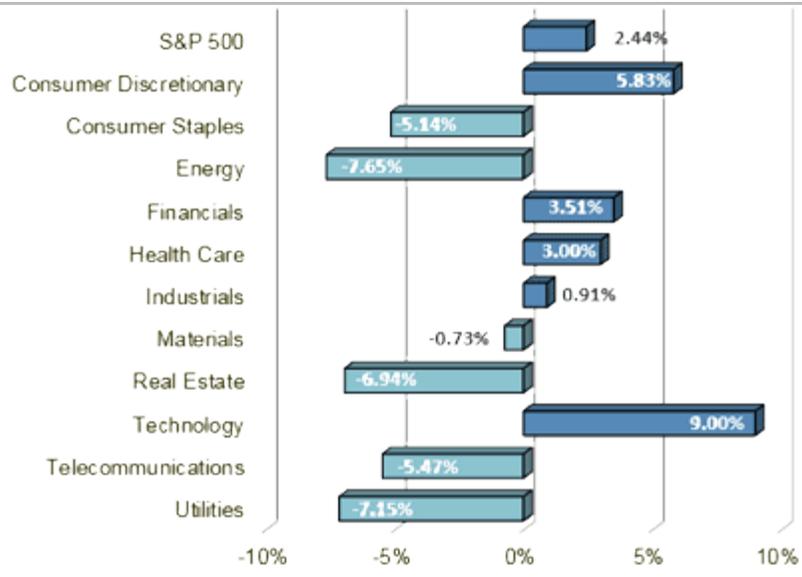
	Last	1 month ago
2-year treasury	2.27	2.11
10-year treasury	2.88	2.85
10-year municipal (TEY)	3.83	3.78

Treasury Yield Curve – 03/09/2018



As of close of business 03/08/2018

S&P Sector Performance (YTD) – 03/09/2018



As of close of business 03/08/2018

Economic Calendar

- March 13** — Small Business Optimism Index (February)
- Consumer Price Index (February)
- March 14** — Retail Sales (February)
- Consumer Price Index (February)
- March 15** — Jobless Claims (week ending March 10)
- Import Prices (February)
- March 16** — Building Permits, Housing Starts (February)
- Industrial Production (February)
- UM Consumer Sentiment (mid-March)

March 21	—	FOMC Policy Decision (Powell press conference)
March 30	—	Good Friday Holiday (markets closed)
April 6	—	Employment Report (March)
May 2	—	FOMC Policy Decision (no press conference)
June 13	—	FOMC Policy Decision (Powell press conference)

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The Dow Jones Industrial Average is an unmanaged index of 30 widely held stocks. The NASDAQ Composite Index is an unmanaged index of all common stocks listed on the NASDAQ National Stock Market. The S&P 500 is an unmanaged index of 500 widely held stocks. The MSCI EAFE (Europe, Australia, Far East) index is an unmanaged index that is generally considered representative of the international stock market. The Russell 2000 index is an unmanaged index of small cap securities which generally involve greater risks. An investment cannot be made directly in these indexes. The performance noted does not include fees or charges, which would reduce an investor's returns. U.S. 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. U.S. 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 U.S. 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. Gross Domestic Product (GDP) is the annual total market value of all final goods and services produced domestically by the U.S. The federal funds rate ("Fed Funds") is the interest rate at which banks and credit unions lend reserve balances to other depository institutions overnight. The prime rate is the underlying index for most credit cards, home equity loans and lines of credit, auto loans, and personal loans. Material prepared by Raymond James for use by financial advisors. Data source: Bloomberg, as of close of business March 8, 2018.