

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**NOVEMBER 30, 2018**

**Market Commentary**

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Fed Chairman Powell's comments to the Economic Club of New York were misinterpreted, but that's OK. Most likely, the stock market was looking for an excuse to rally. Powell said that interest rates "remain just below the broad range of estimates of the level that would be neutral for the economy – that is, neither speeding up nor slowing down growth." There is a range of opinions among Fed officials on where the neutral federal funds rate is, and the current rate is near the bottom of the range. That's not the same as saying that the Fed is "near neutral," as was widely reported. Still, Powell's comments, and those of other officials, suggest that the central bank will take a more cautious approach to raising rates in 2019. FOMC minutes from the November 7-8 policy meeting noted that almost all participants thought that another increase in the federal funds rate was likely to be warranted "fairly soon."

Real GDP rose at a 3.5% annual rate in the 2nd estimate for 3Q18, same as in the advance estimate (although components shifted a little). Personal income was boosted by farm subsidies in October. Spending was a bit stronger than expected, but figures for August and September were revised lower (at a moderate trend heading into the critical holiday shopping season).

Next week, the calendar includes a number of potentially market-moving data releases and we'll hear again from Powell. The November ISM surveys should help us further gauge the impact of tariffs. Powell's testimony before the Joint Economic Committee should reinforce expectations of a December 19 rate hike. The Employment Report will help set near-term expectations for the economy (and possibly future Fed policy decisions).

[Indices](#)

	Last	Last Week	YTD return %
DJIA	25338.84	24464.69	2.51%
NASDAQ	7273.08	6972.25	5.36%
S&P 500	2737.76	2649.93	2.40%
MSCI EAFE	1819.81	1793.81	-11.26%
Russell 2000	1525.39	1488.28	-.66%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	5.25	4.25
Fed Funds	2.18	1.16
30-year mortgage	4.84	4.03

### Currencies

	Last	1 year ago
Dollars per British Pound	1.279	1.353
Dollars per Euro	1.139	1.190
Japanese Yen per Dollar	113.48	112.54
Canadian Dollars per Dollar	1.328	1.290
Mexican Peso per Dollar	20.235	18.628

### Commodities

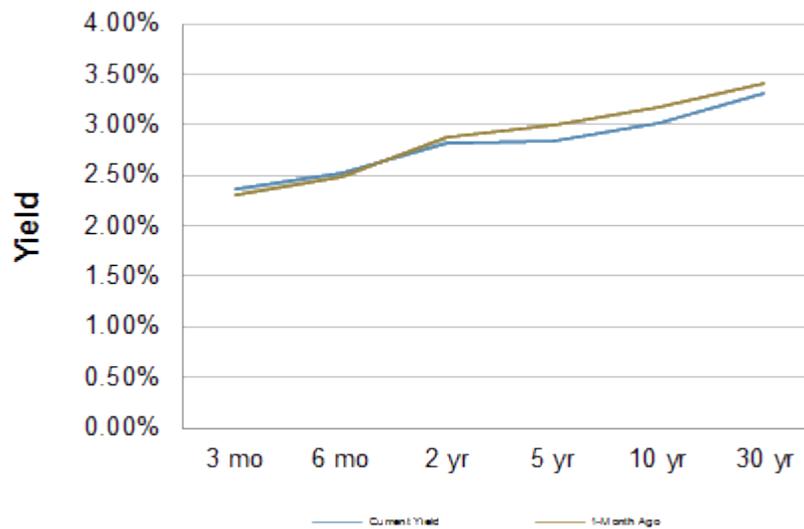
	Last	1 year ago
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Crude Oil	51.45	57.40
Gold	1230.40	1276.70

### Bond Rates

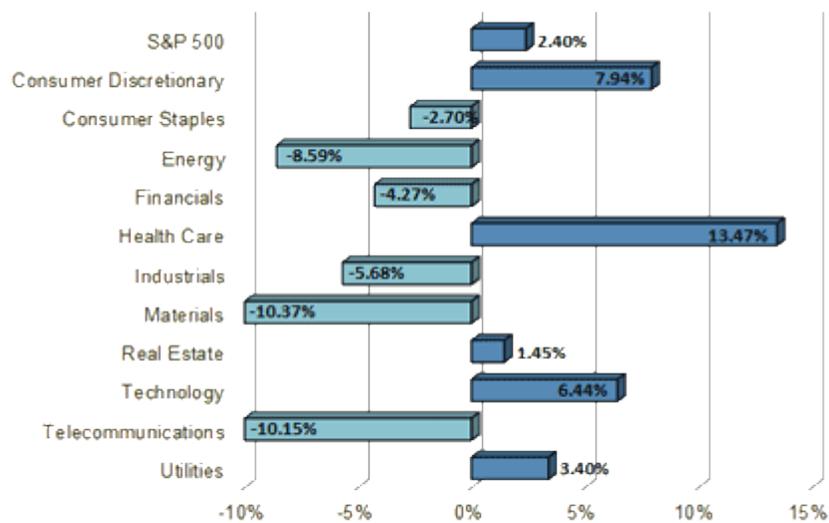
	Last	1 month ago
2-year treasury	2.81	2.87
10-year treasury	3.02	3.17
10-year municipal (TEY)	3.97	4.26

### Treasury Yield Curve – 11/30/2018



As of close of business 11/29/2018

### S&P Sector Performance (YTD) – 11/30/2018



As of close of business 11/29/2018

### Economic Calendar

- |                   |   |   |
|-------------------|---|---|
| <b>December 3</b> | — | ISM Manufacturing Index (November)      |
|                   | — | Motor Vehicle Sales (November)          |
| <b>December 5</b> | — | ADP Payroll Estimate (November)         |
|                   | — | ISM Non-Manufacturing Index (November)  |
|                   | — | Powell JEC Testimony                    |
|                   | — | Fed Beige Book                          |
| <b>December 6</b> | — | Jobless Claims (week ending December 1) |
|                   | — | Trade Balance (October)                 |

	—	Factory Orders (October)
<b>December 7</b>	—	Employment Report (November)
<b>December 12</b>	—	Consumer Price Index (November)
<b>December 14</b>	—	Retail Sales (November)
	—	Industrial Production (November)
<b>December 19</b>	—	FOMC Policy Decision (Powell press conference)
<b>December 25</b>	—	Christmas (market closed)
<b>January 30</b>	—	FOMC Policy Decision (Powell press conference)
<b>March 20</b>	—	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.

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