

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

APRIL 12, 2019

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

The economic data reports were generally uneventful for the financial markets. As expected, higher gasoline prices boosted both the CPI and PPI, but inflation was mild otherwise. FOMC minutes and Fed speeches reinforced the view that short-term interest rates are on hold for the foreseeable future. Jobless claims fell further, consistent with a further tightening in labor market conditions.

Overseas developments continued to influence U.S. markets. The IMF lowered its expectations for global growth in 2019, after having just lowered them in January. The IMF anticipates that growth will pick up in 2020, but stressed that the risks were weighted to the downside. The European Union (EU) agreed to delay the U.K.'s exit to October 31, but U.S. markets haven't reacted to Brexit news in a while. President Trump said he would impose tariffs on \$11 billion in EU exports following the World Trade Organization's ruling that the EU had unfairly subsidized Airbus. The EU responded by indicating that it would impose tariffs on \$12 billion in U.S. exports, citing U.S. subsidies for Boeing. China's exports rebounded in March, following a sharp drop in February, although that was almost certainly due to the Chinese New Year.

Next week, the economic data releases will help to fill in the GDP picture for 1Q19. The retail sales report is expected to be the highlight. Unit auto sales were reported higher in March, although that doesn't always translate into a comparable increase in retail dealership sales. Gasoline prices rose 6.5% in March, which will add to the ex-autos figure. Ex-autos, building materials and gasoline, retail sales are likely to have risen moderately, although seasonal adjustment can be tricky (figures are adjusted for floating holidays, such as Easter, but it's hard to get that right).

[Indices](#)

	Last	Last Week	YTD return %
DJIA	26143.05	26384.63	12.07%
NASDAQ	7947.36	7891.79	19.77%
S&P 500	2888.32	2879.39	15.22%
MSCI EAFE	1909.60	1909.97	11.03%
Russell 2000	1579.14	1567.49	17.10%

Consumer Money Rates

	Last	1 year ago
Prime Rate	5.50	4.75
Fed Funds	2.40	1.68
30-year mortgage	4.19	4.49

Currencies

	Last	1 year ago
Dollars per British Pound	1.306	1.423
Dollars per Euro	1.125	1.233
Japanese Yen per Dollar	111.66	107.33
Canadian Dollars per Dollar	1.338	1.259
Mexican Peso per Dollar	18.837	18.189

Commodities

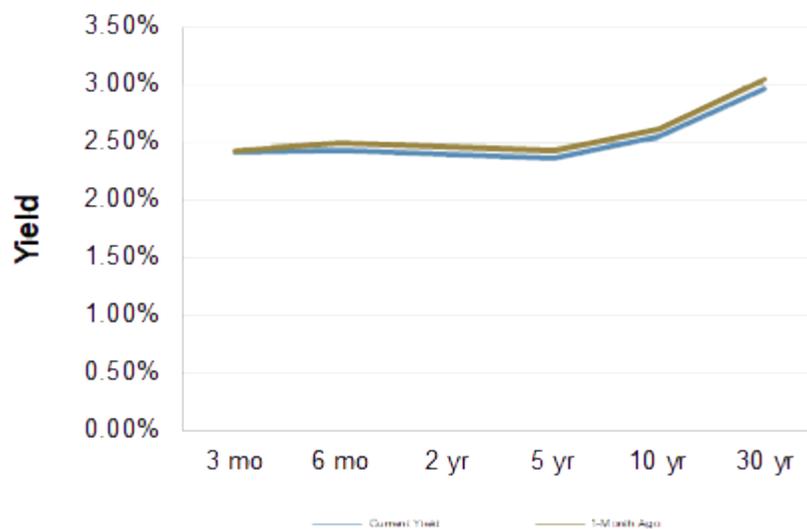
	Last	1 year ago
--	------	------------

Crude Oil	63.58	67.07
Gold	1293.30	1341.90

Bond Rates

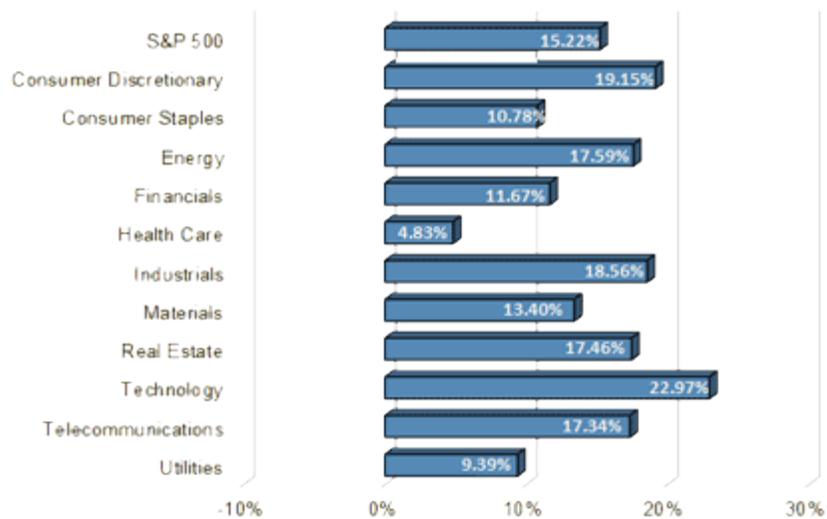
	Last	1 month ago
2-year treasury	2.38	2.46
10-year treasury	2.54	2.62
10-year municipal (TEY)	2.98	3.22

Treasury Yield Curve – 04/12/2019



As of close of business 04/11/2019

S&P Sector Performance (YTD) – 04/12/2019



As of close of business 04/11/2019

Economic Calendar

- | | | |
|-----------------|---|---------------------------------------|
| April 16 | — | Industrial Production (March) |
| April 17 | — | Trade Balance (February) |
| | — | Fed Beige Book |
| April 18 | — | Jobless Claims (week ending April 13) |
| | — | Retail Sales (March) |
| | — | Business Inventories (February) |
| | — | Leading Economic Indicators (March) |
| April 19 | — | Good Friday Holiday (markets closed) |

	—	Building Permits, Housing Starts (March)
April 26	—	Real GDP (1Q19, advance estimate)
May 1	—	FOMC Policy Decision (Powell press conference)
May 3	—	Employment Report (April)
June 19	—	FOMC Policy Decision

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 11, 2019.

[Raymond James Financial Services, Inc. Member FINRA/SIPC](#)