

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

JULY 17, 2020

Market Commentary

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The mid-month economic data reports were consistent with a strong but partial rebound from pandemic-related weakness. However, COVID-19 cases continued to rise, creating more risk for the economic outlook. Stock market action was mixed as earnings reports began to arrive.

Retail sales rose 7.5% in June, a stronger gain than expected, with the total now down just 0.6% since February. Motor vehicle sales rose 8.2%, up 4.8% from February (reflecting pent-up demand from March and April). Proprietary weekly data indicate lower retail sales in July. Industrial production rose 5.4% in June (-10.8% y/y), held down by a further decline in oil and gas well drilling. Manufacturing output rose 7.4% (-11.0% y/y), led by a further rebound in motor vehicle production, although gains were widespread across industries. Jobless claims were little changed at 1.3 million in the week ending July 11, consistent with prolonged weakness in the job market. The Fed's Beige Book noted that economic activity improved "but remained well below where it was prior to the COVID-19 pandemic."

Next week, the economic calendar thins. The Index of Leading Economic Indicators should post a strong gain in June, with positive contributions led by the decrease in jobless claims. Existing home sales are expected to have improved. New home sales are erratic but may pull back after a sharp gain in May (watch for revisions). Jobless claims have remained elevated in recent weeks, signaling more prolonged weakness in job market conditions.

Indices

	Last	Last Week	YTD return %
DJIA	26734.71	25706.09	-6.32%
NASDAQ	10473.83	10547.75	16.73%
S&P 500	3215.57	3152.05	-0.47%
MSCI EAFE	1852.56	1805.62	-9.05%
Russell 2000	1467.56	1398.92	-12.04%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.50
Fed Funds	0.00	2.37
30-year mortgage	2.89	3.89

Currencies

	Last	1 year ago
Dollars per British Pound	1.2553	1.243
Dollars per Euro	1.1384	1.122
Japanese Yen per Dollar	107.27	107.95
Canadian Dollars per Dollar	1.357	1.303
Mexican Peso per Dollar	22.447	19.065

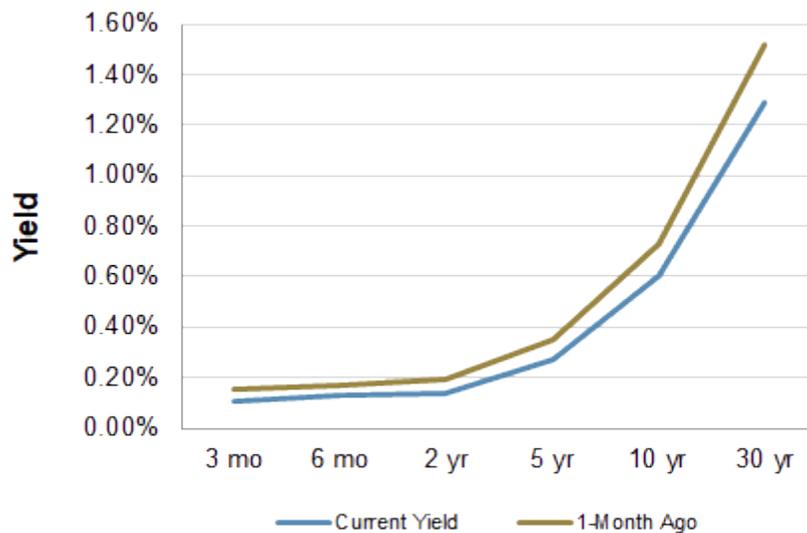
Commodities

	Last	1 year ago
Crude Oil	40.75	56.78
Gold	1800.30	1423.30

Bond Rates

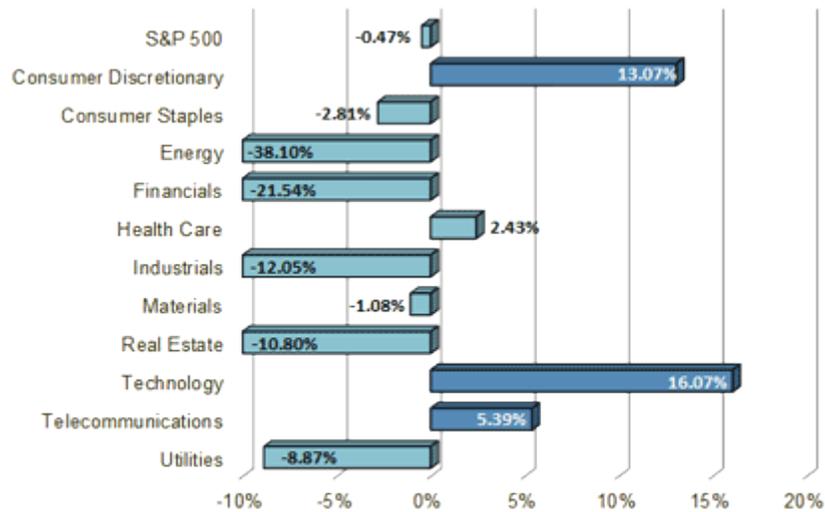
	Last	1 month ago
2-year treasury	0.14	0.18
10-year treasury	0.60	0.67
10-year municipal (TEY)	1.15	1.32

Treasury Yield Curve – 07/17/2020



As of close of business 07/16/2020

S&P Sector Performance (YTD) – 07/17/2020



As of close of business 07/16/2020

Economic Calendar

- July 22 — Existing Home Sales (June)
- July 23 — Jobless Claims (week ending July 18)
— Leading Economic Indicators (June)
- July 24 — New Home Sales (June)
- July 27 — Durable Goods Orders (June)
- July 28 — CB Consumer Confidence (July)

July 29	—	FOMC Policy Decision, Powell Press Conference
July 30	—	Real GDP (2Q20, adv. est., benchmark revisions)
July 31	—	Employment Cost Index (2Q20)
	—	Personal Income and Spending (June)
August 3	—	ISM Manufacturing Index (July)
August 7	—	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.

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 July 16, 2020.