

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**JULY 2, 2020**

**Market Commentary**

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

Nonfarm payrolls rose by 4.8 million in the initial estimate for June, following a 2.7 million gain in May, still down 14.6 million (-11.0%) from February. Strong rebounds were recorded in areas hit hardest by the pandemic (leisure & hospitality, retail, construction, and manufacturing) – although still far below pre-pandemic levels. The unemployment rate fell to 11.1%, with a smaller under-reporting from misclassifications than in recent months. While the number on temporary layoffs fell, those on permanent layoffs picked up.

Other economic data reports remained consistent with a sharp-but-partial rebound from a steep drop in economic activity in March and April. The ISM Manufacturing Index rose to 52.6 in June, from 43.1 in May, with moderate gains in new orders and production, suggesting that manufacturing activity has turned the corner (although far from recovered). The Conference Board's Consumer Confidence Index rose to 98.1, from May's 85.9, but the survey was mostly before the recent rise in COVID-19 cases. Initial claims for unemployment benefits edged down to 1.427 million in the week ending June 27, still elevated. U.S. exports fell sharply in May (-32.1% y/y).

Minutes of the June 9-10 FOMC meeting showed that Federal Reserve officials were concerned about the economy and were prepared to do more to support the recovery.

Next week, the economic calendar thins out. The ISM Non-Manufacturing Index is expected to be less weak in June. The Producer Price Index should reflect higher wholesale gasoline prices, with core inflation remaining mild. Jobless claims, still elevated in recent weeks, will bear watching.

**Indices**

	Last	Last Week	YTD return %
DJIA	25734.97	25745.60	-9.82%
NASDAQ	10154.63	10017.00	13.17%
S&P 500	3115.86	3083.76	-3.56%
MSCI EAFE	1783.59	1780.69	-12.44%
Russell 2000	1427.31	1413.32	-14.45%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.50
Fed Funds	0.00	2.36
30-year mortgage	2.94	3.77

### Currencies

	Last	1 year ago
Dollars per British Pound	1.2475	1.259
Dollars per Euro	1.1251	1.129
Japanese Yen per Dollar	107.47	107.88
Canadian Dollars per Dollar	1.359	1.311
Mexican Peso per Dollar	22.699	19.051

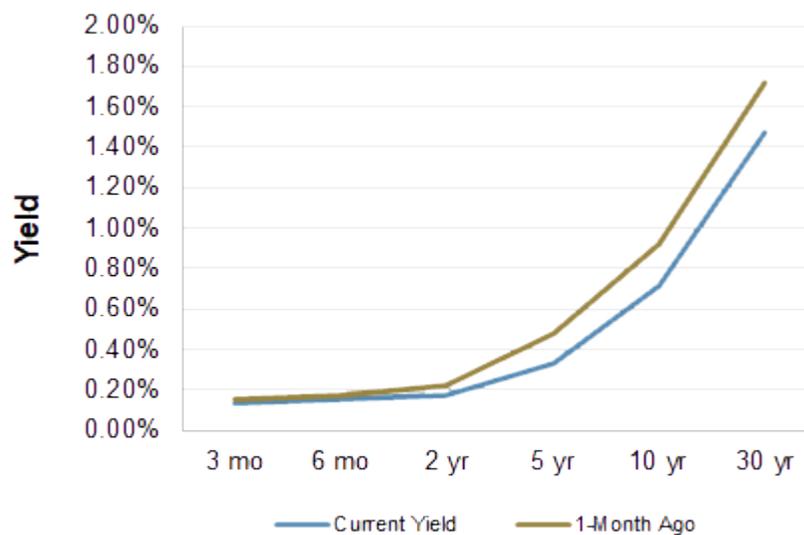
### Commodities

	Last	1 year ago
Crude Oil	39.82	56.25
Gold	1779.90	1408.00

### Bond Rates

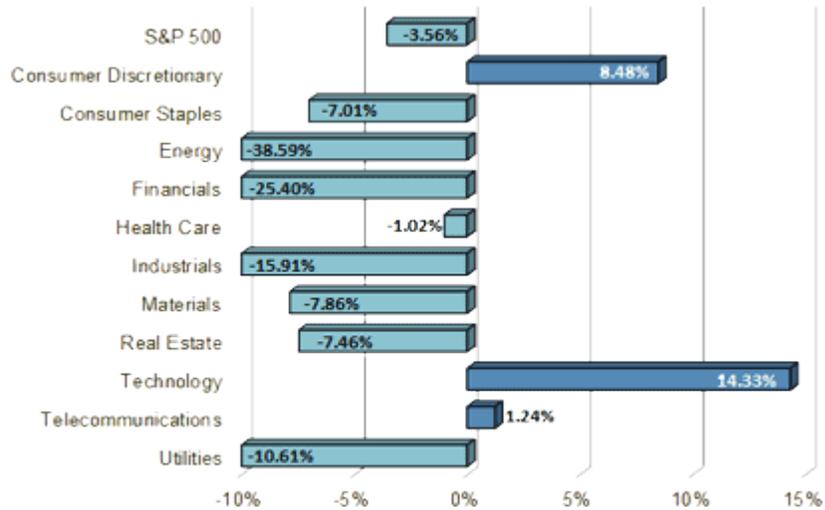
	Last	1 month ago
2-year treasury	0.17	0.22
10-year treasury	0.71	0.92
10-year municipal (TEY)	1.32	1.31

### Treasury Yield Curve – 07/02/2020



As of close of business 07/01/2020

## S&P Sector Performance (YTD) – 07/02/2020



As of close of business 07/01/2020

## Economic Calendar

- July 6 — ISM Non-Manufacturing Index (June)
- July 9 — Jobless Claims (week ending July 4)
- July 10 — Producer Price Index (June)
- July 14 — Consumer Price Index (June)
- July 15 — Industrial Production (June)  
— Fed Beige Book

<b>July 16</b>	—	Retail Sales (June)
<b>July 17</b>	—	Building Permits, Housing Starts (June)
<b>July 29</b>	—	FOMC Policy Decision
<b>July 30</b>	—	Real GDP (2Q20, adv. est., benchmark revisions)
<b>July 30</b>	—	Employment Report (July)

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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.

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