

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

MARCH 5, 2021

Market Commentary

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In an online discussion, Fed Chair Powell repeated that the central bank is a long way from achieving its inflation and employment goals (implying no change in short-term rates or the money pace of asset purchases anytime soon). Asked about the recent rise in bond yields, Powell said, "I don't want to be the judge of a particular level of long-term interest rates," but he added that he "would be concerned by disorderly conditions in markets or a persistent tightening in financial conditions broadly that threatens the achievement of our goals."

Nonfarm payrolls rose more than expected in February (+379,000 overall, +465,000 private), despite the impact of poor weather. However, we are about 9.5 million jobs below where we were a year ago, and we would have added up to two million more jobs if not for the pandemic, leaving us a very long way from full employment. The unemployment rate edged down to 6.2%, but the broader U-6 measure remained at 11.1%.

Next week, Fed officials are in the quiet period ahead of next week's Federal Open Market Committee meeting, but inflation concerns are likely to remain an issue for financial market participants. The Consumer Price Index is expected to reflect higher gasoline prices in February, but core inflation is likely to remain low, due largely to modest gains in homeowners' equivalent rent. Pipeline inflation pressures should be more evident in the PPI, but it takes a very large increase in commodity prices to have even a small impact on inflation at the consumer level.

Indices

	Last	Last Week	YTD return %
DJIA	30924.14	31402.01	1.04%
NASDAQ	12723.47	13119.43	-1.28%
S&P 500	3768.47	3829.24	0.33%
MSCI EAFE	2233.61	2233.61	4.01%
Russell 2000	2146.92	2200.17	8.71%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	4.75
Fed Funds	0.08	1.58
30-year mortgage	3.22	3.15

Currencies

	Last	1 year ago
Dollars per British Pound	1.3895	1.295
Dollars per Euro	1.1969	1.124
Japanese Yen per Dollar	107.98	106.16
Canadian Dollars per Dollar	1.267	1.341
Mexican Peso per Dollar	21.126	19.846

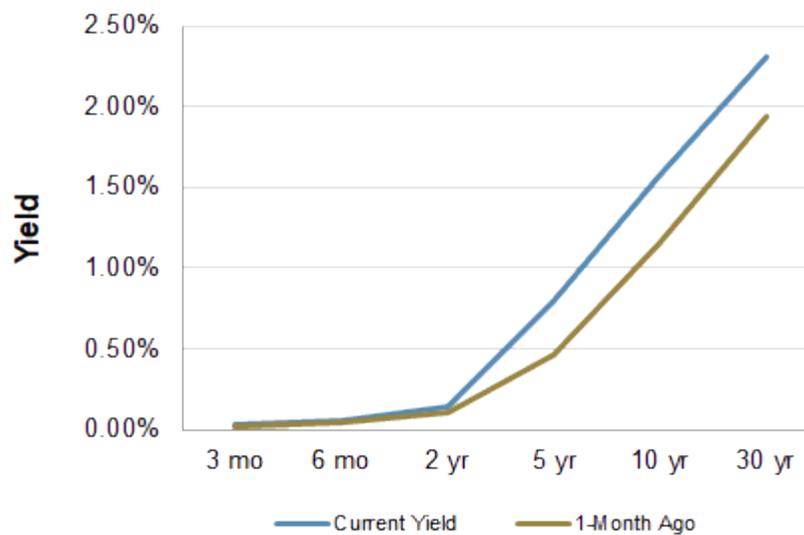
Commodities

	Last	1 year ago
Crude Oil	63.53	45.90
Gold	1700.70	1668.00

Bond Rates

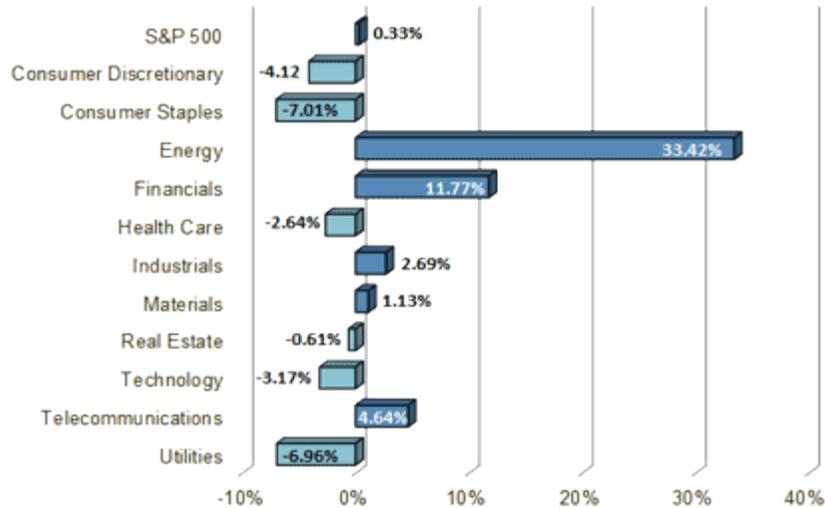
	Last	1 month ago
2-year treasury	0.14	0.11
10-year treasury	1.57	1.15
10-year municipal (TEY)	1.58	1.09

Treasury Yield Curve – 03/05/2021



As of close of business 03/04/2021

S&P Sector Performance (YTD) – 03/05/2021



As of close of business 03/04/2021

Economic Calendar

- March 10** — Consumer Price Index (February)
- March 11** — Jobless Claims (week ending March 6)
- March 12** — Producer Price Index (February)
— UM Consumer Sentiment (mid-March)
- March 16** — Import Prices (February)
— Retail Sales (February)

- Industrial Production (February)
- Homebuilder Sentiment (March)
- March 17** — Building Permits, Housing Starts (February)
- FOMC Policy Decision
- Fed Summary of Economic Projections
- Powell Press Conference
- April 2** — Good Friday Holiday (stock market closed, half day for bonds)
- Employment Report (March)
- April 28** — 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.

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 March 4, 2021 .