

RAYMOND JAMES

WEEKLY  
**MARKETS**SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**AUGUST 30, 2019**

**Market Commentary**

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Optimism that the U.S. and China will be able to work out a trade agreement appeared as the main factor supporting the stock market, even as the impact of tariffs was seen as having a greater impact on the economy in the near term.

The Conference Board's Consumer Confidence Index edged down in the initial estimate for August, but remained strong, boosted by robust perceptions of the job market. In contrast, the University of Michigan's Consumer Sentiment Index fell, reflecting greater concerns about tariffs. Real GDP rose at a 2.0% annual rate in the 2nd estimate for 2Q19 (vs. +2.1% in the advance estimate), with an upward revision to consumer spending growth (a 4.7% annual rate, but that followed +1.1% in 1Q19). Personal income rose modestly in July, but consumer spending was strong. Core inflation (as measured by the PCE Price Index) remained at 1.6% y/y – below the Fed's 2% goal.

Next week, fresh August data begin to arrive. However, the market focus may still be on the prospects for a trade agreement. The ISM Manufacturing Index is expected to remain weak, consistent with a general contraction in the factory sector (reflecting slower global growth and the impact of tariffs). However, the non-manufacturing survey results should be consistent with moderate growth in the overall economy. Nonfarm payrolls are likely to have risen at a moderately strong pace (slower than last year, but more than enough to absorb new entrants into the workforce).

**Indices**

	Last	Last Week	YTD return %
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DJIA	26362.25	26252.24	13.01%
NASDAQ	7973.40	7991.39	20.17%
S&P 500	2924.58	2922.95	16.66%
MSCI EAFE	1831.36	1829.29	6.48%
Russell 2000	1496.72	1506.00	10.99%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	5.25	5.00
Fed Funds	2.11	1.91
30-year mortgage	3.56	4.66

### Currencies

	Last	1 year ago
Dollars per British Pound	1.218	1.301
Dollars per Euro	1.106	1.167
Japanese Yen per Dollar	106.52	110.98
Canadian Dollars per Dollar	1.329	1.298
Mexican Peso per Dollar	20.142	19.112

### Commodities

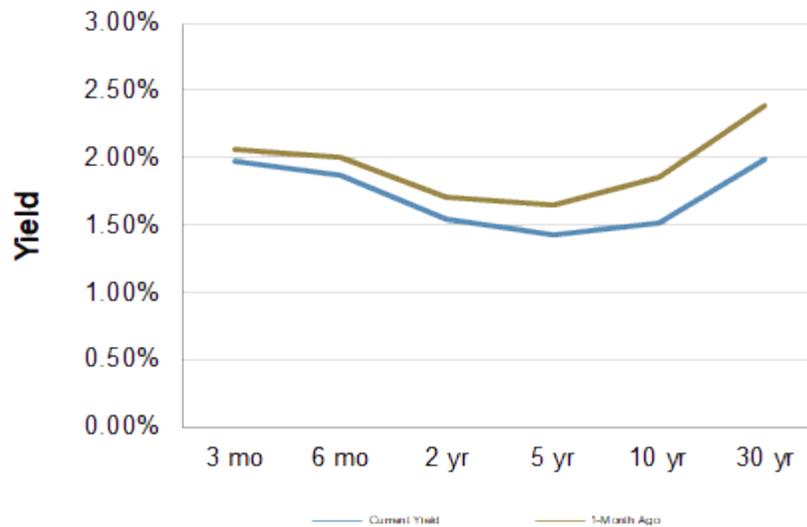
	Last	1 year ago
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Crude Oil	56.71	70.25
Gold	1536.90	1205.00

### Bond Rates

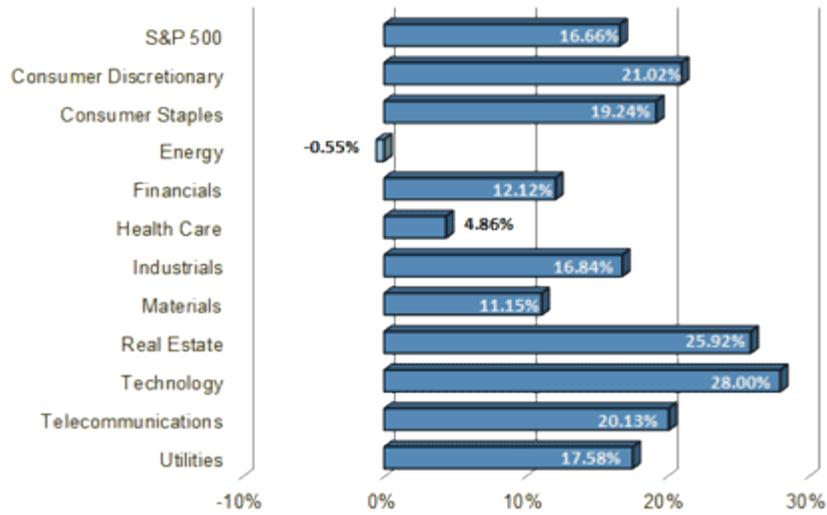
	Last	1 month ago
2-year treasury	1.54	1.70
10-year treasury	1.52	1.85
10-year municipal (TEY)	1.95	2.29

### Treasury Yield Curve – 08/30/2019



As of close of business 08/29/2019

### S&P Sector Performance (YTD) – 08/30/2019



As of close of business 08/29/2019

## Economic Calendar

<b>September 2</b>	—	Labor Day (markets closed)
<b>September 3</b>	—	ISM Manufacturing Index (August)
<b>September 4</b>	—	Trade Balance (July)
	—	Fed Beige Book
<b>September 5</b>	—	Challenger Job-Cuts (August)
	—	ADP Payroll Estimate (August)
	—	Jobless Claims (week ending August 31)

	—	Factory Order (July)
	—	ISM Non-Manufacturing Index (August)
<b>September 6</b>	—	Employment Report (August)
<b>September 10</b>	—	Consumer Price Index (August)
<b>September 13</b>	—	Retail Sales (August)
<b>September 18</b>	—	FOMC Policy Decision
<b>October 30</b>	—	FOMC Policy Decision

All expressions of opinion reflect the judgment of the Research Department of Raymond James & Associates, Inc. and are subject to change. There is no assurance any of the forecasts mentioned will occur or that any trends mentioned will continue in the future. Investing involves risks including the possible loss of capital. Past performance is not a guarantee of future results. International investing is subject to additional risks such as currency fluctuations, different financial accounting standards by country, and possible political and economic risks, which may be greater in emerging markets. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, and state or local taxes. In addition, certain municipal bonds (such as Build America Bonds) are issued without a federal tax exemption, which subjects the related interest income to federal income tax. Municipal bonds may be subject to capital gains taxes if sold or redeemed at a profit. Taxable Equivalent Yield (TEY) assumes a 35% tax rate.

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 August 29, 2019.

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