

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

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Market Commentary

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For stock market participants, weak economic data has often been taken as a positive, since that implies more fiscal stimulus. However, investors have grown more concerned about possible stumbling blocks. Democratic majorities in the House and Senate are very narrow, some lawmakers are worried about running up the debt, and the window for bipartisan agreement may be short.

The economic data were mixed. Retail sales fell 0.7% in December (+2.9% y/y), down 1.4% ex-autos (+1.1% y/y). Ex-autos, building materials and gasoline, sales fell 2.4% following a 1.5% drop in November – however, the 4Q20 total was 3.5% higher than in 4Q19. Industrial production rose 1.6% in December (-3.6% y/y), boosted partly by a 6.2% increase in the output of utilities (November was unseasonably warm). Manufacturing output rose 1.0% (-2.6% y/y), up 1.1% excluding motor vehicles (-3.2% y/y). The Consumer Price Index rose 0.4% in December (+1.4% y/y), boosted by an 8.4% rise in gasoline (+3.4% before seasonal adjustment, -15.2% y/y). Ex-food and energy, the CPI rose 0.1% (+1.6% y/y).

Next week, the economic calendar is thin. December is not a critical month for residential construction or existing home sales, and figures will be subject to seasonal distortions. Jobless claims, which surged in the first week of the new year, are likely to remain elevated. With the National Mall closed and authorities on high alert, unrest on Inauguration Day should be limited (we hope). The following week will be more eventful (data-wise).

Indices

	Last	Last Week	YTD return %
DJIA	30991.52	31041.13	1.26%
NASDAQ	13112.64	13067.48	1.74%
S&P 500	3795.54	3803.79	1.05%
MSCI EAFE	2209.37	2192.83	2.88%
Russell 2000	2155.35	2096.89	9.14%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	4.75
Fed Funds	0.08	1.54
30-year mortgage	2.88	3.68

Currencies

	Last	1 year ago
Dollars per British Pound	1.3689	1.304
Dollars per Euro	1.2155	1.115
Japanese Yen per Dollar	103.80	109.90
Canadian Dollars per Dollar	1.264	1.304
Mexican Peso per Dollar	19.696	18.792

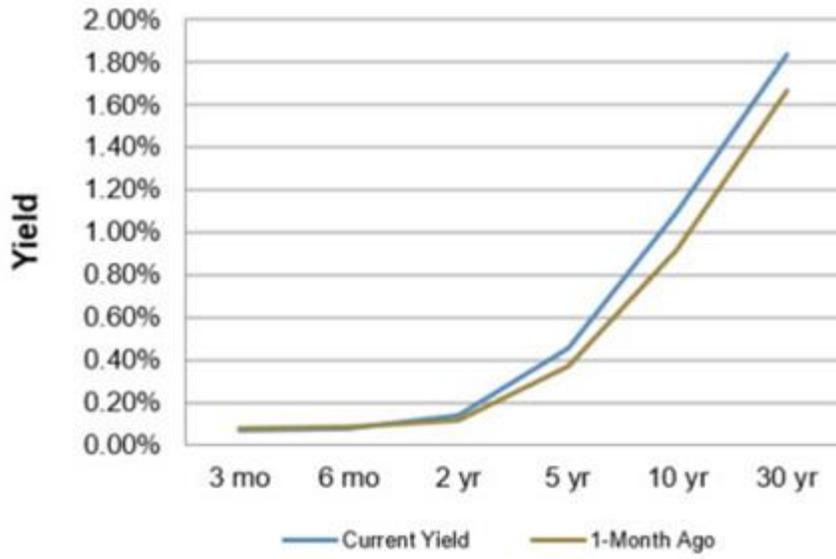
Commodities

	Last	1 year ago
Crude Oil	53.57	57.81
Gold	1851.40	1554.00

Bond Rates

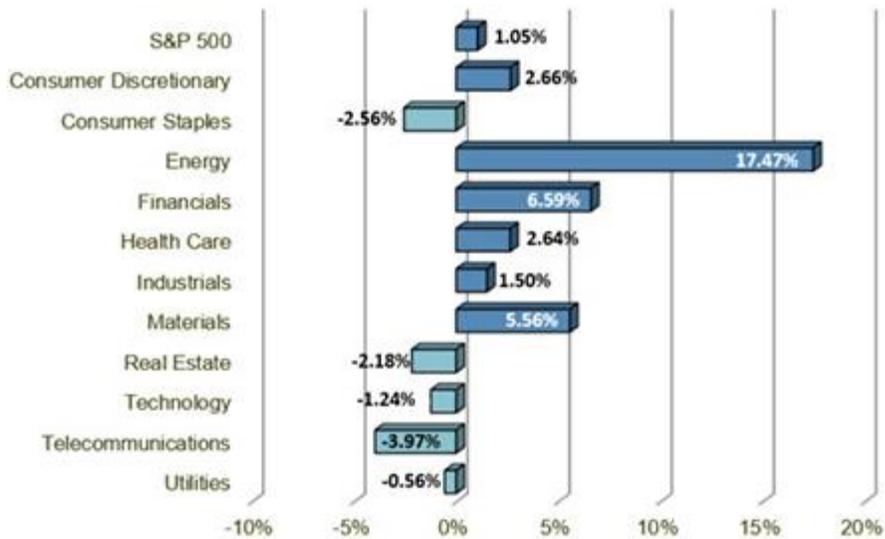
	Last	1 month ago
2-year treasury	0.14	0.12
10-year treasury	1.10	0.92
10-year municipal (TEY)	1.18	1.06

Treasury Yield Curve – 01/15/2021



As of close of business 01/14/2021

S&P Sector Performance (YTD) – 01/15/2021



As of close of business 01/14/2021

Economic Calendar

January 18	—	MLK Holiday (markets closed)
January 20	—	Inauguration Day
January 21	—	Jobless Claims (week ending January 16)
	—	Building Permits, Housing Starts (December)
January 22	—	Existing Home Sales (December)
January 27	—	Durable Goods Orders (December)
	—	FOMC Policy Decision

January 28	—	Real GDP (4Q20, advance estimate)
January 29	—	Personal Income and Spending (December)
	—	Employment Cost Index (4Q20)
February 5	—	Employment Report (January)

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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 January 14, 2021 .

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