

RAYMOND JAMES

WEEKLY MARKETS **SNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

MAY 25, 2018

Market Commentary

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

Next week, a number of important economic data reports will arrive, but the focus is expected to be on the May employment figures. Recent labor market data suggest that the tight job market has grown tighter still. Over the next several months, the pace of job growth is expected to be restrained by a lack of qualified workers. The unemployment rate is likely to remain low (it was 3.9% in April). Average hourly earnings figures tend to be quirky – monthly changes are choppy and often revised the next month – but the trend has remained moderate. Other data reports (the Conference Board's Consumer Confidence Index, the 1Q18 GDP revision, the core PCE Price Index) have some market-moving potential.

Indices

	Last	Last Week	YTD return %
DJIA	24811.76	24713.98	0.37%
NASDAQ	7424.43	7382.47	7.55%
S&P 500	2727.76	2720.13	2.03%
MSCI EAFE	2023.03	2050.45	-1.35%
Russell 2000	1628.22	1625.29	6.04%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.75	4.00
Fed Funds	1.69	0.91
30-year mortgage	4.67	4.03

Currencies

	Last	1 year ago
Dollars per British Pound	1.338	1.294
Dollars per Euro	1.172	1.121
Japanese Yen per Dollar	109.26	111.84
Canadian Dollars per Dollar	1.288	1.345
Mexican Peso per Dollar	19.574	18.503

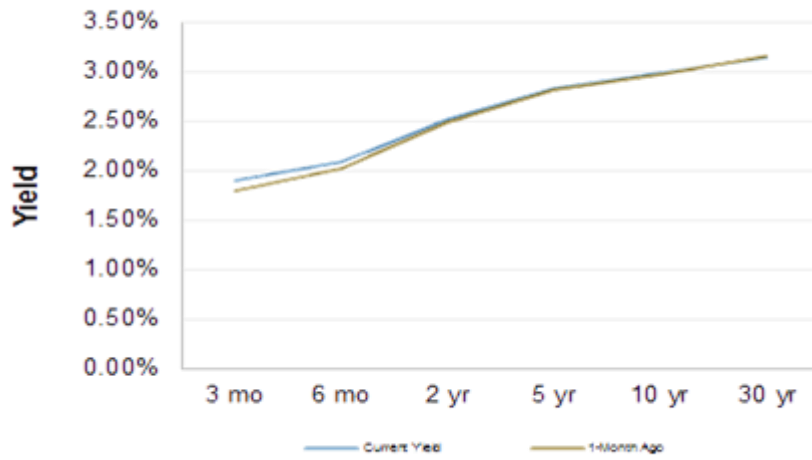
Commodities

	Last	1 year ago
Crude Oil	70.71	48.90
Gold	1309.80	1259.80

Bond Rates

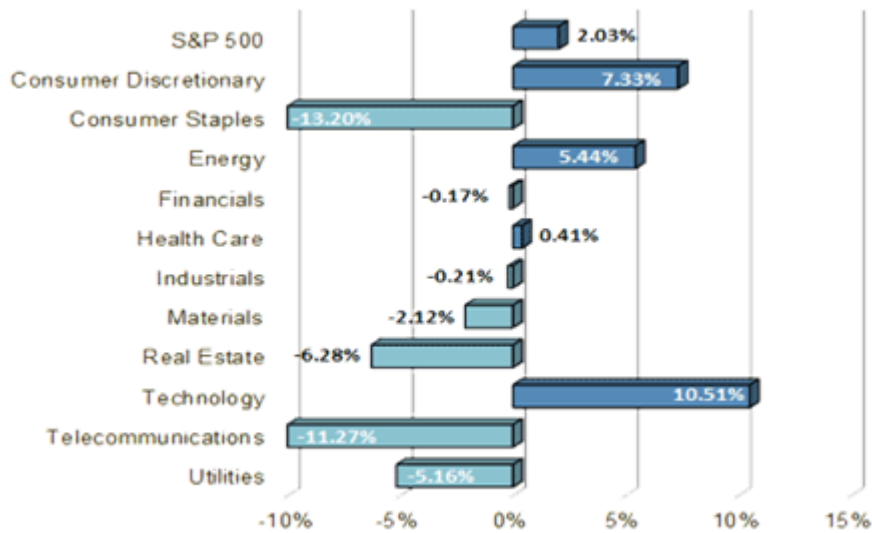
	Last	1 month ago
2-year treasury	2.52	2.48
10-year treasury	2.99	2.97
10-year municipal (TEY)	3.86	3.94

Treasury Yield Curve – 05/25/2018



As of close of business 05/24/2018

S&P Sector Performance (YTD) – 05/25/2018



As of close of business 05/24/2018

Economic Calendar

May 28	—	Memorial Day Holiday (Markets closed)
May 29	—	CB Consumer Confidence (May)
May 30	—	ADP Payroll Estimate (May)
	—	Real GDP (1Q18, 2nd estimate)
	—	Fed Beige Book
May 31	—	Jobless Claims (week ending May 26)
	—	Personal Income and Spending (April)
	—	Chicago Business Barometer (May)
June 1	—	Employment Report (May)
	—	ISM Manufacturing Index (May)
June 5	—	ISM Non-Manufacturing Index (May)
June 12	—	Consumer Price Index (May)
June 13	—	FOMC Policy Decision (Powell press conference)
June 14	—	Retail Sales (May)
June 13	—	FOMC Policy Decision (Powell press conference)

All expressions of opinion reflect the judgment of the Research Department of Raymond James & Associates, Inc. and are subject to change. There is no assurance any of the forecasts mentioned will occur or that any trends mentioned will continue in the future. Investing involves risks including the possible loss of capital. Past performance is not a guarantee of future results. International investing is subject to additional risks such as currency fluctuations, different financial accounting standards by country, and possible political and economic risks, which may be greater in emerging markets. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, and 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.

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 May 24, 2018.