

RAYMOND JAMES

WEEKLY
MARKETSSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

DECEMBER 4, 2020

Market Commentary

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The November Employment Report was somewhat disappointing. Nonfarm payrolls advanced by 245,000, reflecting the loss of 93,000 temporary census workers, further reductions in state and local government, and more limited seasonal hiring in retail. The economy has added 12.3 million jobs since April, but we remain 9.8 million (6.4%) below the February level. The unemployment rate fell to 6.7% (from 6.9%), but the figure understates the weakness in labor market conditions.

The Fed Beige Book described the economic expansion as “modest to moderate in most areas of the country.” Banking contacts reported some deterioration of loan portfolios, particularly for commercial lending into the retail and leisure and hospitality sectors. Firms that were hiring continued to report difficulties in attracting and retaining workers. The ISM surveys reflected strong growth in November, but at a somewhat slower pace. Both reports noted pandemic-related increases in input costs and concerns about the current surge in COVID-19 cases.

Next week, the economic calendar thins and investors will be more focused on COVID-19 and the prospects for federal fiscal support. The Consumer Price Index is expected to reflect a dip in gasoline prices (which normally rise in November). Core inflation should be moderate. Virus-related supply chain issues have added to input costs, but there appears to be little pass-through to the consumer. Pipeline pressures may be more noticeable in the PPI report.

Indices

	Last	Last Week	YTD return %
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DJIA	29969.52	29483.23	5.01%
NASDAQ	12377.18	11904.71	37.94%
S&P 500	3666.72	3581.87	13.49%
MSCI EAFE	2096.28	2026.37	2.91%
Russell 2000	1848.70	1784.13	10.80%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	4.75
Fed Funds	0.08	1.54
30-year mortgage	2.82	3.79

Currencies

	Last	1 year ago
Dollars per British Pound	1.345	1.347
Dollars per Euro	1.2144	1.108
Japanese Yen per Dollar	103.84	108.86
Canadian Dollars per Dollar	1.286	1.320
Mexican Peso per Dollar	19.896	19.435

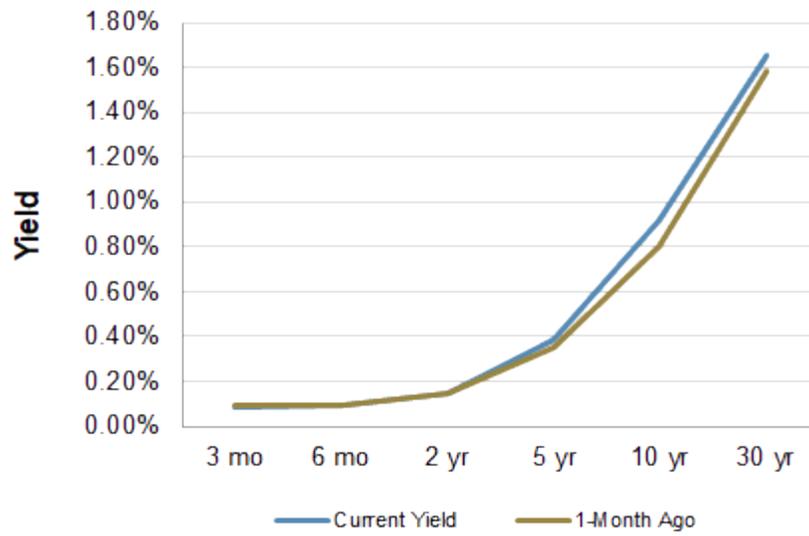
Commodities

	Last	1 year ago
Crude Oil	45.64	58.43
Gold	1841.10	1480.20

Bond Rates

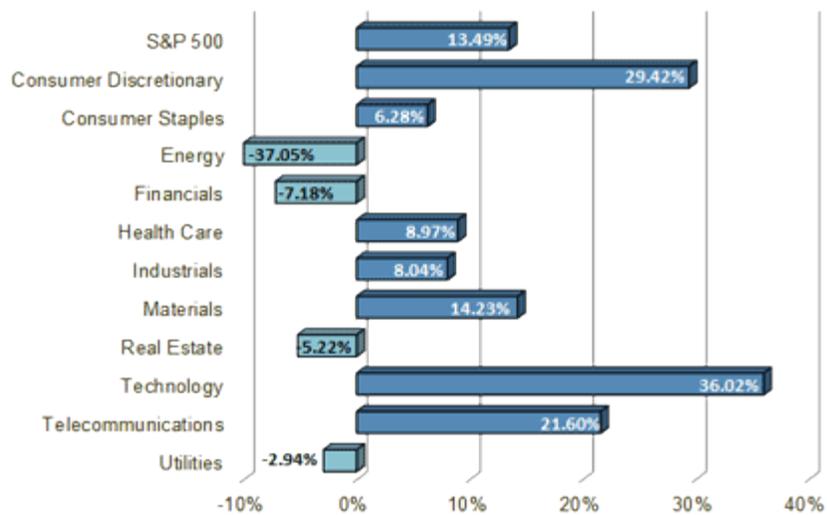
	Last	1 month ago
2-year treasury	0.15	0.15
10-year treasury	0.92	0.80
10-year municipal (TEY)	1.09	1.28

Treasury Yield Curve – 12/04/2020



As of close of business 12/03/2020

S&P Sector Performance (YTD) – 12/04/2020



As of close of business 12/03/2020

Economic Calendar

December 10	—	Jobless Claims (week ending December 5)
	—	Consumer Price Index (November)
December 11	—	Producer Price Index (November)
	—	UM Consumer Sentiment (mid-December)
December 15	—	
December 16	—	Retail Sales (November)
	—	FOMC Policy Decision

	—	Building Permits, Housing Starts (November)
December 25	—	Christmas (markets closed)
January 1	—	New Year's Day (markets closed)
January 5	—	Georgia Runoff Elections
January 8	—	Employment Report (December)

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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 December 3, 2020.