

RAYMOND JAMES

WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

JULY 12, 2019

Market Commentary by Scott J. Brown, Ph.D., Chief Economist

In his semiannual monetary policy testimony to Congress, Fed Chair Powell said that, since the mid-July FOMC meeting, “it appears that uncertainties around trade tensions and concerns about the strength of the global economy continue to weigh on the U.S. economic outlook,” reinforcing expectations that the central bank will lower short-term interest rates by the end of the year.

Powell (and the FOMC minutes) showed continued concerns about the low trend in inflation. The core CPI rose 0.3% in June (+2.1% y/y), but was lifted by quirks in apparel and used motor vehicles.

Next week, the focus is likely to be on the retail sales and industrial production reports. Unit auto sales remained strong in June, edged down only slightly from May, but lower gasoline prices ought to restrain the headline retail sales figure. Factory output is expected to be mixed but relatively modest overall. The Conference Board’s Index of Leading Economic Indicators should be unchanged, trending nearly flat since September.

Indices

	Last	Last Week	YTD return %
DJIA	27088.08	26966.00	16.12%
NASDAQ	8196.04	8170.23	23.52%
S&P 500	2999.91	2995.82	19.67%

MSCI EAFE	1919.61	1949.70	11.61%
Russell 2000	1557.92	1572.12	15.52%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	5.00
Fed Funds	2.38	1.90
30-year mortgage	3.88	4.65

Currencies

	Last	1 year ago
Dollars per British Pound	1.252	1.321
Dollars per Euro	1.125	1.167
Japanese Yen per Dollar	108.50	112.55
Canadian Dollars per Dollar	1.307	1.315
Mexican Peso per Dollar	19.077	18.980

Commodities

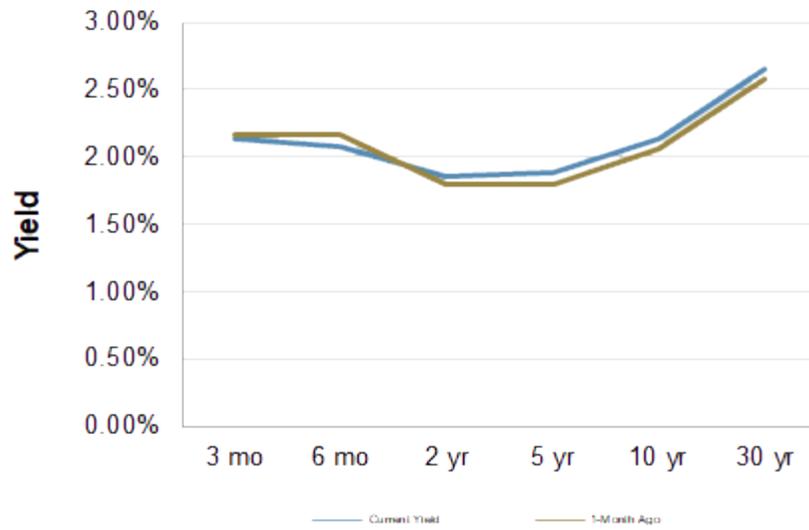
	Last	1 year ago
Crude Oil	60.20	70.33
Gold	1406.70	1246.60

Bond Rates

	Last	1 month ago
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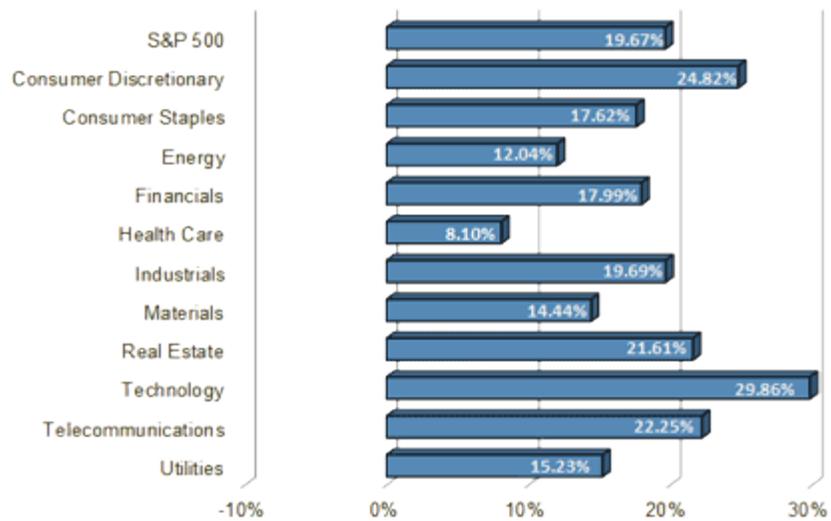
2-year treasury	1.86	1.80
10-year treasury	2.13	2.06
10-year municipal (TEY)	2.45	2.54

Treasury Yield Curve – 07/12/2019



As of close of business 07/11/2019

S&P Sector Performance (YTD) – 07/12/2019



As of close of business 07/11/2019

Economic Calendar

- | | | |
|----------------|---|---|
| July 16 | — | Import Prices (June) |
| | — | Retail Sales (June) |
| | — | Industrial Production (June) |
| | — | Homebuilder Sentiment (July) |
| July 17 | — | Building Permits, Housing Starts (June) |
| | — | Fed Beige Book |
| July 18 | — | Jobless Claims (week ending July 13) |
| | — | Leading Economic Indicators (June) |

July 19	—	UM Consumer Sentiment (mid-July)
July 25	—	Durable Goods Orders (June)
July 26	—	Real GDP (2Q19 advance estimate + benchmark revisions)
July 31	—	FOMC Policy Decision
August 2	—	Employment Report (July)
September 18	—	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 July 11, 2019.