

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

APRIL 18, 2019

Market Commentary

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The economic data reports were mixed, but generally consistent with moderate growth in the near term. Retail sales rose 1.6% in the initial estimate for March, much stronger than anticipated, but not enough to offset the softer trend of the previous few months. Industrial production edged down 0.1%, with manufacturing output flat (down at a 1.0% annual rate in 1Q19, but up 2.6% y/y). The trade deficit unexpectedly narrowed further in February and details of the report suggest some front-loading of imported supplies and raw materials ahead of expected tariff increases. Weekly claims for unemployment benefits continued to trend down (near a 50-year low), but figures may have been distorted by the seasonal adjustment (the late Easter). The Fed's Beige Book noted "slight-to-moderate" growth, although "a few Fed districts reported some strengthening." Tight labor markets were limiting output growth in some areas, but wage increases were generally moderate.

China's GDP rose slightly more than anticipated in the first quarter, although fueled by credit (which has been a major concern in recent years) and a shift toward state-owned enterprise. The country's manufacturing activity appears to be improving, but that follows softness earlier in the year (related to the timing of the Chinese New Year).

Next week, the focus is likely to be on the advance GDP report. There's always a lot of uncertainty in the advance estimate (we're missing a number of components). The upside surprise in March retail sales and the narrower trade deficit led to further upward revisions to forecasts of the 1Q19 GDP figure, but that will likely overstate the underlying strength. Details of the report, and subsequent revisions, should give us an idea of where the economy is headed in 2Q19 and beyond (most likely moderate strength).

Indices

	Last	Last Week	YTD return %
DJIA	26449.54	26143.05	13.38%
NASDAQ	7996.08	7947.36	20.51%
S&P 500	2900.45	2888.32	15.70%
MSCI EAFE	1928.10	1909.60	12.11%
Russell 2000	1567.60	1579.14	16.24%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.75
Fed Funds	2.40	1.68
30-year mortgage	4.37	4.49

Currencies

	Last	1 year ago
Dollars per British Pound	1.304	1.409
Dollars per Euro	1.130	1.235
Japanese Yen per Dollar	112.06	107.37
Canadian Dollars per Dollar	1.334	1.267
Mexican Peso per Dollar	18.821	18.447

Commodities

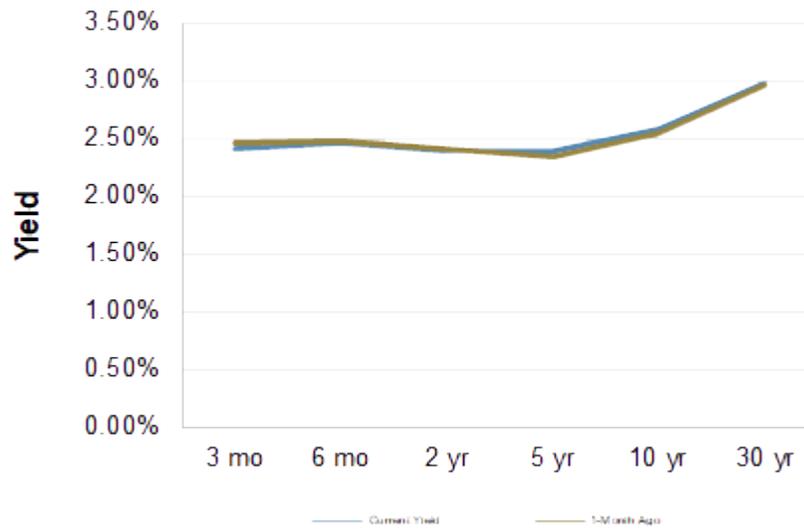
	Last	1 year ago
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Crude Oil	63.76	68.36
Gold	1276.80	1341.90

Bond Rates

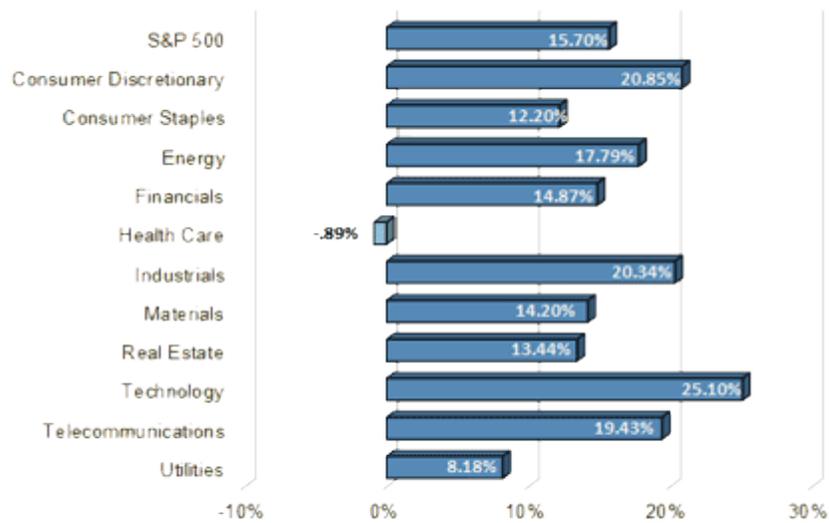
	Last	1 month ago
2-year treasury	2.39	2.40
10-year treasury	2.58	2.54
10-year municipal (TEY)	3.03	3.09

Treasury Yield Curve – 04/18/2019



As of close of business 04/17/2019

S&P Sector Performance (YTD) – 04/18/2019



As of close of business 04/17/2019

Economic Calendar

- | | | |
|-----------------|---|---------------------------------------|
| April 22 | — | Existing Home Sales (March) |
| April 23 | — | New Home Sales (March) |
| April 25 | — | Jobless Claims (week ending April 20) |
| | — | Durable Goods Orders (March) |
| April 26 | — | Real GDP (1Q19, advance estimate) |
| April 29 | — | Personal Income and Spending (March) |
| April 30 | — | CB Consumer Confidence (April) |
| May 1 | — | ISM Manufacturing Index (April) |

- FOMC Policy Decision (Powell press conference)

- May 3** — Employment Report (April)

- June 19** — FOMC Policy Decision

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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 April 17, 2019.