

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

MARCH 23, 2018

Market Commentary

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As the start of steel and aluminum tariffs approached, and countries scrambled to be exempted, President Trump announce tariffs on Chinese goods and indicated that “this is the first of many.” That last phrase further fanned market fears of a wider trade war. Investors are concerned about what these tariffs may lead to: retaliatory tariffs against U.S. exports, supply chain disruptions, higher input costs, and greater uncertainty for global investment.

As expected, the Federal Open Market Committee raised the federal funds rate target by 25 basis points, to 1.50-1.75%. In the policy statement, the FOMC recognized that growth in consumer spending and business fixed investment appears to have moderated (following a strong 4Q17), but officials added the phrase “the economic outlook has strengthened in recent months.” The Fed raised its expectations for GDP growth in 2018 and 2019, while lowering projections of the unemployment rate (to 3.6% in 2019 and 2020). The dots in the dot plot shifted slightly higher, likely reflecting the fact that Janet Yellen is no longer one of the dots.

Next week, trade policy is likely to remain a key concern for investors and there is hope that the White House will walk back some of the rhetoric. The economic data are unlikely to be market-moving. The third estimate of 4Q17 GDP growth should be close to the second estimate. February personal income and spending numbers will help to fill in the economic picture for 1Q18. Friday is a holiday.

[Indices](#)

	Last	Last Week	YTD return %
DJIA	24895.21	2424608.98	0.71%
NASDAQ	7427.95	7180.56	7.60%
S&P 500	2738.97	2180.56	2.44%
MSCI EAFE	2036.81	2022.43	-0.86%
Russell 2000	1571.97	1507.39	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	114.35
Canadian Dollars per Dollar	1.290	1.349
Mexican Peso per Dollar	18.660	19.672

Commodities

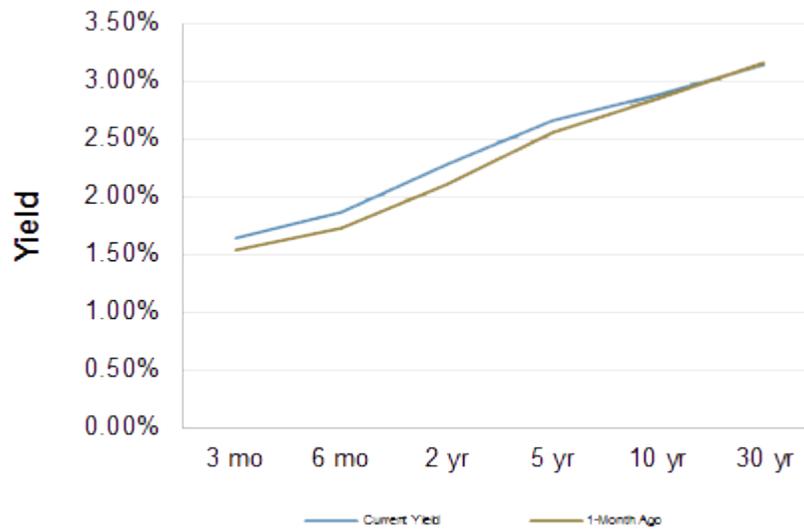
	Last	1 year ago
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Crude Oil	60.12	50.28
Gold	1321.70	1209.40

Bond Rates

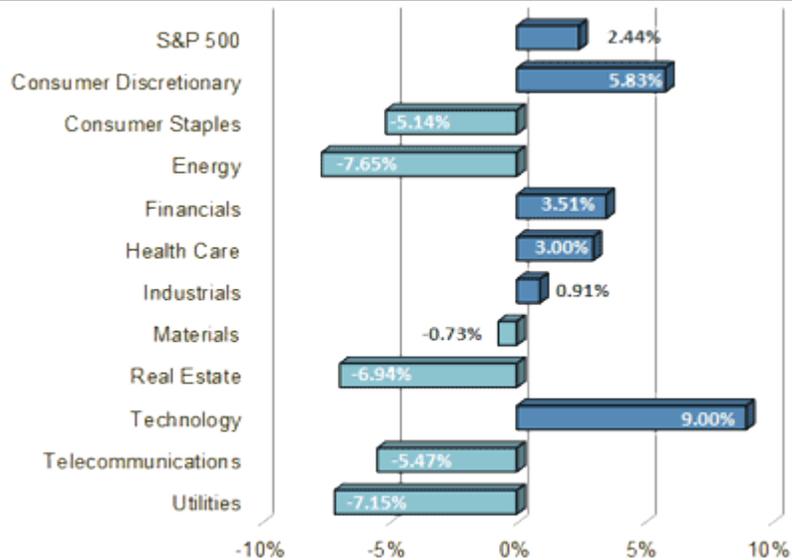
	Last	1 month ago
2-year treasury	2.27	2.11
10-year treasury	2.88	2.85
10-year municipal (TEY)	3.83	3.78

Treasury Yield Curve – 03/23/2018



As of close of business 03/22/2018

S&P Sector Performance (YTD) – 03/23/2018



As of close of business 03/22/2018

Economic Calendar

- | | | |
|-----------------|---|---|
| March 27 | — | CB Consumer Confidence (March) |
| March 28 | — | Real GDP (4Q17, 3rd estimate) |
| | — | Pending Homes Sales Index (February) |
| March 29 | — | Jobless Claims (week ending March 24) |
| | — | Personal Income and Spending (February) |
| | — | Chicago Business Barometer (March) |
| | — | UM Consumer Sentiment (March) |
| March 30 | — | Good Friday Holiday (markets closed) |
| April 2 | — | ISM Manufacturing Index (March) |

April 4	—	ADP Payroll Estimate (March)
	—	ISM Non-Manufacturing Index (March)
April 6	—	Employment Report (March)
April 9	—	CBO Budget Outlook
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 22, 2018.