

RAYMOND JAMES

WEEKLY
MARKETSSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

FEBRUARY 14, 2020

Market Commentary

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The spread of the coronavirus COVID-19 appeared to be slowing, but adjustments in the criteria for recognizing cases changed, boosting the reported number of infections. The change increased anxiety and uncertainty about the economic impact.

Fed Chair Powell covered little new ground in his monetary policy testimony. He cautioned that the general low level of interest rates means that there is less scope for monetary policy stimulus during a downturn. Fiscal policy stimulus (tax cuts, increased government spending) would likely be needed, Powell said, but we are not currently on a sustainable budget path.

Retail sales rose 0.3% in the initial estimate for January (down 19.4% before seasonal adjustment), as expected. Industrial production fell 0.3%, partly reflecting a 10.7% drop in aircraft and parts. Factory output was mixed, but lackluster otherwise. The Consumer Price Index rose 0.1% in January (+2.5% y/y), up 0.2% ex-food & energy (+2.3% y/y).

Next week, the economic calendar is relatively light. Producer price data and residential construction figures are subject to seasonal noise in January (so take the figures with a grain of salt). The Conference Board's Index of Leading Economic Indicators is expected to have risen about 0.5% in January, breaking a modest five-month downtrend. FOMC minutes are unlikely to shed any light on future monetary policy decisions, but we may see some differences of opinion among senior Fed officials.

Indices

	Last	Last Week	YTD return %
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DJIA	29423.31	29379.77	3.10%
NASDAQ	9711.97	9572.16	8.24%
S&P 500	3373.94	3345.78	4.43%
MSCI EAFE	2033.74	2037.82	-0.16%
Russell 2000	1693.74	1677.46	1.51%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.75	5.50
Fed Funds	1.75	2.40
30-year mortgage	3.50	4.46

Currencies

	Last	1 year ago
Dollars per British Pound	1.305	1.280
Dollars per Euro	1.084	1.130
Japanese Yen per Dollar	109.82	110.48
Canadian Dollars per Dollar	1.327	1.330
Mexican Peso per Dollar	18.599	19.257

Commodities

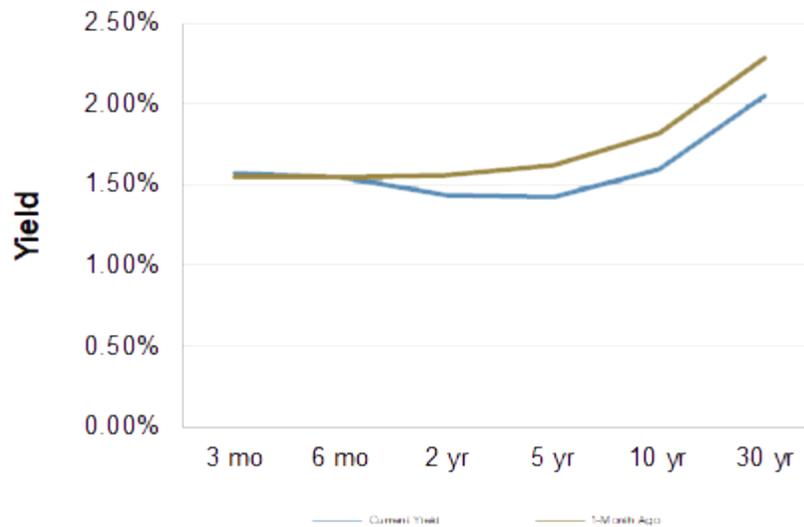
	Last	1 year ago
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Crude Oil	51.42	54.41
Gold	1578.80	1313.90

Bond Rates

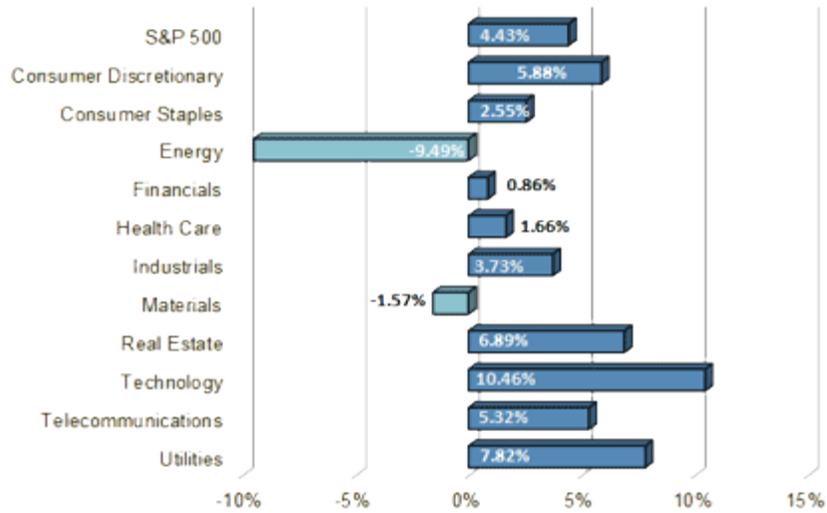
	Last	1 month ago
2-year treasury	1.43	1.56
10-year treasury	1.60	1.82
10-year municipal (TEY)	1.88	2.02

Treasury Yield Curve – 02/14/2020



As of close of business 02/13/2020

S&P Sector Performance (YTD) – 02/14/2020



As of close of business 02/13/2020

Economic Calendar

February 17	—	Presidents Day Holiday (markets closed)
February 18	—	Homebuilder Sentiment (February)
February 19	—	Producer Price Index (January)
	—	Building Permits, Housing Starts (January)
	—	FOMC Minutes (January 28-29)
February 20	—	Jobless Claims (week ending February 15)
	—	Leading Economic Indicators (January)

February 21	—	Existing Home Sales (January)
February 25	—	CB Consumer Confidence Index (February)
February 27	—	Real GDP (4Q19, 2nd estimate)
February 27	—	Durable Goods Orders (January)
March 2	—	ISM Manufacturing Index (February)
March 6	—	Employment Report (February)
March 18	—	FOMC Policy Decision
April 29	—	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 February 13, 2020.