

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**MAY 3, 2019**

**Market Commentary**  
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As expected, the Federal Open Market Committee (FOMC) left the target range for the federal funds rate unchanged, at 2.25%-2.50%. The FOMC made a technical change to the interest on excess reserves rate (IOER), lowering it by 5 basis points to 2.35%, to push the effective federal funds rate back toward the middle of the range – but this was not a change in the stance of monetary policy. The FOMC acknowledged that consumer spending and business fixed investment slowed in the first quarter and that inflation was below the Fed's 2% goal. However, in his press conference, Fed Chair Powell downplayed low inflation as being due to transitory factors, and when asked about the possibility of cutting rates, Powell responded that "we don't see a strong case for moving in either direction."

The April Employment Report was quirky. Nonfarm payrolls rose by 263,000, led by gains in professional & business services, education & healthcare, and government. Construction payrolls rose moderately, but manufacturing posted only a modest gain and we continued to lose jobs in retail. Seasonal adjustment (a late Easter) may have distorted the April payroll figure, although bad weather in February likely pushed out seasonal gains (unadjusted payrolls rose by 2.13 million between January and April, vs. 2.38 million a year ago). Average Hourly Earnings rose 0.2% (+3.2% y/y), up 0.3% for production workers (+3.4% y/y). The unemployment rate fell to 3.6% (from 3.8%), although that was due to a drop in labor force participation (probably a seasonal adjustment issue).

The week's other data reports were mixed but generally consistent with moderate growth. Unit auto sales fell in April, after they spiked higher in March. The ISM monthly surveys were softer than expected. Consumer confidence improved.

Next week, the economic calendar thins out, with the two key inflation reports on Thursday and Friday.

Both are expected to reflect higher gasoline prices, but core inflation should remain mild. The late Easter appears to have distorted apparel prices (down 1.9% in March, likely to snap back in April).

### Indices

	Last	Last Week	YTD return %
DJIA	26307.79	26462.08	12.78%
NASDAQ	8036.77	8118.68	21.12%
S&P 500	2917.52	2926.17	16.38%
MSCI EAFE	1911.66	1910.87	11.15%
Russell 2000	1582.65	1575.61	17.36%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.75
Fed Funds	2.45	1.68
30-year mortgage	4.29	4.62

### Currencies

	Last	1 year ago
Dollars per British Pound	1.303	1.358
Dollars per Euro	1.117	1.199
Japanese Yen per Dollar	111.51	109.19
Canadian Dollars per Dollar	1.348	1.285
Mexican Peso per Dollar	19.121	19.061

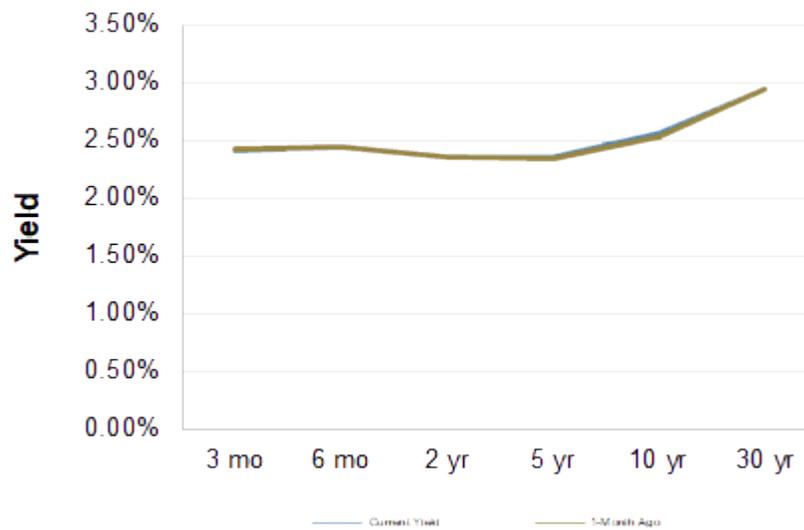
### Commodities

	Last	1 year ago
Crude Oil	61.81	68.43
Gold	1272.00	1312.70

### Bond Rates

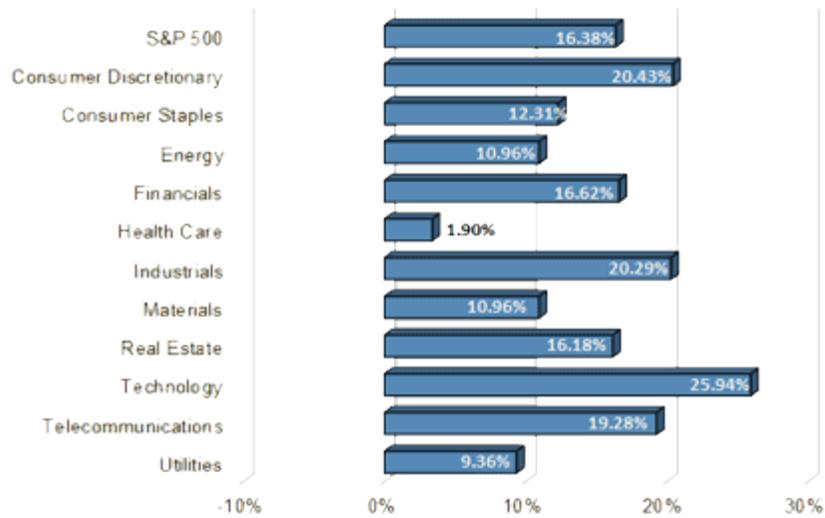
	Last	1 month ago
2-year treasury	2.35	2.35
10-year treasury	2.56	2.53
10-year municipal (TEY)	2.90	3.00

### Treasury Yield Curve – 05/03/2019



As of close of business 05/02/2019

## S&P Sector Performance (YTD) – 05/03/2019



As of close of business 05/02/2019

## Economic Calendar

<b>May 9</b>	—	Jobless Claims (week ending May 4)
	—	Producer Price Index (April)
	—	Trade Balance (March)
<b>May 10</b>	—	Consumer Price Index (April)
<b>May 14</b>	—	Small Business Optimism (April)
<b>May 15</b>	—	Retail Sales (April)

	—	Industrial Production (April)
<b>May 16</b>	—	Building Permits, Housing Starts (April)
<b>May 17</b>	—	Leading Economic Indicators (April)
	—	UM Consumer Sentiment (mid-May)
<b>May 22</b>	—	FOMC Minutes (April 31-May 1)
<b>May 24</b>	—	Durable Goods Orders (April)
<b>May 27</b>	—	Memorial Day Holiday (markets closed)
<b>June 7</b>	—	Employment Report (May)
<b>June 19</b>	—	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.

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