

WEEKLY MARKETS SNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

APRIL 3, 2020

Market Commentary

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Initial claims for unemployment benefits rose to 6.65 million in the week ending March 28, up from 3.31 million in the previous week (the previous record for one week had been 695,000, set in 1982). That's nearly 10 million in two weeks, more than in the first six months of the 2007-09 recession. It is also more than 6% of the labor force.

Nonfarm payrolls fell by 701,000 in the initial estimate for March. The payroll survey is for the pay period that includes the 12th – so this report missed the sharper weakness in the final two weeks. However, seasonal adjustment amplified the decline in jobs seen in the first half of the month (unadjusted payrolls fell by 251,000). The unemployment rate rose to 4.4% (from a 50-year low of 3.5% in February), but will rise a lot more in the report for April (due May 8).

The ISM surveys for March were not as bad as feared (manufacturing: 49.1, non-manufacturing 52.5), but virus-related delays in deliveries added 3 points to each index. Unit motor vehicle sales fell 32%, to an 11.4 million seasonally adjusted annual rate in March (vs. 16.7 million in February).

Next week, jobless claims will remain the key economic data report to watch, and we can expect another gigantic number (and note that we haven't seen the wider eligibility from the CARES Act kick in yet). Wednesday's FOMC minutes from the March 15 policy meeting should give us a picture of what the Fed was worried about at that time (and the Fed's done a lot since that meeting). The financial markets will be closed for the Good Friday holiday, but the Bureau of Labor Statistics doesn't have the day off and will issue the March Consumer Price Index (which should reflect a sharp drop in gasoline prices).

Indices

	Last	Last Week	YTD return %
DJIA	21413.44	22552.17	-24.97%
NASDAQ	7487.31	7797.54	-16.55%

S&P 500	2526.90	2630.07	-21.79%
MSCI EAFE	1506.66	1561.60	-26.03%
Russell 2000	1085.81	1180.32	-34.92%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	5.50
Fed Funds	0.00	2.40
30-year mortgage	3.62	4.30

Currencies

	Last	1 year ago
Dollars per British Pound	1.240	1.316
Dollars per Euro	1.086	1.123
Japanese Yen per Dollar	107.91	111.49
Canadian Dollars per Dollar	1.414	1.335
Mexican Peso per Dollar	24.260	19.220

Commodities

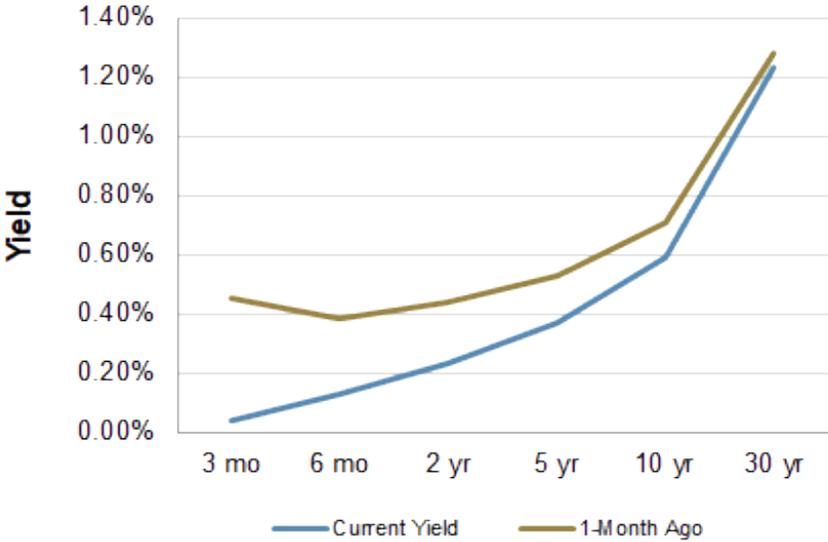
	Last	1 year ago
Crude Oil	25.32	62.46
Gold	1637.70	1295.30

Bond Rates

	Last	1 month ago
2-year treasury	0.23	0.44
10-year treasury	0.59	0.71

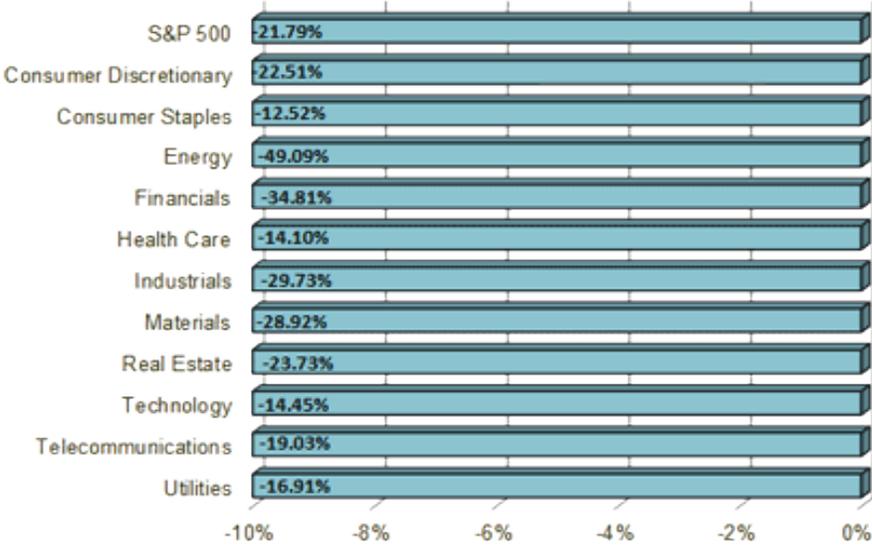
10-year municipal (TEY)	2.83	1.51
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Treasury Yield Curve – 04/03/2020



As of close of business 04/02/2020

S&P Sector Performance (YTD) – 04/03/2020



As of close of business 04/02/2020

Economic Calendar

April 6	—	NCAA Final (in some alternative universe)
April 8	—	FOMC Minutes (March 15)
April 9	—	Jobless Claims (week ending March 4)
	—	Producer Price Report (March)
	—	UM Consumer Sentiment (mid-April)
April 10	—	Good Friday Holiday (markets closed)
	—	Consumer Price Index (March)
April 15	—	Retail Sales (March)
	—	Industrial Production (March)
	—	Fed Beige Book
April 24	—	Durable Goods Orders (March)
April 29	—	Real GDP (1Q20, advance estimate)
	—	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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