

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

JUNE 29, 2018

Market Commentary

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It was a full week for economic data, but the releases were overshadowed by shifting concerns about trade policy. Financial market participants have generally believed that everything will work out okay, with minor tweaks to existing trade agreements. To date, trade policy uncertainty should have only a minor negative impact on the overall economy. However, as the trade conflict has escalated, investors fear that we could see more serious disruptions to the U.S. and global economies.

Real GDP rose at a 2.0% annual rate in the 3rd estimate for 1Q18 (vs. +2.2% in the 2nd estimate). Growth is widely expected to have picked up in 2Q18, but comprehensive benchmark revisions may jumble the recent figures. Ex-transportation, durable goods orders disappointed in May, but April figures were revised significantly higher. Orders for nondefense capital goods ex-aircraft appear to be on a more moderate trend (despite corporate tax cuts), but year-over-year gains remain strong.

Next week, the Fourth of July holiday will be bookended by some important economic data releases. Will trade policy uncertainty have an impact on manufacturing sentiment? Will labor market constraints lead to a slower pace of job gains and faster wage growth? Seasonal adjustment can be a bit tricky at the end of the school year – so there's some chance of a surprise in the June payroll figure. Tariffs on \$50 billion in Chinese goods (mostly industrial inputs) are set to go into effect on Friday. China has indicated that it will retaliate, and the White House has indicated that it will retaliate against the Chinese retaliation (a 10% tariffs on \$200 billion in Chinese goods, mostly consumer goods).

Indices

	Last	Last Week	YTD return %
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DJIA	24216.05	24461.70	-2.04%
NASDAQ	7503.68	7712.95	8.70%
S&P 500	2716.31	2749.76	1.60%
MSCI EAFE	1938.95	1963.99	-5.45%
Russell 2000	1645.02	1688.95	7.13%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.00	4.25
Fed Funds	1.90	1.16
30-year mortgage	4.66	4.06

Currencies

	Last	1 year ago
Dollars per British Pound	1.308	1.301
Dollars per Euro	1.157	1.144
Japanese Yen per Dollar	110.49	112.18
Canadian Dollars per Dollar	1.325	1.300
Mexican Peso per Dollar	19.717	18.043

Commodities

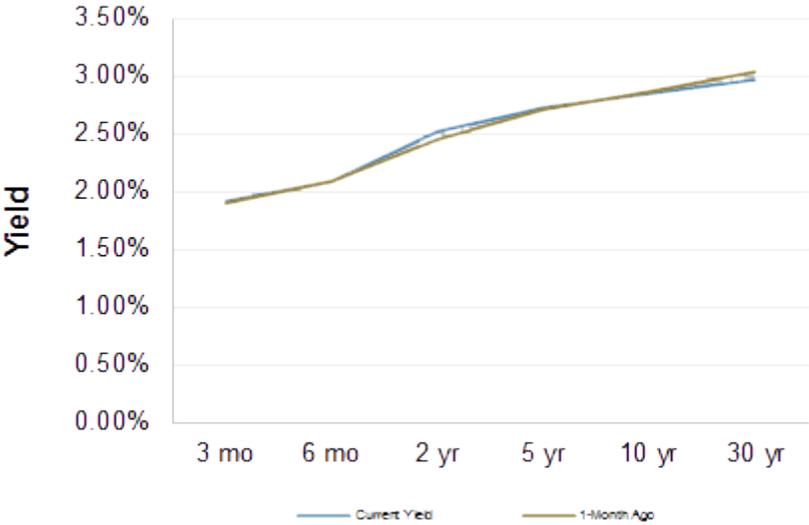
	Last	1 year ago
Crude Oil	73.45	44.93

Gold	1251.00	1245.80
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Bond Rates

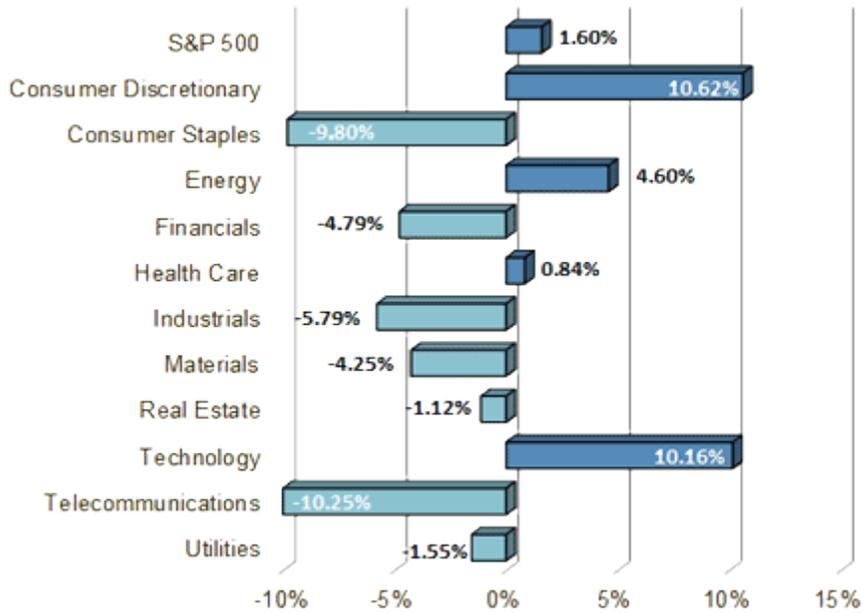
	Last	1 month ago
2-year treasury	2.55	2.44
10-year treasury	2.84	2.88
10-year municipal (TEY)	3.80	3.74

Treasury Yield Curve – 06/29/2018



As of close of business 06/28/2018

S&P Sector Performance (YTD) – 06/29/2018



As of close of business 06/28/2018

Economic Calendar

- July 2** — ISM Manufacturing Index (June)

- July 3** — Factory Orders (May)
- Motor Vehicle Sales (June)
- Stock market early close

- July 4** — Independence Day Holiday (markets closed)

- July 5** — ADP Payroll Estimate (June)

- Jobless Claims (week ending June 30)

- ISM Non-Manufacturing Index (June)

- FOMC Minutes (June 12-13)

- July 6** — Employment Report (June)

- Trade Balance (May)

- Tariffs on \$50 billion in Chinese goods set to begin

- July 12** — Consumer Price Index (June)

- July 16** — Retail Sales (June)

- July 27** — Real GDP (advance 2Q18 + comprehensive benchmark revisions)

- August 1** — Fed Policy Decision (no press conference)

- August 3** — Employment Report

- September 26** — Fed Policy Decision (Powell press conference)

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 June 28, 2018.