

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**JUNE 21, 2019**

**Market Commentary**  
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As expected, the Federal Open Market Committee left short-term interest rates unchanged, and abandoned its commitment to be patient. The FOMC said it “would closely monitor incoming information and will act as appropriate to sustain the expansion.” The revised dot plot showed an unusual split among Fed officials. Nearly half thought it would be appropriate to leave short-term interest rates steady through the end of the year, while others anticipated cutting rates by 50 basis points. The difference in policy expectations reflected a split in economic expectations, although even those expecting no changes in rates thought that the case for a cut has strengthened. In his post-FOMC press conference, Chair Powell noted renewed crosscurrents, principally trade policy developments and concerns about slower global growth. Fed officials were also concerned about low inflation, but generally felt it appropriate to wait for more information.

While Fed officials are more open to cutting rates, Powell painted the July 31 policy decision as being conditional on the incoming information. Nevertheless, financial market participants have fully factored in a rate cut. Stocks rallied.

Next week, the economic calendar is busy, but the data reports are expected to be overshadowed by news of U.S.-China trade discussions around the G-20 meeting in Osaka. Much of the economic outlook (and, in turn, monetary policy) hinges on whether we’ll see a decrease in trade tensions or a further escalation. First quarter GDP growth may be revised slightly higher in the 3rd estimate, but that’s likely to be viewed as “ancient history” at this point. Tuesday’s data on merchandise trade and durable goods shipments, along with Friday’s consumer spending results, will help to fill in the picture for 2Q19.

## Indices

	Last	Last Week	YTD return %
DJIA	26753.17	26106.77	14.69%
NASDAQ	8051.34	7837.13	21.34%
S&P 500	2954.18	2891.64	17.84%
MSCI EAFE	1918.39	1879.37	11.54%
Russell 2000	1563.50	1535.80	15.94%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	5.00
Fed Funds	2.36	1.90
30-year mortgage	3.79	4.68

## Currencies

	Last	1 year ago
Dollars per British Pound	1.270	1.324
Dollars per Euro	1.129	1.160
Japanese Yen per Dollar	107.30	109.99
Canadian Dollars per Dollar	1.319	1.332
Mexican Peso per Dollar	19.056	20.310

## Commodities

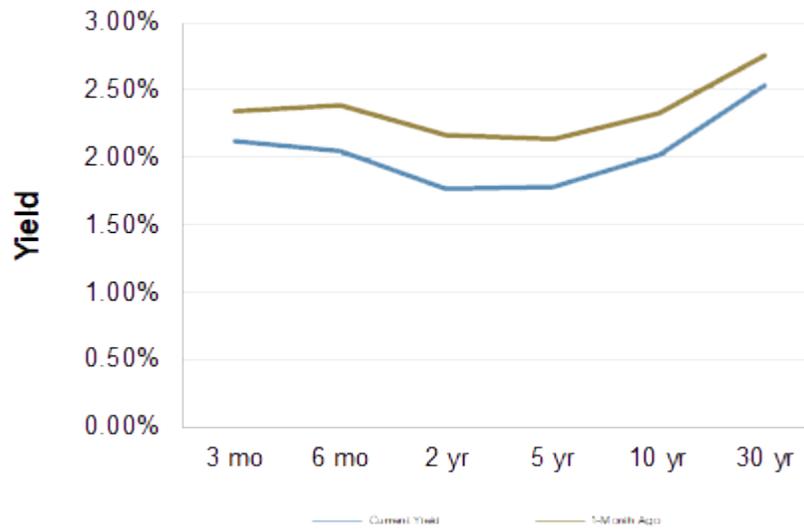
	Last	1 year ago
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Crude Oil	57.26	65.54
Gold	1391.20	1270.50

### Bond Rates

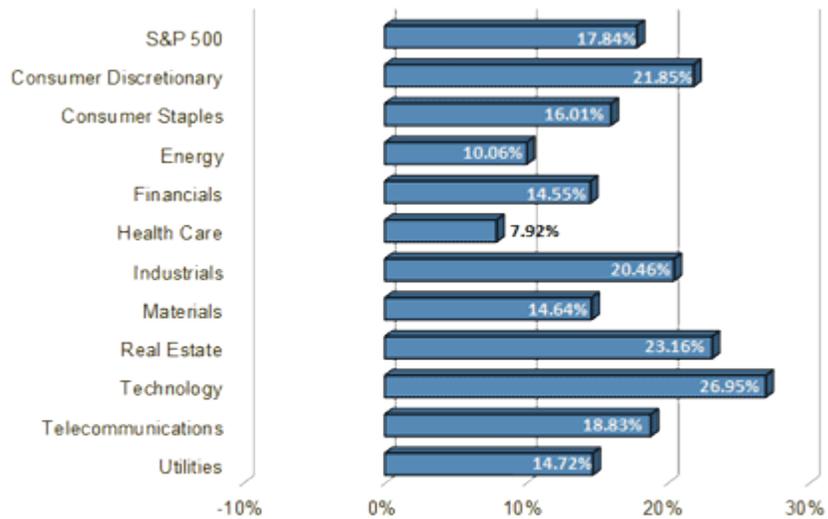
	Last	1 month ago
2-year treasury	1.77	2.17
10-year treasury	2.02	2.33
10-year municipal (TEY)	2.49	2.66

### Treasury Yield Curve – 06/21/2019



As of close of business 06/20/2019

### S&P Sector Performance (YTD) – 06/21/2019



As of close of business 06/20/2019

### Economic Calendar

<b>June 25</b>	—	New Home Sales (May)
	—	CB Consumer Confidence (June)
	—	CFed Chair Powell Speaks
<b>June 26</b>	—	Durable Goods Orders (May)
	—	Jobless Claims (week ending June 22)
<b>June 27</b>	—	Jobless Claims (week ending June 22)
	—	Real GDP (1Q19, 3rd estimate)
<b>June 28</b>	—	Personal Income and Spending (May)

	—	Chicago Business Barometer (June)
	—	UM Consumer Sentiment (June)
<b>July 1</b>	—	ISM Manufacturing Index (June)
<b>July 3</b>	—	ADP Payroll Estimate (June)
	—	ISM Non-Manufacturing Index (June)
<b>July 4</b>	—	Independence Day Holiday (markets closed)
<b>July 5</b>	—	Employment Report (June)
<b>July 31</b>	—	FOMC Policy Decision
<b>September 18</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.

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 20, 2019.

