

RAYMOND JAMES

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**JULY 31, 2020**

**Market Commentary**

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

Real GDP fell 9.5% in 2Q20 (a -32.9% annual rate), by far the steepest decline on record. Weakness was broad-based, but especially pronounced in consumer services, transportation equipment, and energy exploration. Personal income figures were mixed in June, but spending rose 5.6%, pointing to strong growth in 3Q20. Durable goods orders were stronger than expected in June, reflecting a sharp increase in motor vehicles. The Conference Board's Consumer Confidence Index declined, with a sharp pandemic-related drop in expectations.

The Federal Open Market Committee left short-term interest rates unchanged – no surprise. The policy statement was a near photocopy of the one in June, but added that “the path of the economy will depend significantly on the course of the virus.” In his press conference, Chair Powell noted the increase in COVID-19 cases and cautioned that “we have seen some signs in recent weeks that the increase in virus cases and the renewed measures to control it are starting to weigh on economic activity.” He stressed the need for ongoing government support.

Next week, July economic figures begin to arrive, with a focus on the ISM surveys and the employment report. Investors tend to focus on the headline payroll figure, but there's often a lot going on under the surface, particularly now. Some of the jobs lost in March and April should continue to come back in July, as they did in May and June. However, the elevated trend in weekly jobless claims suggests that there are ongoing job losses in the broader economy. There is a lot of uncertainty in the monthly figures, especially in July, when we typically shed 1.3 million education jobs. Many of those jobs were likely lost earlier this year, which would result in a seasonally adjusted increase in July.

**Indices**

	Last	Last Week	YTD return %
DJIA	26313.65	26652.33	-7.80%
NASDAQ	10587.81	10461.42	18.00%
S&P 500	3246.22	3235.66	0.48%
MSCI EAFE	1845.95	1875.42	-9.38%
Russell 2000	1495.10	1490.20	-10.39%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.50
Fed Funds	0.00	2.37
30-year mortgage	2.88	3.77

### Currencies

	Last	1 year ago
Dollars per British Pound	1.3096	1.216
Dollars per Euro	1.1847	1.108
Japanese Yen per Dollar	104.73	108.78
Canadian Dollars per Dollar	1.342	1.319
Mexican Peso per Dollar	22.024	19.148

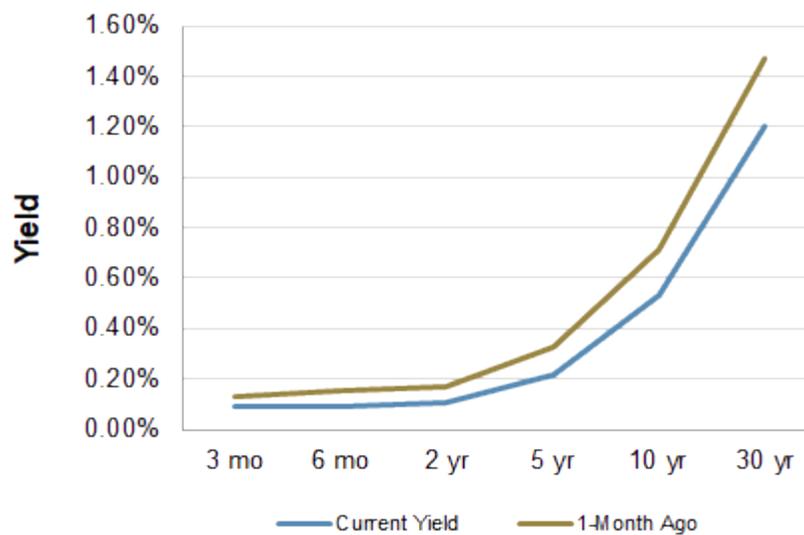
### Commodities

	Last	1 year ago
Crude Oil	39.92	58.58
Gold	1966.80	1437.80

### Bond Rates

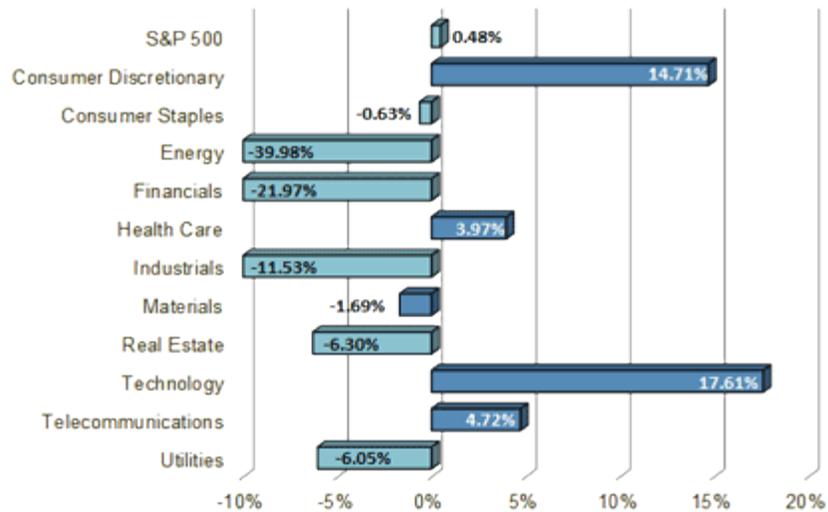
	Last	1 month ago
2-year treasury	0.11	0.17
10-year treasury	0.53	0.71
10-year municipal (TEY)	1.02	1.32

### Treasury Yield Curve – 07/31/2020



As of close of business 07/30/2020

## S&P Sector Performance (YTD) – 07/31/2020



As of close of business 07/30/2020

## Economic Calendar

<b>August 3</b>	—	Construction Spending (June)
	—	ISM Manufacturing Index (July)
<b>August 4</b>	—	Motor Vehicle Sales (July)
	—	Factory Orders (June)
<b>August 5</b>	—	ADP Payroll Estimate (July)
	—	Trade Balance (June)

	—	ISM Non-Manufacturing Index (July)
<b>August 6</b>	—	Jobless Claims (week ending August 1)
<b>August 7</b>	—	Employment Report (July)
<b>August 12</b>	—	Consumer Price Index (July)
<b>August 14</b>	—	Retail Sales (July)
	—	Industrial Production (July)
<b>August 18</b>	—	Building Permits, Housing Starts (July)
<b>September 7</b>	—	Labor Day Holiday (markets closed)
<b>September 16</b>	—	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.

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