

RAYMOND JAMES

WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

JANUARY 22, 2021

Market Commentary

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President Biden wasted no time in issuing executive orders, reversing a number of previous directives. Biden unveiled a \$1.9 billion stimulus proposal, with an emphasis on ending the pandemic. However, investors showed some concern about the prospects for getting fiscal stimulus through the Senate.

December residential construction and existing home sales figures were stronger than anticipated, amplified by the seasonal adjustment, but consistent with underlying strength in housing activity. Jobless claims fell to 900,000, still a very high level. Claims figures are often quirky at the start of the year, but the recent surge may reflect refilings following a (temporary) lapse in pandemic assistance at the end of last year.

Next week, the Federal Open Market Committee is widely expected to leave short-term interest rates unchanged and to maintain the current monthly pace of asset purchases (currently \$120 billion). In his press conference, Chair Powell is likely to repeat that the pace of asset purchases will continue until there is “substantial” improvement in the labor market (that is, not anytime soon). Real GDP is expected to have risen at a more moderate pace in the advance estimate for 4Q20, reflecting strength into the early part of the quarter (1Q21 GDP growth should be more modest, reflecting pandemic restrictions). Weekly jobless claims should begin to settle back (although still elevated).

Indices

	Last	Last Week	YTD return %
DJIA	31176.01	30991.52	1.86%

NASDAQ	13530.92	13112.64	4.99%
S&P 500	3853.07	3795.54	2.58%
MSCI EAFE	2209.99	2209.37	2.91%
Russell 2000	2141.42	2155.35	8.43%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	4.75
Fed Funds	0.08	1.54
30-year mortgage	2.84	3.87

Currencies

	Last	1 year ago
Dollars per British Pound	1.3733	1.314
Dollars per Euro	1.2164	1.109
Japanese Yen per Dollar	103.50	109.84
Canadian Dollars per Dollar	1.264	1.314
Mexican Peso per Dollar	19.731	18.689

Commodities

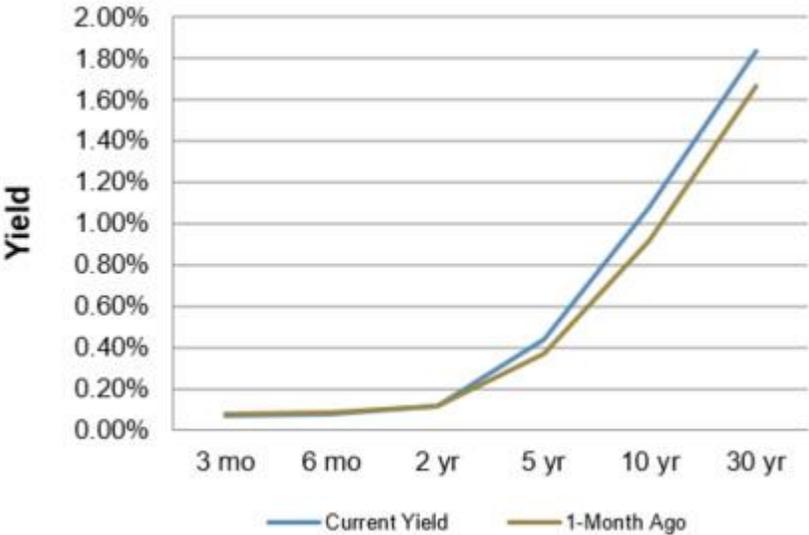
	Last	1 year ago
Crude Oil	53.13	56.74

Gold	1869.30	1562.90
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Bond Rates

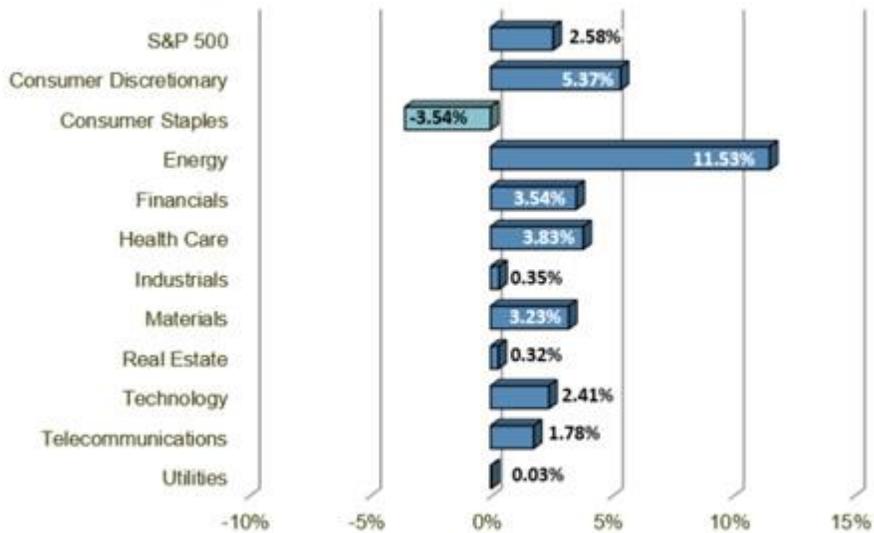
	Last	1 month ago
2-year treasury	0.12	0.12
10-year treasury	1.08	0.92
10-year municipal (TEY)	1.17	1.06

Treasury Yield Curve – 01/22/2021



As of close of business 01/21/2021

S&P Sector Performance (YTD) – 01/22/2021



As of close of business 01/21/2021

Economic Calendar

January 26	—	CB Consumer Confidence (January)
January 27	—	Durable Goods Orders (December)
	—	FOMC Policy Decision
	—	Powell Press Conference
January 28	—	Jobless Claims (week ending January 23)
	—	Real GDP (4Q20, advance estimate)
	—	New Home Sales (December)
	—	Leading Economic Indicators (December)

January 29	—	Personal Income and Spending (December)
	—	Employment Cost Index (4Q20)
	—	Chicago Business Barometer (January)
February 1	—	ISM Manufacturing Index (January)
February 3	—	ISM Services Index (January)
February 5	—	Employment Report (January)
February 15	—	Presidents Day Holiday (markets closed)

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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 21, 2021 .