

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

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Market Commentary

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The ISM Manufacturing Index fell further into contraction in September, while the Non-Manufacturing Index slowed (consistent with a continued expansion in the overall economy, but at a slower pace). The Employment Report was a mixed bag. Nonfarm payrolls rose by 136,000 in the initial estimate for September, with a net upward revision of +45,000 to July and August. The gain was a bit less than expected, but not as bad as feared. Private-sector payrolls rose by 114,000 (a +119,000 average for 3Q19 – half of the +236,000 pace seen in 3Q18). Average hourly earnings were unchanged (+2.9%), but rose 0.2% for production workers (+3.5% y/y). The unemployment rate edged down to 3.5%.

We've often had contractions in manufacturing without a downturn in the overall economy and strong household sector fundamentals should support consumer spending growth over the near term. However, the weak ISM manufacturing data renewed fears of "recession," dropping the major stock market indices and sending bond yields lower.

Next week, the economic calendar thins out. There may be some interest in the Consumer Price Index, but the report rarely surprises. More importantly, on Tuesday, Fed Chairman Jerome Powell will speak at the annual conference of the National Association for Business Economics and could provide some clues about future policy decisions. The topic of his speech is "Data Dependence in an Evolving Economy." At the September 17-18 meeting of the Federal Open Market Committee, officials were divided on the appropriate path for monetary policy. The minutes of that meeting (Wednesday) should delve into the differences.

Indices

	Last	Last Week	YTD return %
DJIA	26201.04	26891.12	12.32%
NASDAQ	7872.27	8030.66	18.64%
S&P 500	2910.63	2977.62	16.11%
MSCI EAFE	1849.26	1889.93	7.52%
Russell 2000	1486.35	1533.33	10.22%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.00	5.25
Fed Funds	1.85	2.16
30-year mortgage	3.62	4.94

Currencies

	Last	1 year ago
Dollars per British Pound	1.230	1.294
Dollars per Euro	1.096	1.148
Japanese Yen per Dollar	107.18	114.53
Canadian Dollars per Dollar	1.333	1.287
Mexican Peso per Dollar	19.795	19.045

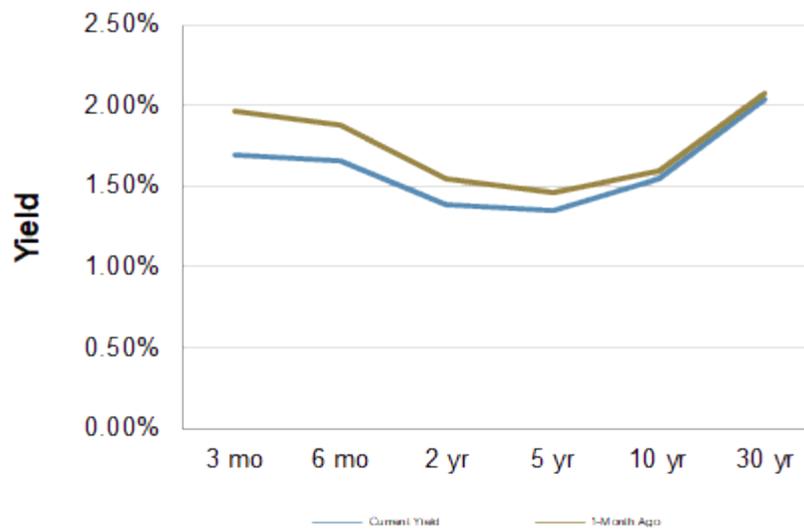
Commodities

	Last	1 year ago
Crude Oil	52.64	76.41
Gold	1507.90	1202.90

Bond Rates

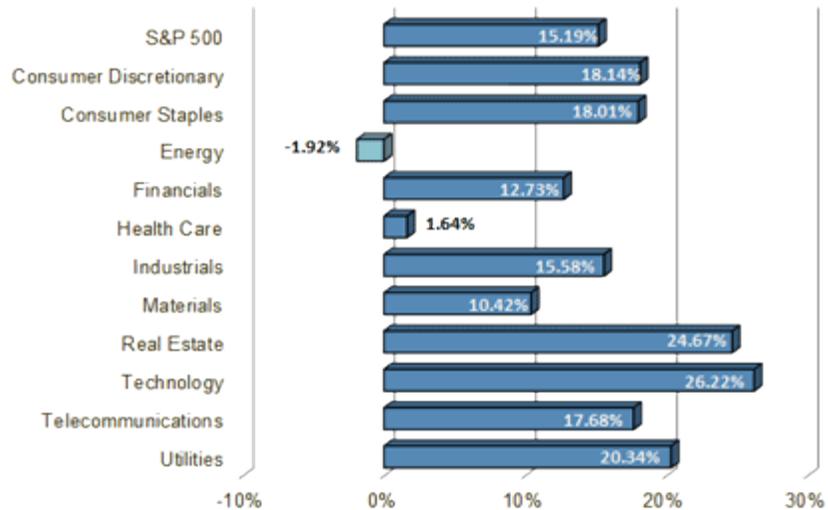
	Last	1 month ago
2-year treasury	1.39	1.55
10-year treasury	1.54	1.59
10-year municipal (TEY)	2.12	2.01

Treasury Yield Curve – 10/04/2019



As of close of business 10/03/2019

S&P Sector Performance (YTD) – 10/04/2019



As of close of business 10/03/2019

Economic Calendar

- | | | |
|-------------------|---|---|
| October 8 | — | Small Business Optimism (September) |
| | — | Producer Price Index (September) |
| | — | Fed Chair Powell Speaks (NABE Conference) |
| October 9 | — | FOMC Minutes (September 17-18) |
| October 10 | — | Jobless Claims (week ending October 5) |
| | — | Consumer Price Index (September) |

October 11	—	Import Prices (September)
	—	UM Consumer Sentiment (mid-October)
October 14	—	Columbus Day Holiday (bond market closed)
October 16	—	Retail Sales (September)
	—	Fed Beige Book
October 30	—	Real GDP (3Q19, advance estimate)
	—	FOMC Policy Decision
December 11	—	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 October 3, 2019.