

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**MAY 24, 2019**

**Market Commentary**  
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With a continued focus on trade tensions, market participants showed little reaction to the economic data. However, evidence suggests that even before the May 10 ratcheting up of tariffs on Chinese goods, a greater impact was being felt by firms and households. Durable goods orders fell 2.1% in April, as expected, reflecting a pullback in aircraft orders (which had spiked in March). Ex-transportation, orders were flat, but March figures were revised lower and unfilled orders continued to edge lower (not a good sign). Orders for nondefense capital goods ex-aircraft fell 0.9%, following a 0.3% rise in March (revised from +1.4%). The New York Fed published research that indicated that the latest increase in tariffs would have an annual cost to the typical household of \$831 (a little over 2% of the median household income), and that's on top of a \$419 annual cost of the tariffs imposed in 2018.

Minutes of the April 30-May 1 Federal Open Market Committee showed policymakers committed to "patience" in deciding the new move. Fed Chair Powell said that "business debt is near record levels, and recent issuance has been concentrated in the riskiest segments." However, "business debt does not appear to present notable risks to financial stability." Still, he added that the Fed "cannot be satisfied with our current level of knowledge about these markets, particularly the vulnerability of financial institutions to potential losses and the possible strains on market liquidity and prices should investors exit investment vehicles holding leveraged loans."

Next week, the economic data reports are likely to be overshadowed by trade policy. The Conference Board's Consumer Confidence Index is likely to remain elevated in the initial estimate for May. The government's revised estimate of 1Q19 GDP growth is expected to be little changed from the advance figure and the story should be the same (that is, a headline figure boosted by inventories and net exports, but with softer growth in underlying domestic demand). The advance economic indicators (wholesale and retail inventories, merchandise trade) and personal spending figures will help to fill in the picture for early 2Q19. The core PCE Price Index should dip a little further on a year-over-year basis, but Fed officials generally believe that the lower trend will be transitory.

## Indices

	Last	Last Week	YTD return %
DJIA	25490.47	25862.68	9.27%
NASDAQ	7628.29	7898.05	14.97%
S&P 500	2822.24	2876.32	12.58%
MSCI EAFE	1839.56	1868.61	6.96%
Russell 2000	1501.38	1557.24	11.33%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.75
Fed Funds	2.37	1.69
30-year mortgage	4.10	4.67

## Currencies

	Last	1 year ago
Dollars per British Pound	1.266	1.338
Dollars per Euro	1.181	1.172
Japanese Yen per Dollar	109.61	109.26
Canadian Dollars per Dollar	1.347	1.289
Mexican Peso per Dollar	19.043	19.574

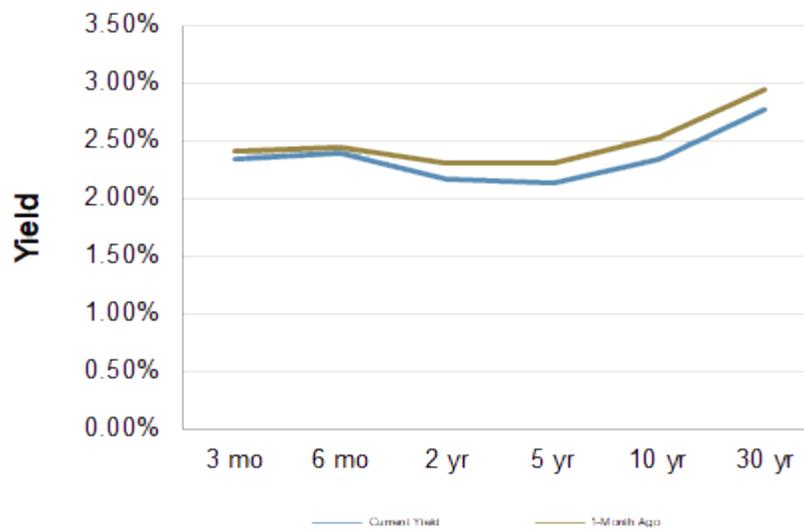
## Commodities

	Last	1 year ago
Crude Oil	57.91	70.70
Gold	1291.00	1309.80

### Bond Rates

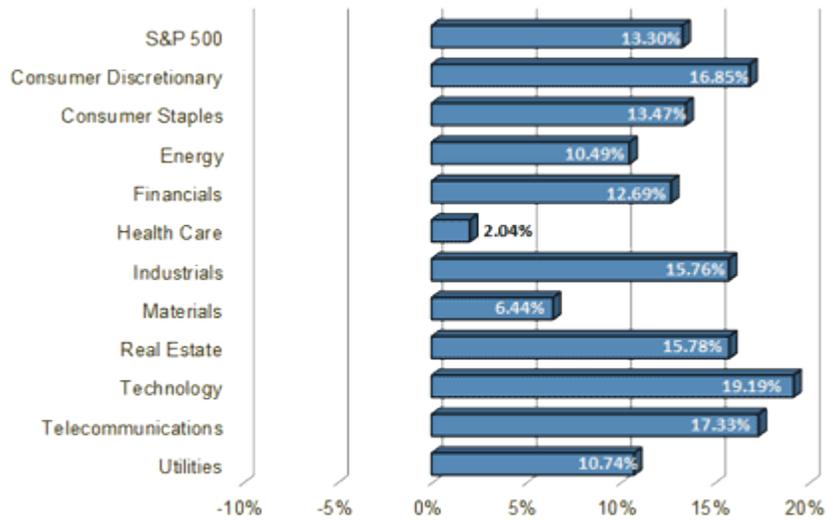
	Last	1 month ago
2-year treasury	2.17	2.30
10-year treasury	2.33	2.52
10-year municipal (TEY)	2.66	2.95

### Treasury Yield Curve – 05/24/2019



As of close of business 05/23/2019

S&P Sector Performance (YTD) – 05/24/2019



As of close of business 05/23/2019

### Economic Calendar

<b>May 27</b>	—	Memorial Day Holiday (markets closed)
<b>May 28</b>	—	CB Consumer Confidence (May)
<b>May 30</b>	—	Jobless Claims (week ending May 25)
	—	Real GDP (1Q19, 2nd estimate)
	—	Advance Economic Indicators (April)
	—	Pending Home Sales Index (April)
<b>May 31</b>	—	Personal Income and Spending (April)
	—	Chicago Business Barometer (May)

	—	UM Consumer Sentiment (May)
<b>June 3</b>	—	ISM Manufacturing Index (May)
<b>June 7</b>	—	Employment Report (May)
<b>June 19</b>	—	FOMC Policy Decision
<b>July 31</b>	—	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.

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