RAYMOND JAMES

WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

SEPTEMBER 20, 2019

Market Commentary
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As expected, the Federal Open Market Committee lowered the federal funds target range by 25 basis points, to 1.75-2.00%. Of the 10 FOMC members, two dissented in favor of no change and one dissented in favor of a 50 basis-point cut. The wording of the policy statement was little changed from the one in late July and the Fed's economic projections were largely the same as in June.

Funding pressures were elevated in the repo market, reflecting stronger-than-expected demand for short-term funds (related to corporate tax payments and Treasury note auction settlements), pushing the effective federal funds rate above the top of its target range. At the end of the week, the New York Fed announced "a series of overnight and term repurchase agreement (repo) operations to help maintain the federal funds rate within the target range."

The economic data (industrial production, residential construction, existing home sales) were generally on the strong side of expectations, although the financial markets largely ignored the reports. The weekend attack on a Saudi oil production facility boosted oil prices, but had a limited impact on equities in general. Investors remain encouraged about the prospects for a mini deal on trade – one that would halt the escalation in trade tensions, perhaps even de-escalate a little, but fall far short of a complete deal.

Next week, the economic data releases may contain a surprise or two, but financial market participants will likely be focused on other things. Little revision is expected in the 3rd estimate of second quarter GDP growth. The advance economic indicators, durable goods orders and shipments, and personal spending data will help to fill in the 3Q19 GDP picture.

Indices

	Last	Last Week	YTD return %
DJIA	27094.79	27182.45	16.15%
NASDAQ	8182.88	8194.47	23.32%
S&P 500	3006.79	3009.57	19.94%
MSCI EAFE	1905.01	1905.31	10.76%
Russell 2000	1561.47	1575.07	15.79%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.00	5.00
Fed Funds	2.15	1.91
30-year mortgage	3.77	4.87

Currencies

	Last	1 year ago
Dollars per British Pound	1.247	1.314
Dollars per Euro	1.103	1.167
Japanese Yen per Dollar	108.45	112.28
Canadian Dollars per Dollar	1.329	1.293
Mexican Peso per Dollar	19.397	18.776

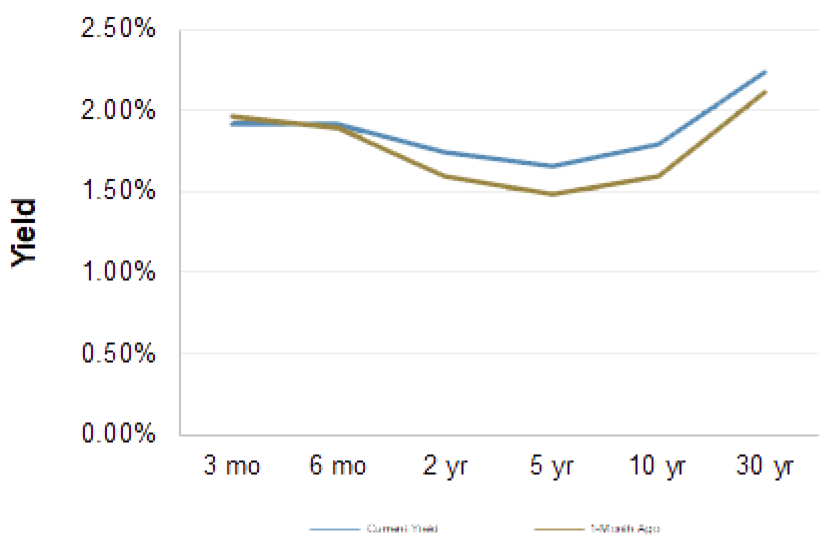
Commodities

	Last	1 year ago
Crude Oil	58.11	71.12
Gold	1515.80	1208.30

Bond Rates

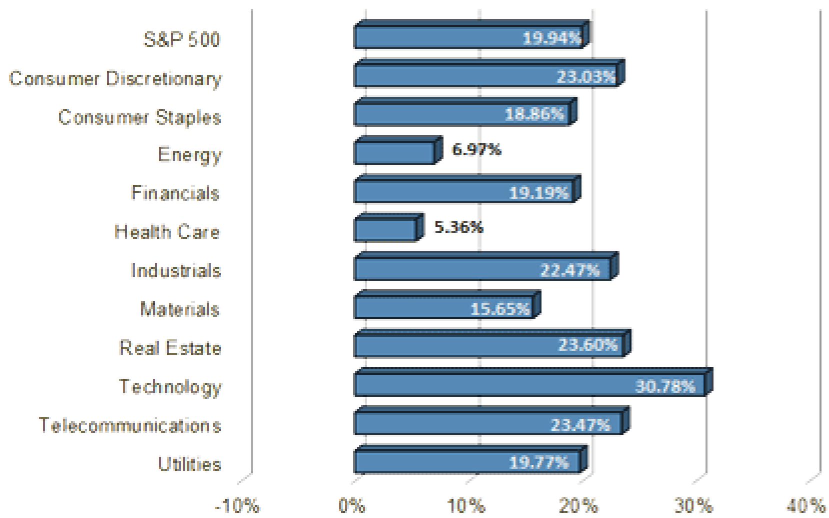
	Last	1 month ago
2-year treasury	1.75	1.59
10-year treasury	1.79	1.60
10-year municipal (TEY)	2.37	1.98

Treasury Yield Curve – 09/20/2019



As of close of business 09/19/2019

S&P Sector Performance (YTD) – 09/20/2019



As of close of business 09/19/2019

Economic Calendar

September 24	—	CB Consumer Confidence (September)
September 25	—	New Home Sales (August)
September 26	—	Jobless Claims (week ending September 21)
	—	Real GDP (2Q19, 3rd estimate)
	—	Advance Economic Indicators (August)
	—	Pending Home Sales Index (August)

September 27	—	Personal Income and Spending (August)
	—	Durable Goods Orders (August)
	—	UM Consumer Sentiment (September)
October 1	—	ISM Manufacturing Index (September)
October 4	—	Employment Report (September)
October 30	—	FOMC Policy Decision
December 11	—	FOMC Policy Decision