

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

OCTOBER 8, 2021

Market Commentary

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Financial market participants were relieved as Washington lawmakers agreed to waive the debt ceiling until December.

The September Employment Report was mixed. Nonfarm payrolls rose by a “disappointing” 194,000, but the delta variant was likely a restraint, the August figure was revised up and less hiring at the start of the school year resulted in a 180,000 decline in education jobs (non-education jobs rose by 374,000). The unemployment rate fell to 4.8% (from 5.2%), partly reflecting the expiration of extended unemployment benefits. The ISM Services Index edged up to 61.9 in September, vs. 61.7 in August (it hit a record high of 64.1 in July), reflecting continued strength, but supply managers remain concerned about transportation bottlenecks and long lead times for critical components. The U.S. trade deficit widened to a record \$73.3 billion in August. Unit motor vehicle sales fell 6.4% to a 12.2 million seasonally adjusted annual rate in September, down 33.4% since April.

Next week: The bond market will be closed on Monday. While components are likely to be mixed, inflationary pressures are expected to remain evident in the September CPI report. Retail sales should show a further decline in motor vehicles, but sales likely rose moderately otherwise. Federal Open Market Committee minutes may indicate some disagreements among Fed policymakers but a general consensus to taper “soon” (which is broadly taken to mean “at the next policy meeting”). The International Monetary Fund will release its revised World Economic Outlook on Tuesday.

Indices

	Last	Last Week	YTD return %
DJIA	34,754.94	33,843.92	13.55%
NASDAQ	14,654.02	14,448.58	13.70%
S&P 500	4,399.76	4,307.54	17.14%
MSCI EAFE	2,266.37	2,281.29	6.23%
Russell 2000	2,250.09	2,204.37	13.94%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.07	0.08
30-year mortgage	3.15	3.01

Currencies

	Last	1 year ago
Dollars per British Pound	1.3648	1.304
Dollars per Euro	1.158	1.176
Japanese Yen per Dollar	111.57	105.62
Canadian Dollars per Dollar	1.250	1.312
Mexican Peso per Dollar	20.556	21.398

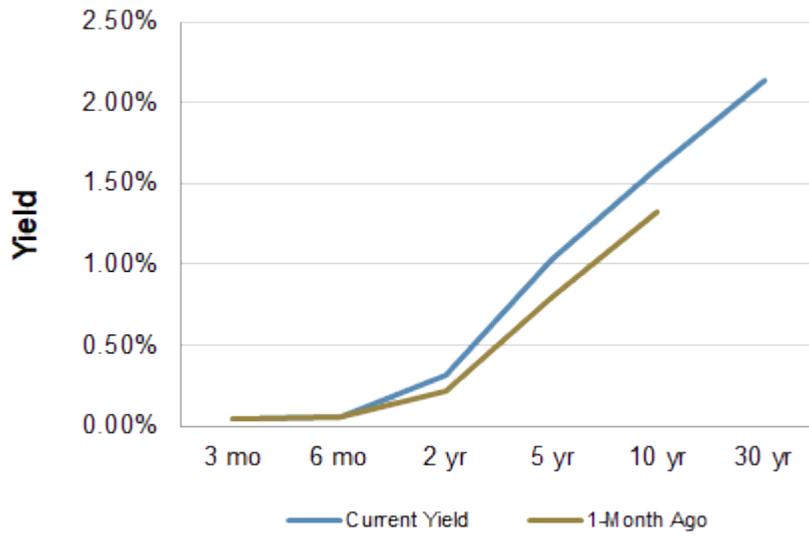
Commodities

	Last	1 year ago
Crude Oil	78.73	40.60
Gold	1771.70	1895.10

Bond Rates

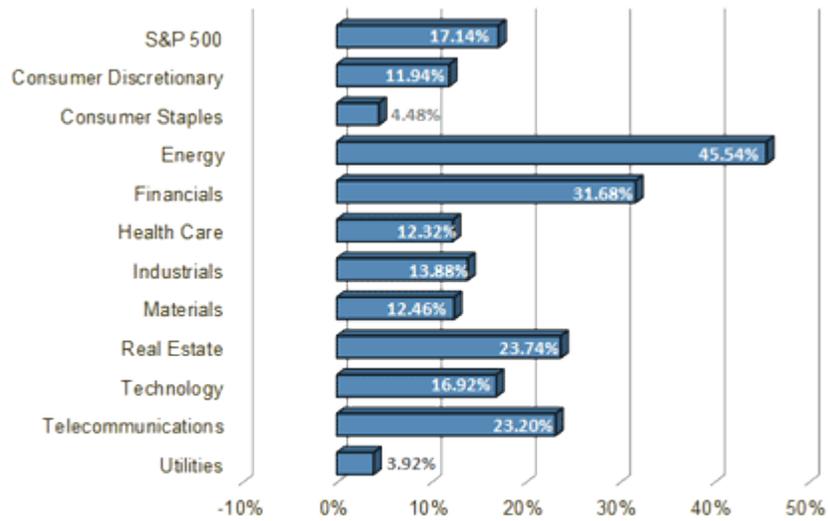
	Last	1 month ago
2-year treasury	0.31	0.22
10-year treasury	1.59	1.32
10-year municipal (TEY)	1.78	1.46

Treasury Yield Curve – 10/08/2021



As of close of business 10/07/2021

S&P Sector Performance (YTD) – 10/08/2021



As of close of business 10/07/2021

Economic Calendar

- October 11** — Columbus Day/Indigenous Peoples Day (bond market closed)
- October 12** — IMF World Economic Outlook
- October 13** — Consumer Price Index (September)
 - FOMC Minutes (September 21-22)
- October 14** — Jobless Claims (week ending October 9)
 - Producer Price Index (September)
- October 15** — Retail Sales (September)

- UM Consumer Sentiment
- October 18** — Industrial Production (September)
- October 28** — Real GDP (3Q21, advance estimate)
- November 3** — FOMC Policy Decision
- Employment Report (October)

All expressions of opinion reflect the judgment of the author and are subject to change. There is no assurance any of the forecasts mentioned will occur or that any trends mentioned will continue in the future. Investing involves risks including the possible loss of capital. Past performance is not a guarantee of future results. International investing is subject to additional risks such as currency fluctuations, different financial accounting standards by country, and possible political and economic risks, which may be greater in emerging markets. While interest on municipal bonds is generally exempt from federal income tax, it may be subject to the federal alternative minimum tax, and state or local taxes. In addition, certain municipal bonds (such as Build America Bonds) are issued without a federal tax exemption, which subjects the related interest income to federal income tax. Municipal bonds may be subject to capital gains taxes if sold or redeemed at a profit. Taxable Equivalent Yield (TEY) assumes a 35% tax rate.

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 7, 2021.

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