

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

APRIL 5, 2019

Market Commentary

by Scott J. Brown, Ph.D., Chief Economist

The March Employment Report reflected a rebound from February's weather effects, but suggested a more moderate trend in job growth relative to last year (still strong). Nonfarm payrolls rose by 196,000, with private-sector jobs up 182,000 (a 169,000 average for 1Q19, vs. +215,000 in 2018). The unemployment rate held steady at 3.8%. Average hourly earnings rose 0.1% (+3.2% y/y), up 0.3% for production workers (+3.4% y/y).

The week's other economic data reports were mixed, but generally consistent with moderate growth in the overall economy. Two delayed reports, retail sales and durable goods orders, were weaker than expected in February. The ISM manufacturing survey results for March were a little stronger than anticipated, while the non-manufacturing data surprised to the downside (still consistent with moderately strong growth). Unit motor vehicle sales picked up in March, likely reflecting inventory clearance following softer sales in January and February.

Next week, the March inflation reports are expected to reflect an increase in gasoline prices, but should continue to suggest no pressing need for the Fed to raise short-term interest rates. On Wednesday, investors will dive into the minutes of the March 19-20 Federal Open Market Committee meeting, looking for any hint of a possible cut in short-term interest rates down the line. Fed Vice Chair Richard Clarida will speak twice: first on this year's Fed rethink of the monetary policy framework and then on the current outlook for the economy and monetary policy. Fed Vice Chair for Supervision Randal Quarles will address the shift away from the LIBOR benchmark (Wednesday).

[Indices](#)

	Last	Last Week	YTD return %
DJIA	26384.63	25717.46	13.11%
NASDAQ	7891.79	7669.16	18.94%
S&P 500	2879.39	2815.44	14.86%
MSCI EAFE	1909.97	1875.96	11.05%
Russell 2000	1567.49	1535.10	16.23%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.75
Fed Funds	2.40	1.68
30-year mortgage	4.30	4.49

Currencies

	Last	1 year ago
Dollars per British Pound	1.308	1.400
Dollars per Euro	1.122	1.224
Japanese Yen per Dollar	111.66	107.39
Canadian Dollars per Dollar	1.336	1.275
Mexican Peso per Dollar	19.149	18.204

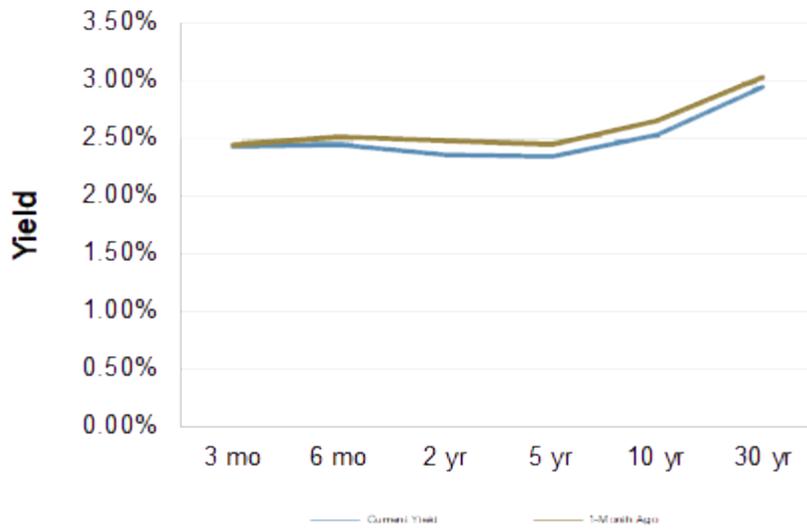
Commodities

	Last	1 year ago
Crude Oil	62.10	63.54
Gold	1294.30	1328.50

Bond Rates

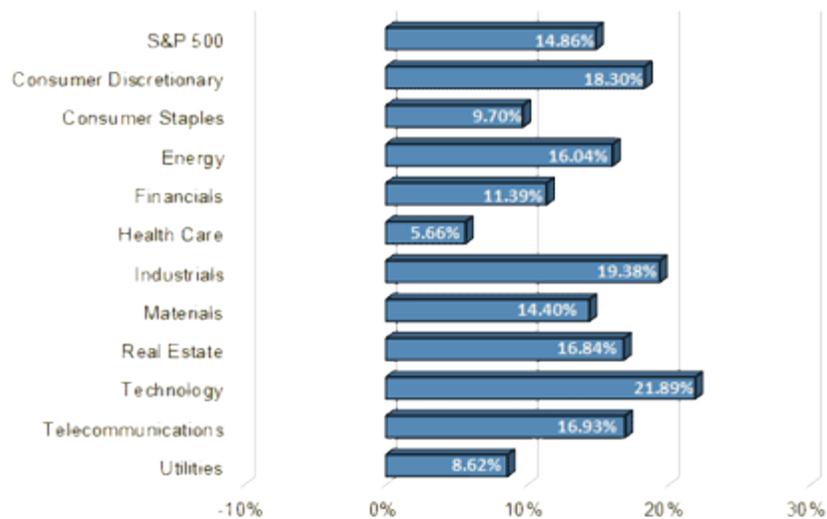
	Last	1 month ago
2-year treasury	2.35	2.48
10-year treasury	2.53	2.64
10-year municipal (TEY)	3.00	3.23

Treasury Yield Curve – 04/05/2019



As of close of business 04/04/2019

S&P Sector Performance (YTD) – 04/05/2019



As of close of business 04/04/2019

Economic Calendar

- April 8** — Factory Orders (February)

- April 9** — Small Business Optimism (March)
 - Fed VC Clarida Speaks (the Fed's monetary policy framework)

- April 10** — Consumer Price Index (March)
 - Fed VC for Supervision Quarles Speaks (replacing the LIBOR benchmark)
 - FOMC Minutes (3/19-20)

- April 11** — Jobless Claims (week ending April 6)
 - Producer Price Index (March)
 - Fed VC Clarida Speaks (economic outlook and monetary policy)

- April 12** — Import Prices (March)
 - UM Consumer Sentiment (mid-April)

April 16	—	Industrial Production
April 18	—	Retail Sales (March)
April 19	—	Good Friday Holiday (markets closed)
May 1	—	FOMC Policy Decision (Powell press conference)

All expressions of opinion reflect the judgment of the Research Department of Raymond James & Associates, Inc. and are subject to change. There is no assurance any of the forecasts mentioned will occur or that any trends mentioned will continue in the future. Investing involves risks including the possible loss of capital. Past performance is not a guarantee of future results. International investing is subject to additional risks such as currency fluctuations, different financial accounting standards by country, and possible political and economic risks, which may be greater in emerging markets. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, and state or local taxes. In addition, certain municipal bonds (such as Build America Bonds) are issued without a federal tax exemption, which subjects the related interest income to federal income tax. Municipal bonds may be subject to capital gains taxes if sold or redeemed at a profit. Taxable Equivalent Yield (TEY) assumes a 35% tax rate.

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 April 04, 2019.