

RAYMOND JAMES

WEEKLY
MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

SEPTEMBER 3, 2021

Market Commentary

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Nonfarm payrolls rose by 235,000 in the initial estimate for August, lower than expected, but that followed more than two million jobs added in the two previous months. Softer job growth likely reflects an impact from the delta variant, but there's a fair amount of noise in the payroll estimate (reflecting statistical uncertainty, seasonal adjustment difficulties, etc.). Payroll gains in June and July were boosted by the seasonal adjustment in education. Ex-education, payrolls have averaged a 534,000 gain over the last three months – still very strong. The unemployment rate fell to 5.2%, while the employment-population ratio edged up to 58.5%, up from 56.5% a year ago, but still well below the pre-pandemic level (61.1%). Average hourly earnings jumped 0.6% (+4.3% y/y), but these figures are distorted by compositional changes.

The rest of the week's economic reports were generally soft. The ISM Manufacturing Index was little changed, while the Service Index – both reports showed ongoing supply chain issues. The Conference Board's Consumer Confidence Index fell sharply. Unit motor vehicle sales tumbled 10.7%, to a 13.1 million seasonally adjusted annual rate (vs. 14.5 million in July and 15.2 million a year ago).

Next week: The economic calendar is thin. Anecdotal information, such as the Fed's Beige Book, plays a role in Fed policy decisions (watch for an impact from the delta variant). The European Central Bank may announce tapering. The Producer Price Index should continue to reflect supply chain pressures on inflation.

Indices

	Last	Last Week	YTD return %
DJIA	35,443.82	35,213.12	15.8%
NASDAQ	15,331.18	14,945.81	18.95%
S&P 500	4,536.95	4,470.00	20.79%
MSCI EAFE	2,384.89	2,339.25	11.05%
Russell 2000	2,304.02	2,213.98	16.67%

Consumer Money Rates

	Last	1 year ago
Prime Rate	3.25	3.25
Fed Funds	0.07	0.08
30-year mortgage	2.93	2.85

Currencies

	Last	1 year ago
Dollars per British Pound	1.3853	1.320
Dollars per Euro	1.1894	1.185
Japanese Yen per Dollar	109.88	106.19
Canadian Dollars per Dollar	1.251	1.313
Mexican Peso per Dollar	19.857	21.652

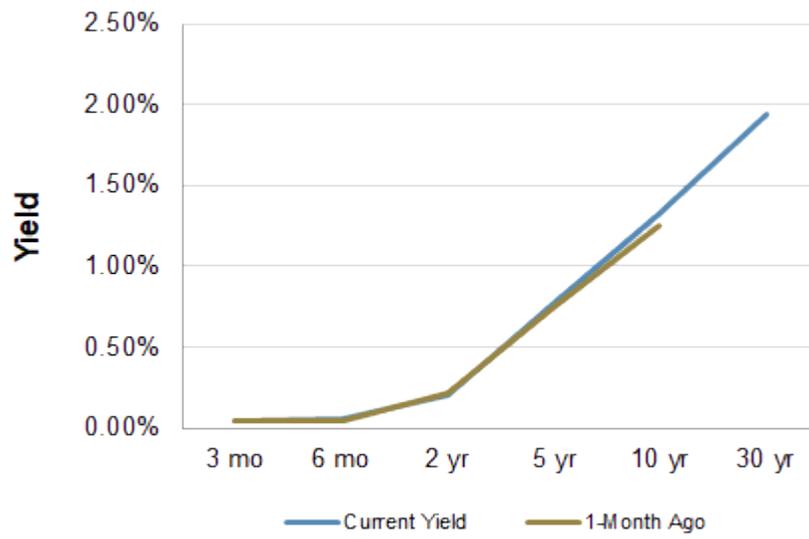
Commodities

	Last	1 year ago
Crude Oil	70.37	41.37
Gold	1826.90	1937.80

Bond Rates

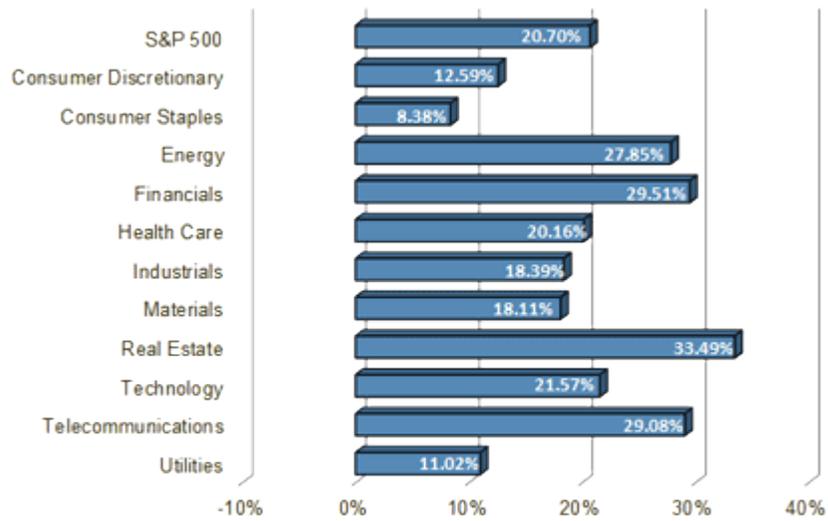
	Last	1 month ago
2-year treasury	0.20	0.21
10-year treasury	1.32	1.25
10-year municipal (TEY)	1.45	1.29

Treasury Yield Curve – 09/03/2021



As of close of business 09/02/2021

S&P Sector Performance (YTD) – 09/03/2021



As of close of business 09/02/2021

Economic Calendar

September 6	—	Labor Day Holiday (markets closed)
September 8	—	Fed Beige Book
September 9	—	ECB Policy Decision
	—	Jobless Claims (week ending September 4)
September 10	—	Producer Price Index (August)
September 14	—	Consumer Price Index (August)
September 15	—	Industrial Production (August)

Septmeber 16	—	Retail Sales (August)
Septmeber 17	—	UM Consumer Sentiment (mid-September)
September 22	—	FOMC Policy Decision
October 8	—	Employment Report (September)
November 3	—	FOMC Policy Decision

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 September 2, 2021.