

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**JUNE 22, 2018**

**Market Commentary**  
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The escalation of trade tensions was the dominant factor for the financial markets. Lumber and steel tariffs are already being felt. Tariffs on \$50 billion of Chinese goods will be mostly industrial inputs. If expanded to \$200 billion (in response to Chinese retaliation on U.S. exports) that would apply more to consumer goods. More worrisome, potential tariffs on autos would have a larger impact than all of the other tariff increases combined.

Housing starts rose more than expected in May, but the increase was not statistically significant (starts are noisy). Building permits, which are reported with much greater accuracy, fell. Builders report continued supply constraints (a lack of skilled labor, rising costs, and now a lack of trucks to ship lumber and other materials).

Next week, the economic calendar will pick up, trade policy and geopolitical issues may overshadow the data releases. The Bureau of Economic Analysis will release its third estimate of first quarter GDP growth on Thursday – little change is anticipated (2.2% in the 2<sup>nd</sup> estimate). Investors are more interested in future growth. The report on durable goods will help to gauge the second quarter pace of business fixed investment (orders for nondefense capital goods ex-aircraft are likely to have risen moderately in May). Friday's personal income and spending figures will help to fill in the 2Q18 picture (consumer spending accounts for 69% of GDP).

[Indices](#)

	Last	Last Week	YTD return %
DJIA	24461.70	25175.31	-1.04%
NASDAQ	7712.95	7761.04	11.73%
S&P 500	2749.76	2782.49	2.85%
MSCI EAFE	1963.99	2015.24	-4.23%
Russell 2000	1688.95	1684.73	9.99%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	5.00	4.25
Fed Funds	1.89	1.16
30-year mortgage	4.68	3.98

### Currencies

	Last	1 year ago
Dollars per British Pound	1.324	1.268
Dollars per Euro	1.160	1.172
Japanese Yen per Dollar	109.99	109.26
Canadian Dollars per Dollar	1.332	1.288
Mexican Peso per Dollar	20.310	19.574

### Commodities

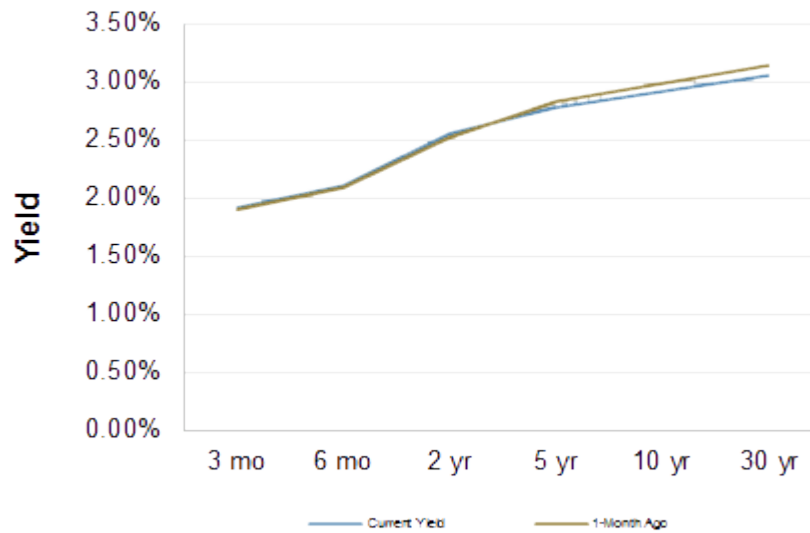
	Last	1 year ago
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Crude Oil	65.54	42.74
Gold	1270.50	1250.90

### Bond Rates

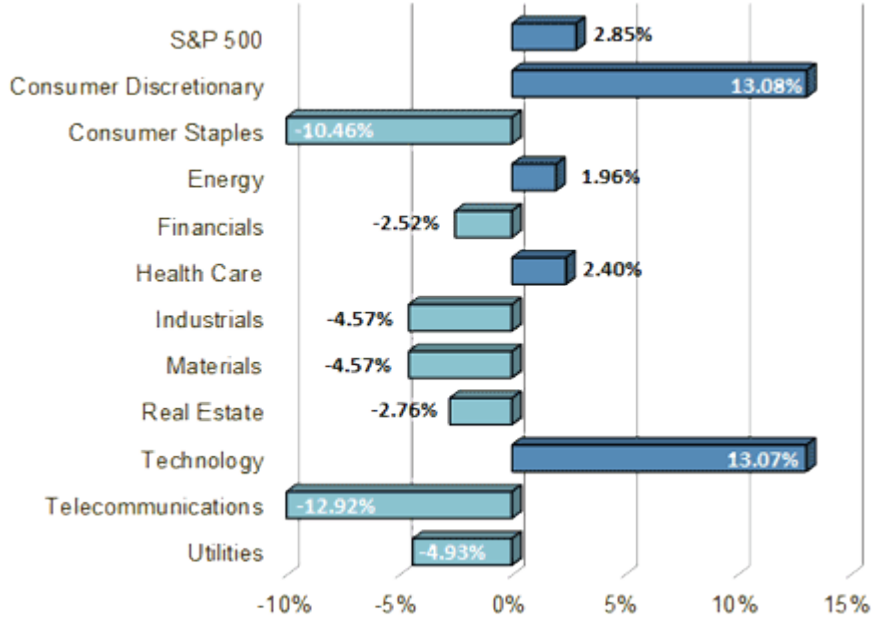
	Last	1 month ago
2-year treasury	2.55	2.52
10-year treasury	2.92	2.99
10-year municipal (TEY)	3.80	3.86

### Treasury Yield Curve – 06/22/2018



As of close of business 06/21/2018

### S&P Sector Performance (YTD) – 06/22/2018



As of close of business 06/21/2018

### Economic Calendar

- |                |   |                                      |
|----------------|---|--------------------------------------|
| <b>June 25</b> | — | New Home Sales (May)                 |
| <b>June 26</b> | — | CB Consumer Confidence (June)        |
| <b>June 27</b> | — | Durable Goods Orders (May)           |
|                | — | Advance Economic Indicators (May)    |
|                | — | Pending Home Sales Index (May)       |
| <b>June 28</b> | — | Jobless Claims (week ending June 23) |
|                | — | Real GDP (1Q18, 3rd estimate)        |
| <b>June 29</b> | — | Personal Income, Spending (May)      |

	—	Chicago Business Barometer (June)
<b>July 2</b>	—	ISM Manufacturing Index (June)
<b>July 3</b>	—	Stock market early close
<b>July 4</b>	—	Independence Day Holiday (markets closed)
<b>July 5</b>	—	ISM Non-Manufacturing Index (June)
	—	FOMC Minutes (June 12-13)
<b>July 6</b>	—	Employment Report (June)
<b>August 1</b>	—	Fed Policy Decision (no press conference)
<b>September 26</b>	—	Fed 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 June 21, 2018.