

# RAYMOND JAMES

## WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**APRIL 9, 2021**

### **Market Commentary**

**by Scott J. Brown, Ph.D., Chief Economist**

The ISM Services Index rose to 63.7 in March, from 55.3 in February, partly reflecting a rebound from bad weather. The report showed business activity, new orders and employment rising at a faster pace, while supplier delivery times lengthened further and input price pressures continued to rise. In its revised World Economic Outlook, the IMF raised expectations for global growth (+6.0% y/y), led by stronger expectations for the U.S. (fueled by the faster arrival of vaccines and further fiscal stimulus). The Producer Price Index jumped 1.0% in March (+4.2% y/y), reflecting an 8.8% increase in wholesale gasoline prices.

The FOMC minutes from the mid-March policy meeting showed most Fed officials anticipating a transitory increase in inflation, while “the economy remained far from the FOMC’s longer-run inflation and employment goals.”

Next week, the March CPI report (Tuesday) should show a year-over-year gain of about 2.4%, reflecting “base effects” (a rebound from the low figures of a year ago). Looking further ahead, the April CPI (to be reported May 12) should show a year-over-year gain of over 3% (as the April 2020 decline of 0.7% rolls off the 12-month calculation) – that does not mean that inflation is getting out of hand. The March reports on retail sales (Thursday), industrial production (Thursday) and residential construction (Friday) should each show a strong rebound from the effects of February’s bad weather.

### **Indices**

	Last	Last Week	YTD return %
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DJIA	33503.57	32619.48	9.47%
NASDAQ	13829.31	12977.68	7.30%
S&P 500	4097.17	3909.52	9.08%
MSCI EAFE	2262.69	2194.08	5.36%
Russell 2000	2242.60	2183.12	13.56%

## Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.07	0.05
30-year mortgage	3.30	3.34

## Currencies

	Last	1 year ago
Dollars per British Pound	1.3735	1.246
Dollars per Euro	1.1914	1.093
Japanese Yen per Dollar	109.26	108.49
Canadian Dollars per Dollar	1.256	1.398
Mexican Peso per Dollar	20.096	23.570

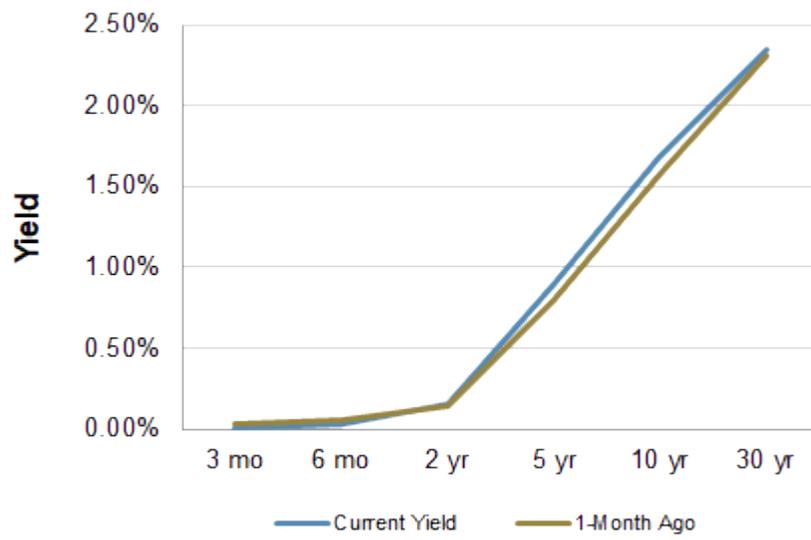
## Commodities

	Last	1 year ago
Crude Oil	59.60	22.76
Gold	1758.20	1752.80

## Bond Rates

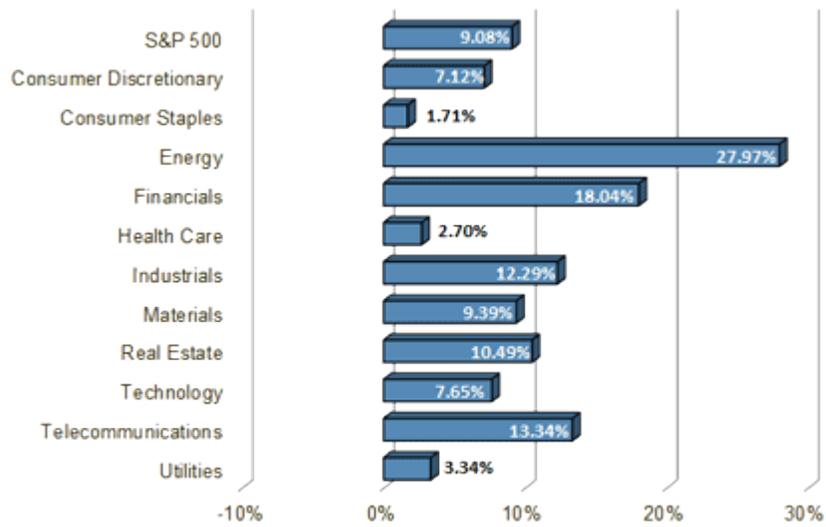
	Last	1 month ago
2-year treasury	0.16	0.14
10-year treasury	1.68	1.57
10-year municipal (TEY)	1.54	1.68

**Treasury Yield Curve – 04/09/2021**



As of close of business 04/08/2021

**S&P Sector Performance (YTD) – 04/09/2021**



As of close of business 04/08/2021

## Economic Calendar

<b>April 13</b>	—	Consumer Price Index (March)
<b>April 14</b>	—	Import Prices (March)
	—	Fed Beige Book
<b>April 15</b>	—	Jobless Claims (week ending April 10)
	—	Retail Sales (March)
	—	Industrial Production (March)
<b>April 16</b>	—	Building Permits, Housing Starts (March)

	—	UM Consumer Sentiment (mid-April)
<b>April 26</b>	—	Durable Goods Orders (March)
<b>April 27</b>	—	Real GDP (2Q20, advance estimate)
<b>April 28</b>	—	FOMC Policy Decision
<b>May 7</b>	—	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 8, 2021 .