

RAYMOND JAMES

WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

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Market Commentary

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The economic calendar was thin. President Trump's lengthy State of the Union address was not market-moving. The stock market did react, however, to shifting perceptions of the likelihood of a US/China trade deal – up in the first half of the week, down on Thursday and Friday. Bond yields drifted lower.

The ISM Manufacturing Index fell a little more than expected in January, but remained at a level consistent with moderate growth in the overall economy. Survey respondents were concerned about the impacts of the government shutdown, but remained mostly optimistic about overall business conditions. The U.S. trade deficit narrowed unexpectedly in November. It now appears that net exports will make a mild positive contribution to 4Q18 GDP growth (after subtracting 2 percentage points in 3Q18). Unit motor vehicle sales fell in January.

Next week, the federal government faces a February 15 deadline to reach a budget agreement. Will we see another partial government shutdown? Probably not, but who can say? The January consumer price data arrive on Wednesday. We'll get the delayed report on December retail sales on Thursday. January industrial production figures are due Friday. The University of Michigan's Consumer Sentiment Index fell sharply in January, but is likely to post a partial rebound in the mid-February reading.

Indices

	Last	Last Week	YTD return %
DJIA	25169.53	24999.67	7.90%

NASDAQ	7288.35	7281.14	9.84%
S&P 500	2706.05	2704.10	7.95%
MSCI EAFE	1822.51	1831.10	5.97%
Russell 2000	1505.63	1499.42	11.65%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.50
Fed Funds	2.40	1.41
30-year mortgage	4.45	4.49

Currencies

	Last	1 year ago
Dollars per British Pound	1.295	1.391
Dollars per Euro	1.134	1.225
Japanese Yen per Dollar	109.82	108.74
Canadian Dollars per Dollar	1.331	1.260
Mexican Peso per Dollar	19.083	18.895

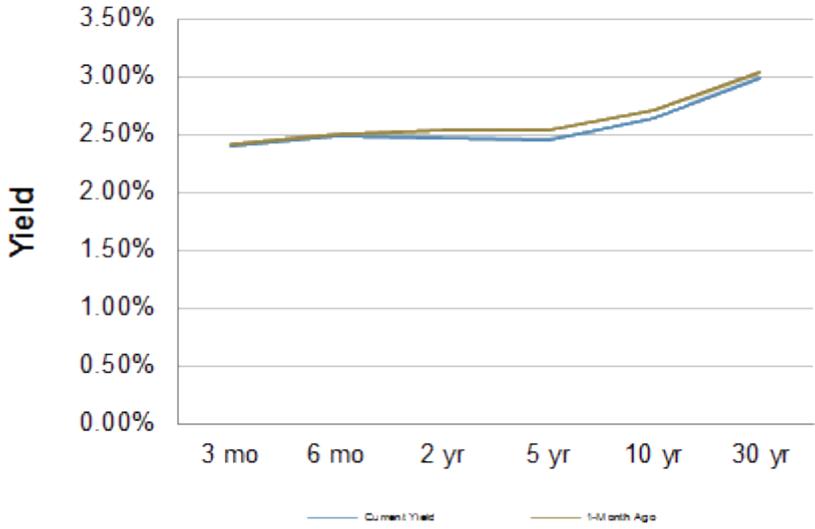
Commodities

	Last	1 year ago
Crude Oil	52.64	61.15
Gold	1314.20	1319.00

Bond Rates

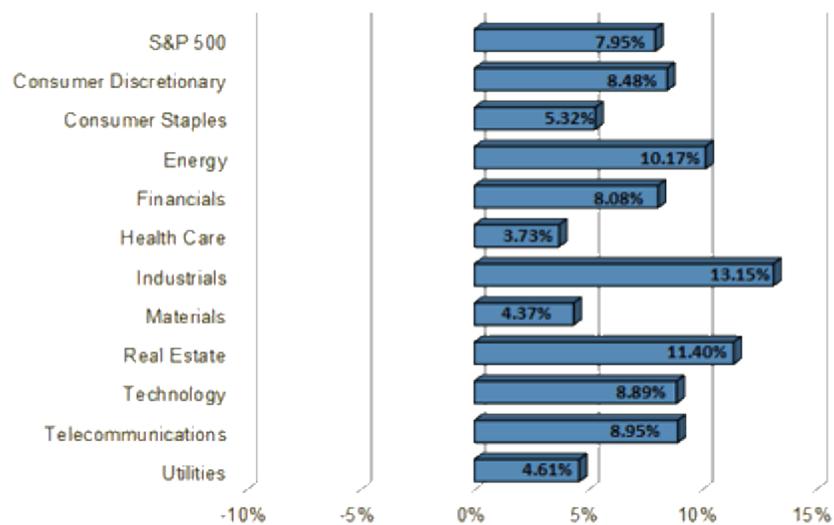
	Last	1 month ago
2-year treasury	2.47	2.54
10-year treasury	2.64	2.71
10-year municipal (TEY)	3.35	3.51

Treasury Yield Curve – 02/08/2019



As of close of business 02/07/2019

S&P Sector Performance (YTD) – 02/08/2019



As of close of business 02/07/2019

Economic Calendar

- February 12** — Small Business Optimism Index (January)
- February 13** — Consumer Price Index (January)
- February 14** — Jobless Claims (week ending February 9)
- Producer Price Index (January)
- Retail Sales (December)

February 15	—	Industrial Production (January)
	—	UM Consumer Sentiment (mid-February)
February 18	—	Presidents Day (markets closed)
February 20	—	FOMC Minutes (January 29-30)
February 21	—	Durable Goods Orders (December)
February 26	—	CB Consumer Confidence (February)
	—	Powell Monetary Policy Testimony (Senate)
February 27	—	Powell Monetary Policy Testimony (House)
February 28	—	Real GDP (4Q18, initial estimate)
March 8	—	Employment Report (February)
March 20	—	FOMC Policy Decision (Powell press conference)

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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 February 7, 2019.