

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

JANUARY 17, 2020

Market Commentary

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The initiation of impeachment proceedings in the Senate did not matter much to investors. Neither did the economic data reports, which were mixed.

The Fed's Beige Book noted that *"economic activity generally continued to expand modestly in the final six weeks of 2019."* Employment was *"steady to rising modestly"* in most districts, as *"widespread labor shortages"* constrained job growth.

Retail sales improved in December, but core sales had declined in the three previous months, implying a slower pace of consumer spending growth in 4Q19. Industrial production fell, reflecting a drop in the output of utilities (moderate temperatures). Manufacturing output rose 0.2%, despite a 4.6% decline in auto production (up 0.5% ex-autos). Building permits and housing starts were mixed in December, both up sharply from a year ago (when activity sagged). CPI figures were a bit lower than expected, up 2.3% y/y (overall and ex-f&e).

Next week, the economic calendar thins out. The Index of Leading Economic Indicators will likely carry the most weight. It's a published formula and most of the components are known. A temporary increase in jobless claims, low ISM New Orders, and a decrease in building permits will push the LEI down. Earnings season will continue. President Trump will be at Davos, Switzerland, while his impeachment trial continues in the Senate.

Indices

	Last	Last Week	YTD return %
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DJIA	29297.64	28956.90	2.66%
NASDAQ	9357.13	9203.43	4.29%
S&P 500	3316.81	3274.70	2.66%
MSCI EAFE	2048.65	2036.11	0.58%
Russell 2000	1705.22	1664.99	2.20%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.75	5.50
Fed Funds	1.75	2.40
30-year mortgage	3.68	4.59

Currencies

	Last	1 year ago
Dollars per British Pound	1.308	1.299
Dollars per Euro	1.114	1.139
Japanese Yen per Dollar	110.16	109.26
Canadian Dollars per Dollar	1.304	1.328
Mexican Peso per Dollar	18.784	19.017

Commodities

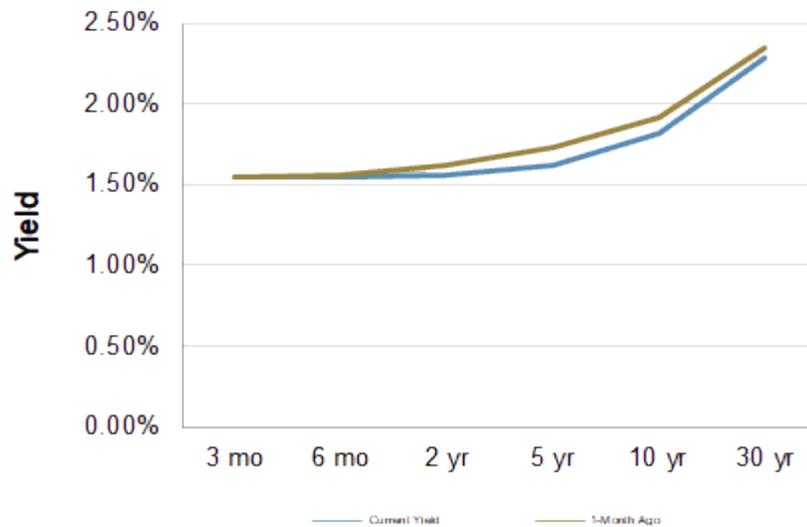
	Last	1 year ago
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Crude Oil	58.52	52.07
Gold	1550.50	1292.30

Bond Rates

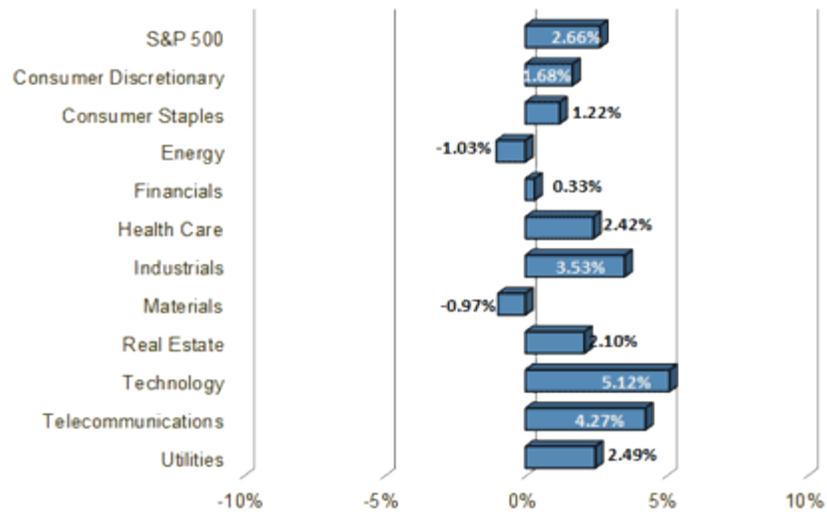
	Last	1 month ago
2-year treasury	1.56	1.62
10-year treasury	1.82	1.91
10-year municipal (TEY)	2.02	2.29

Treasury Yield Curve – 01/17/2020



As of close of business 01/16/2020

S&P Sector Performance (YTD) – 01/17/2020



As of close of business 01/16/2020

Economic Calendar

January 20	—	MLK Day (markets closed)
	—	IMF World Economic Outlook (Davos)
January 22	—	Existing Home Sales (December)
January 23	—	Jobless Claims (week ending January 18)
	—	Index of Leading Economic Indicators (December)
January 28	—	Durable Goods (December)
	—	CB Consumer Confidence (January)

January 29	—	FOMC Policy Decision
January 30	—	Real GDP (4Q19, advance estimate)
February 2	—	Super Bowl LIV
February 3	—	ISM Manufacturing Index (January)
	—	Iowa Caucus
February 7	—	Employment Report (January)
February 14	—	Retail Sales (January)
February 17	—	Presidents Day Holiday (markets closed)

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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 January 16, 2020.