

WEEKLY MARKETS SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

APRIL 17, 2020

Market Commentary

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COVID-19 has affected data collection for key economic reports, making the reported data somewhat suspect. However, the direction is clear. Looking through the noise, it appears that the economy contracted in the first quarter and 2Q20 will be much worse. However, stock market participants have been more focused on the prospects for ending social distancing and getting the economy back to normal.

Retail sales were reported to have fallen 8.7% (-6.2% y/y) in March – down at a 9.2% annual rate in 1Q20 (relative to 4Q19). Grocery stores, online shopping and (implicitly) warehouse clubs did well, but department stores, clothing stores and auto dealers suffered badly.

Industrial production fell 5.4% in March, with manufacturing output down 6.3% (-6.4% y/y) – down at a 7.1% annual rate in 1Q20. Single-family housing permits fell 12.0% (following strong gains in January and February). The Conference Board's Index of Leading Economic Indicators posted its largest decline ever.

Jobless claims fell to “only” 5.245 million in the week ending April 11. Prior to seasonal adjustment, 20.1 million people (more than 12% of the labor force) have filed a claim in the last four weeks.

Next week, jobless claims will remain the key economic data report to watch (these figures are timely and relatively accurate). Home sales are expected to have fallen in May. Durable goods orders should see a large decline, with a bigger drop likely in April. The UM Consumer Sentiment figure fell sharply in late March and early April. A further decline is expected in the full-month reading.

Indices

	Last	Last Week	YTD return %
DJIA	23537.68	23433.57	-17.52%
NASDAQ	8532.36	8090.90	-4.91%

S&P 500	2799.55	2749.98	-13.35%
MSCI EAFE	1582.04	1581.06	-22.33%
Russell 2000	1178.09	1191.66	-29.39%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.50
Fed Funds	0.00	2.40
30-year mortgage	3.38	4.37

Currencies

	Last	1 year ago
Dollars per British Pound	1.246	1.304
Dollars per Euro	1.084	1.130
Japanese Yen per Dollar	107.92	112.06
Canadian Dollars per Dollar	1.408	1.334
Mexican Peso per Dollar	24.023	18.821

Commodities

	Last	1 year ago
Crude Oil	19.87	63.76
Gold	1731.70	1276.80

Bond Rates

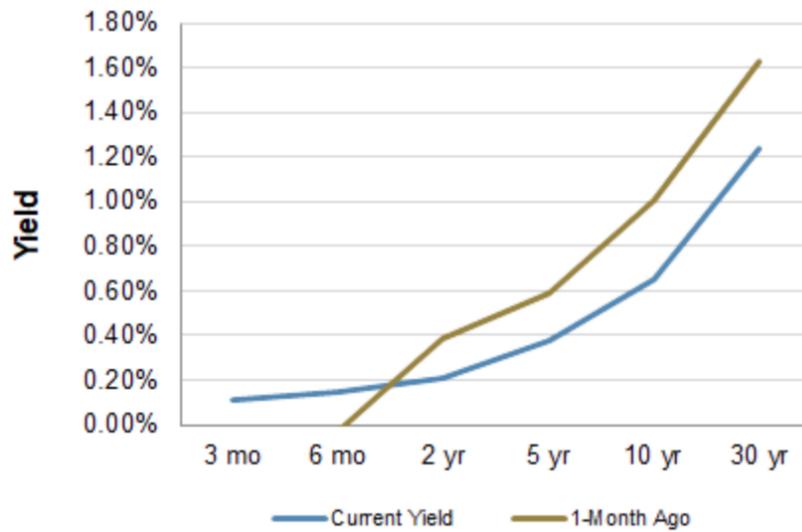
	Last	1 month ago
2-year treasury	0.21	0.38
10-year treasury	0.65	1.00

10-year municipal (TEY)

1.78

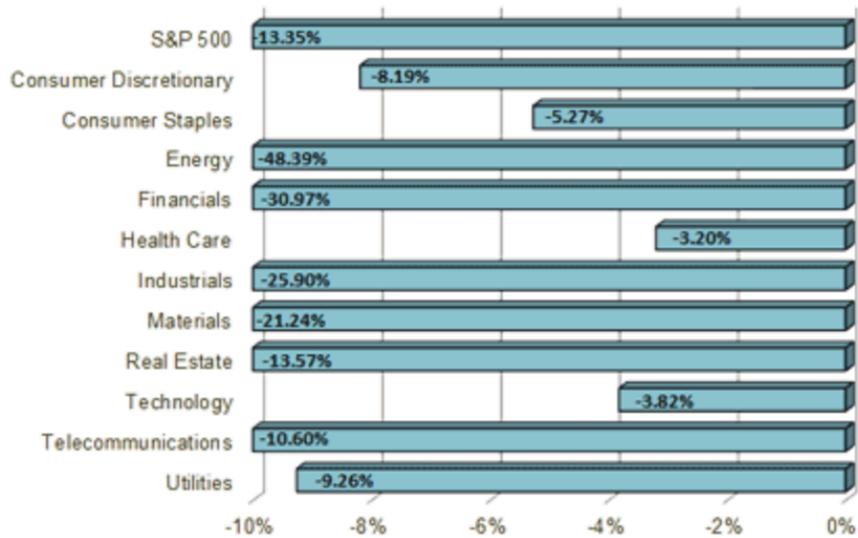
3.68

Treasury Yield Curve – 04/17/2020



As of close of business 04/16/2020

S&P Sector Performance (YTD) – 04/17/2020



As of close of business 04/16/2020

Economic Calendar

April 21	—	Existing Home Sales (March)
April 22	—	Jobless Claims (week ending April 18)
	—	New Home Sales
April 24	—	Durable Goods Orders (March)
	—	UM Consumer Sentiment (April)
April 28	—	CB Consumer Confidence (April)
April 29	—	Real GDP (1Q20, advance estimate)
	—	FOMC Policy Decision
	—	Powell Press Conference
April 30	—	Jobless Claims (week ending April 25)
	—	Personal Income and Spending (March)
May 1	—	ISM Manufacturing Index (April)
May 8	—	Employment Report (April)

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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 April 16, 2020.

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