

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

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Market Commentary

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Stock market participants were encouraged by the sharp (but partial) rebound in retail sales in May, but discouraged by reports of increased cases of COVID-19 in a number of states.

Fed Chair Powell's semiannual monetary policy testimony covered no new ground. Powell recognized recent signs of stabilization in the economy, but noted that "the levels of output and employment remain far below their pre-pandemic levels, and significant uncertainty remains about the timing and strength of the recovery."

Retail sales jumped 17.7% last month, down 6.1% from a year ago. Industrial production rose 1.4% in May, held down by lower output of utilities and a decline in energy exploration – manufacturing output advanced 3.8%, after falling 15.7% in April. The Conference Board's Index of Leading Economic Indicators rose 2.8% in May, following -7.5% in March and -6.1% in April, led by lower jobless claims (in comparison to the elevated rate in April). Single-family building permits rose 11.9%, following a 33% decline over the two previous months. Jobless claims declined to 1.508 million in the week ending June 13 (still high), with continuing claims down only modestly in the previous week.

Next week, the third estimate of 1Q20 GDP growth is expected to be little changed (it was -5.0% in the second estimate). Durable goods orders should rebound in May, following large cancellations of aircraft orders in March and April, but watch shipments, which should give us a view of business fixed investment in 3Q20. Recovery rebate checks and deposits boosted personal income in April, even as wage income sank – we should see that reverse in May. Personal spending should have risen last month, echoing the bounce seen in retail sales (but note that two-thirds of consumer spending is services).

Indices

	Last	Last Week	YTD return %
DJIA	26080.10	25128.17	-8.61%
NASDAQ	9943.05	9492.73	10.82%
S&P 500	3115.34	3002.10	-3.57%
MSCI EAFE	1801.43	1789.20	-11.56%
Russell 2000	1427.08	1356.22	-14.47%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.50
Fed Funds	0.00	2.36
30-year mortgage	2.99	3.79

Currencies

	Last	1 year ago
Dollars per British Pound	1.242	1.264
Dollars per Euro	1.121	1.123
Japanese Yen per Dollar	106.97	108.10
Canadian Dollars per Dollar	1.360	1.328
Mexican Peso per Dollar	22.753	19.016

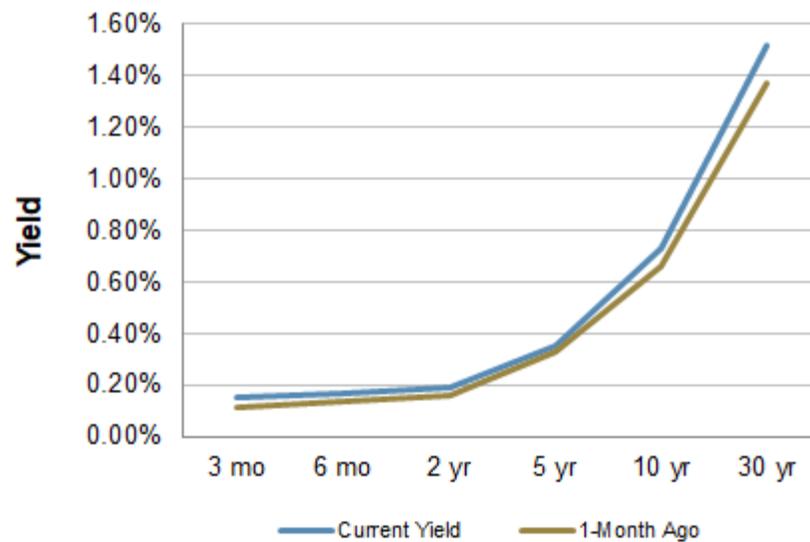
Commodities

	Last	1 year ago
Crude Oil	38.84	53.76
Gold	1731.10	1348.80

Bond Rates

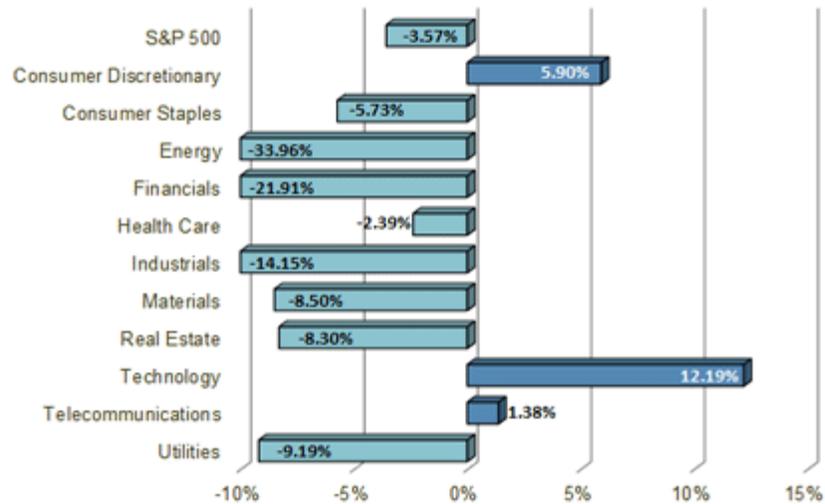
	Last	1 month ago
2-year treasury	0.20	0.16
10-year treasury	0.74	0.66
10-year municipal (TEY)	1.30	1.37

Treasury Yield Curve – 06/19/2020



As of close of business 06/18/2020

S&P Sector Performance (YTD) – 06/19/2020



As of close of business 06/18/2020

Economic Calendar

June 22	—	Existing Home Sales (May)
June 23	—	New Home Sales (May)
June 24	—	IMF World Economic Outlook (update)
June 25	—	Jobless Claims (week ending June 20)
	—	Real GDP (1Q20, 3rd estimate)
	—	Durable Goods Orders (May)

June 26	—	Personal Income and Spending (May)
	—	UM Consumer Sentiment (June)
June 30	—	CB Consumer Confidence (June)
July 1	—	ADP Payrol Estimate (June)
	—	ISM Manufacturing Index (June)
July 2	—	Employment Report (June)
July 3	—	Independence Day Holiday (observed)
July 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 June 18, 2020.