

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

APRIL 26, 2019

Market Commentary

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Real GDP rose at a 3.2% annual rate in the advance estimate for 1Q19, but the growth figure was inflated by faster inventory growth (an unsustainable pace) and a narrower trade deficit (trade policy concerns appear to have pulled forward imports into 2018). Private Domestic Final Purchases, a measure of underlying domestic demand, rose at a 1.3% pace (vs. 2.6% in 4Q18). Growth in consumer spending and business fixed investment slowed, and residential fixed investment fell for the fifth consecutive quarter. However, the partial government shutdown likely restrained these key GDP components, which are expected to rebound in 2Q19 (although foreign trade and inventories are expected to subtract from second quarter growth). The report's inflation gauges rose modestly, largely reflecting lower energy prices (which have now turned higher), although core inflation readings were also low.

Earnings reports were mixed but generally positive. Investors appear to have factored in a completed U.S./China trade deal in the weeks ahead.

Next week, the economic calendar is as full as it can get. The focus is expected to be on the Fed policy announcement and Chairman Powell's press conference. The Fed is widely expected to leave short-term interest rates unchanged. There will be no new dot plot. Investors will be listening to Powell, hoping to learn what conditions would prompt the Fed to cut rates. We'll also get a lot of fresh economic figures, including April data on consumer confidence, the ISM surveys, and the employment report – which will help set near-term expectations for the economy. Nonfarm payrolls are expected to have risen moderately, but the adjustments for the late Easter add uncertainty.

Indices

	Last	Last Week	YTD return %
DJIA	26462.08	26449.54	13.44%
NASDAQ	8118.68	7996.08	22.36%
S&P 500	2926.17	2900.45	16.73%
MSCI EAFE	1910.87	1928.10	11.10%
Russell 2000	1575.61	1567.60	16.84%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.75
Fed Funds	2.41	1.68
30-year mortgage	4.29	4.64

Currencies

	Last	1 year ago
Dollars per British Pound	1.290	1.392
Dollars per Euro	1.113	1.210
Japanese Yen per Dollar	111.63	109.30
Canadian Dollars per Dollar	1.349	1.287
Mexican Peso per Dollar	19.021	18.812

Commodities

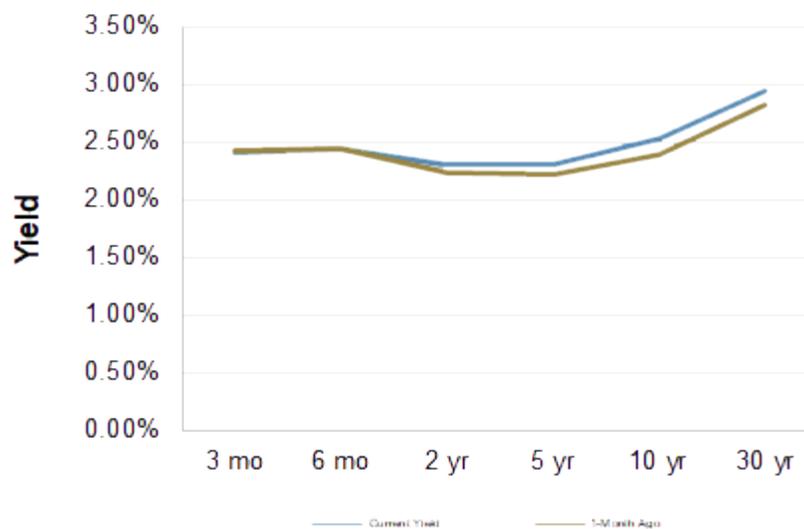
	Last	1 year ago
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Crude Oil	65.21	68.19
Gold	1279.70	1317.90

Bond Rates

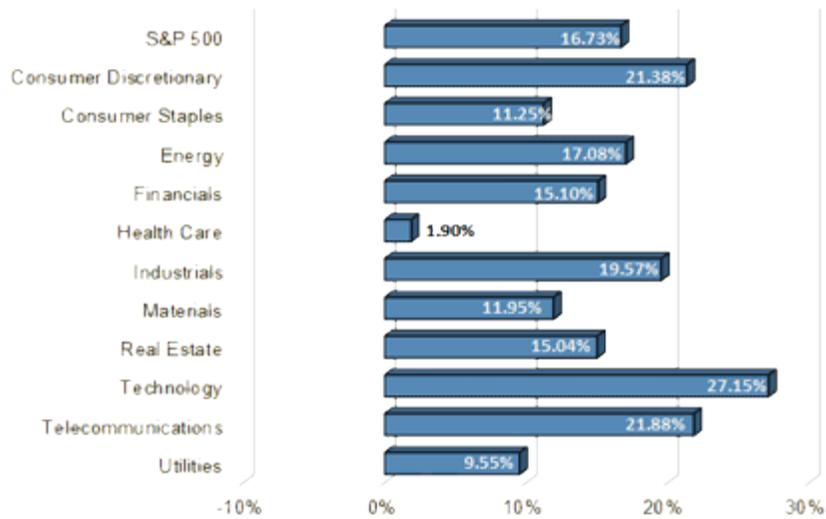
	Last	1 month ago
2-year treasury	2.30	2.23
10-year treasury	2.52	2.39
10-year municipal (TEY)	2.95	2.91

Treasury Yield Curve – 04/26/2019



As of close of business 04/25/2019

S&P Sector Performance (YTD) – 04/26/2019



As of close of business 04/25/2019

Economic Calendar

- April 29** — Personal Income (March) and Spending (February, March)
- April 30** — Employment Cost Index (1Q19)
 - Chicago Business Barometer (April)
 - CB Consumer Confidence (April)
- May 1** — ADP Payroll Estimate (April)
 - ISM Manufacturing Index (April)
 - FOMC Policy Decision (Powell press conference)
 - Motor Vehicle Sales (April)

- May 2** — Challenger Layoff Report (April)
- Jobless Claims (week ending April 27)
- Factory Orders (March)
- May 3** — Employment Report (April)
- ISM Non-Manufacturing Index (April)
- May 9** — Producer Price Index (April)
- May 10** — Consumer Price Index (April)
- May 15** — Retail Sales (April)
- May 27** — Memorial Day Holiday (markets closed)
- 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 25, 2019.