



Raymond James Investment Strategy Committee members share their 2020 outlook

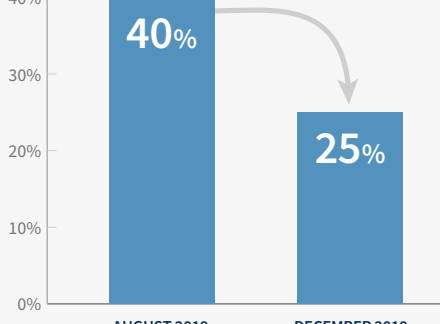
2020 U.S. ECONOMIC OUTLOOK

Stability with a Chance of Slowdown

The U.S. economy is expected to expand moderately in 2020. Many 2019 uncertainties are likely to continue into the first half of the year, but downside risks appear to be less worrisome.

Recession Odds

About a 25% chance of a downturn within the next 12 months



CONSUMER SPENDING



BUSINESS FIXED INVESTMENT



FEDERAL RESERVE POLICY

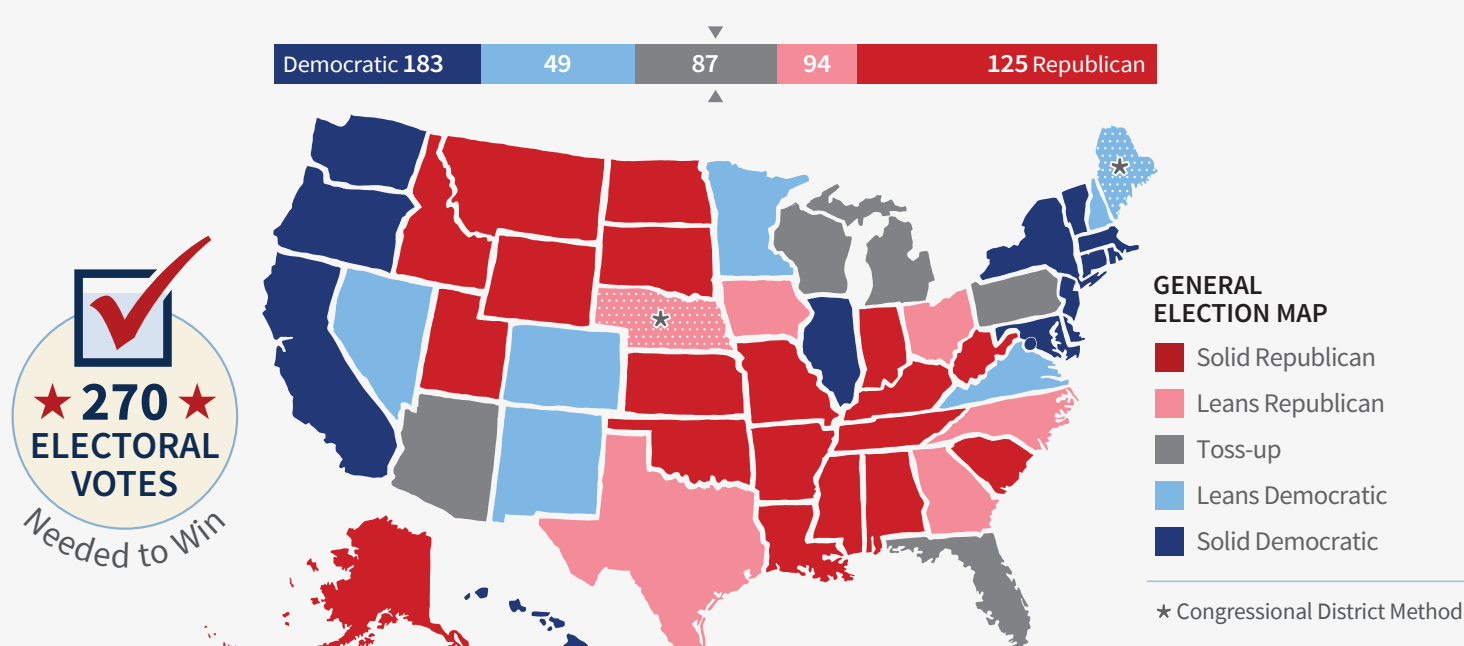
2020 ELECTIONS

The Presidential Election

This election campaign cycle will determine the trajectory of the Trump policy agenda and its impact on the market.

► While the race for the presidency will dominate the headlines, the ultimate market and economic impact will be decided based upon the outcomes of the majorities in the House and Senate.

► We believe Trump's re-election campaign will center on a message of positive economic and market performance.



2020 INTERNATIONAL OUTLOOK

The Prospects of Positive Progress

Since the end of the global financial crisis, the U.S. market has been the standout; however, as we enter a new decade, it is time to re-evaluate U.S.-centric positioning.

United Kingdom

U.K. assets under pressure due to Brexit uncertainty. They could rebound as economic activity recovers.



Euro Zone

2020 is likely to be another transitional year and expectations are low

China

The economy will continue to grow as the prowess of the local consumer continues to build

Japan

Companies are becoming more shareholder friendly with return on equity and buyback statistics up sharply

2020 EQUITY OUTLOOK

ENCOURAGING ENVIRONMENT FOR THE STOCK MARKET

WHAT WE EXPECT

- The slump in U.S. and global manufacturing to improve
- The global macro environment to benefit from central bank policy actions
- Corporate profits to re-accelerate to the upside

2020 Year-End Outlook

	S&P 500	EPS ESTIMATE	P/E	PRICE	SCENARIO ODDS
 Bull Case		\$177	20.5x	3,628	20%
Base Case		\$174	19.25x	3,350	70%
 Bear Case		\$165	16x	2,640	10%

Source: Raymond James Equity Portfolio & Technical Strategy

FAVORED SECTORS



TECHNOLOGY



COMMUNICATION SERVICES



HEALTH CARE



INDUSTRIAL



FINANCIAL

2020 FIXED INCOME OUTLOOK

The most influential factors for fixed income remain accommodative monetary policy and the lack of inflation.

- **10-year Treasury yield** forecast 1.75% at year's end
- **Interest rates** will continue to face significant headwinds
- **Low interest rates abroad** will keep demand for U.S. bonds high

2020 ENERGY OUTLOOK

OIL MARKET LIKELY TO START TRADING ON BULLISH SUPPLY DYNAMICS



RAYMOND JAMES

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