

## RAYMOND JAMES

# WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**OCTOBER 23, 2020**

### **Market Commentary**

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

The Fed's Beige Book reported that overall growth was characterized as "slight to modest" in most areas of the country, although "changes in activity varied greatly by sector." Job growth "remained slow," as "firms continued to report new furloughs and layoffs," with firms adjusting to their employees' health and childcare concerns. Overall, inflation was "modest," although input costs were generally rising faster than consumer prices.

Jobless claims fell to 787,000 in the week ending October 17, with a 56,000 downward revision to the previous week, partly reflecting a resumption of claims processing in California (which had been on pause). The Conference Board's Index of Leading Economic Indicators rose 0.7%, while the coincident index rose 0.2%, suggesting that the post-pandemic recovery in economic activity may be slowing. Single-family residential construction figures were stronger than anticipated in September and existing home sales exceeded expectations.

Next week, the economic calendar is busy, but the focus is likely to be on the advance GDP estimate. GDP is expected to have risen at a 30.0% to 35.0% annual rate (a record gain, following -5.0% in 1Q20 and -31.4% in 2Q20), led by a rebound in consumer spending. However, that would still leave us around 4% lower than in 4Q19 (and about 5% below the previous trend). Quarterly income and spending figures will be included in the GDP report, but the monthly figures will help to gauge the loss of momentum heading into 4Q20.

### **Indices**

	Last	Last Week	YTD return %
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DJIA	28363.66	28494.20	-0.61%
NASDAQ	11506.01	11713.87	28.23%
S&P 500	3453.49	3483.34	6.89%
MSCI EAFE	1874.07	1870.47	-8.00%
Russell 2000	1630.25	1638.88	-2.29%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.00
Fed Funds	0.08	1.80
30-year mortgage	3.03	3.80

### Currencies

	Last	1 year ago
Dollars per British Pound	1.3083	1.291
Dollars per Euro	1.1818	1.113
Japanese Yen per Dollar	104.86	108.690
Canadian Dollars per Dollar	1.314	1.307
Mexican Peso per Dollar	20.981	19.116

### Commodities

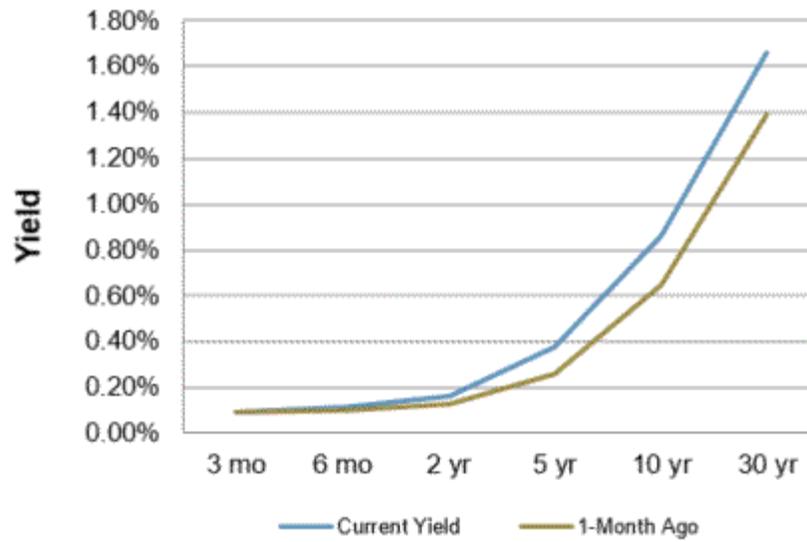
	Last	1 year ago
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Crude Oil	40.64	55.97
Gold	1904.60	1495.70

### Bond Rates

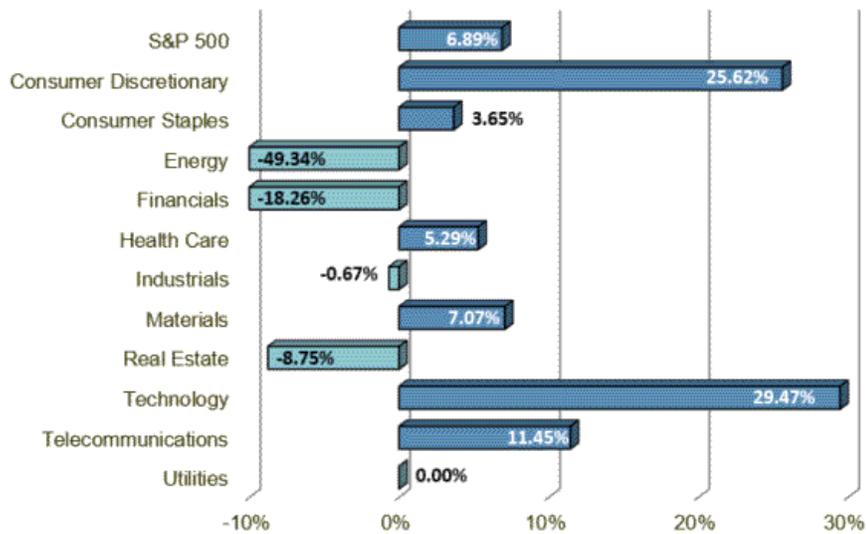
	Last	1 month ago
2-year treasury	0.16	0.13
10-year treasury	0.86	0.65
10-year municipal (TEY)	1.46	1.26

### Treasury Yield Curve – 10/23/2020



As of close of business 10/22/2020

### S&P Sector Performance (YTD) – 10/23/2020



As of close of business 10/22/2020

## Economic Calendar

<b>October 26</b>	—	New Home Sales (September)
<b>October 27</b>	—	Durable Goods Orders (September)
	—	CB Consumer Confidence (October)
<b>October 28</b>	—	Advance Economic Indicators (September)
<b>October 29</b>	—	Jobless Claims (week ending October 24)
	—	Real GDP (3Q20, advance estimate)
	—	Employment Cost Index (3Q20)
	—	Pending Home Sales (September)
<b>October 30</b>	—	Personal Income and Spending (September)

- Chicago Business Barometer (October)
- UM Consumer Sentiment (October)
- November 2** — ISM Manufacturing Index (October)
- November 3** — Election Day
- November 5** — FOMC Policy Decision
- November 6** — Employment Report (October)

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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 October 22, 2020.