

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**SEPTEMBER 13, 2019**

**Market Commentary**

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Economic data took second stage to trade policy perceptions, which improved. Bond yields continued higher, reflecting a reduction in fear.

Retail sales rose a bit more than expected in the initial estimate for August, but core sales (which exclude motor vehicles, building materials and gasoline) were flat and previous figures were revised a bit lower. The Consumer Price Index rose 0.1% in August (+1.7% y/y), held down by lower gasoline prices. The core CPI rose 0.3% (+2.4% y/y), a bit faster in the last couple of months.

Trade tensions softened somewhat. President Trump delayed by two weeks tariff increases that were set to be imposed on October 1 (a five-percentage-point increase, from 25% to 30%, on \$250 billion of Chinese imports) as “a gesture of goodwill.” This led to speculation that the administration was seeking a mini-deal (not a full resolution of trade tensions) to reduce the impact of the trade war on the U.S. economy. It should be beneficial for the financial markets if the trade war can be kept from escalating. A mild de-escalation is helpful. China said it would reduce tariffs on U.S. pork and soybeans.

Next week, the Federal Open Market Committee is widely expected to lower the federal funds target range by another 25 basis points, although that is not the done deal that it appeared to be a couple of weeks ago. Minutes of the July FOMC meeting showed that officials were divided on whether to cut rates, and that division may be more pronounced currently given the mixed nature of the recent economic data. Fed officials will revise their projections of growth, unemployment and inflation. The revised dot plot (Fed officials' individual forecasts of the appropriate year-end federal funds rate target) will be extended out to 2020 and should drive market expectations of what the Fed will do in the months ahead.

## Indices

	Last	Last Week	YTD return %
DJIA	27182.45	26728.15	16.53%
NASDAQ	8194.47	8116.83	23.50%
S&P 500	3009.57	2976.00	20.05%
MSCI EAFE	1905.31	1873.80	10.78%
Russell 2000	1575.07	1510.75	16.80%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	5.25	5.00
Fed Funds	2.10	1.91
30-year mortgage	3.70	4.71

## Currencies

	Last	1 year ago
Dollars per British Pound	1.234	1.305
Dollars per Euro	1.107	1.163
Japanese Yen per Dollar	107.82	111.26
Canadian Dollars per Dollar	1.319	1.300
Mexican Peso per Dollar	19.509	19.018

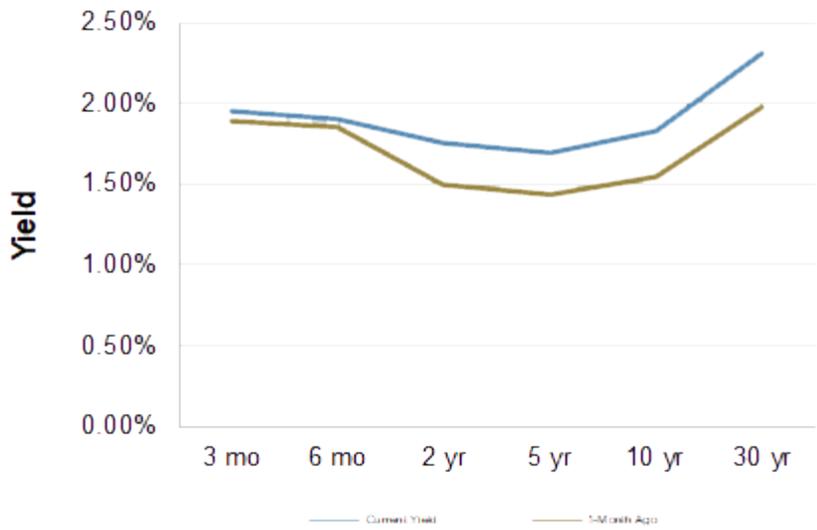
## Commodities

	Last	1 year ago
Crude Oil	55.75	70.37
Gold	1503.20	1210.90

### Bond Rates

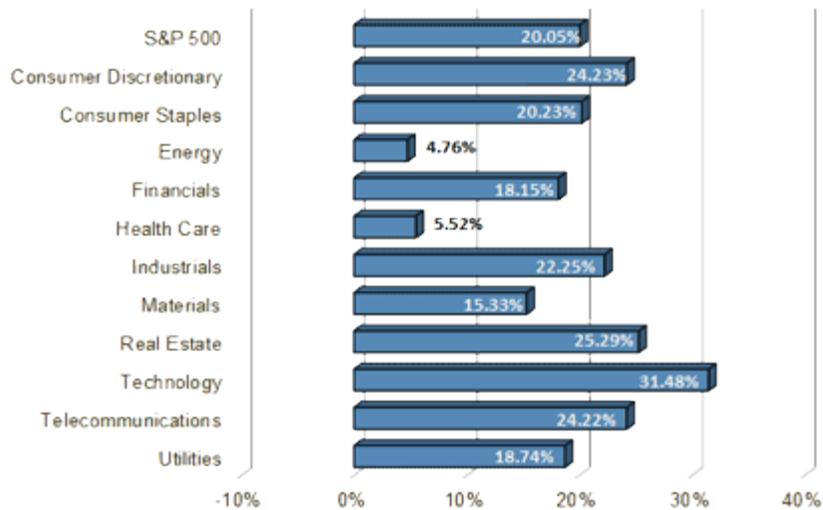
	Last	1 month ago
2-year treasury	1.76	1.50
10-year treasury	1.84	1.54
10-year municipal (TEY)	2.23	1.92

### Treasury Yield Curve – 09/13/2019



As of close of business 09/12/2019

## S&P Sector Performance (YTD) – 09/13/2019



As of close of business 09/12/2019

## Economic Calendar

- |                     |   |   |
|---------------------|---|---|
| <b>September 17</b> | — | Industrial Production (August)            |
|                     | — | Homebuilder Sentiment (September)         |
| <b>September 18</b> | — | Building Permits, Housing Starts (August) |
|                     | — | FOMC Policy Decision                      |
|                     | — | Fed Summary of Economic Projections       |
|                     | — | Powell Press Conference                   |

- September 19** — Jobless Claims (week ending September 14)
- Leading Economic Indicators (August)
- October 4** — Employment Report (September)
- October 30** — 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 September 12, 2019.