

## Economic Calendar

### **Monday, January 22**

Leading Economic Indicators.

### **Tuesday, January 23**

No Major Releases.

### **Wednesday, January 24**

Mortgage Activity, S&P flash U.S. Manufacturing/Services PMIs.

### **Thursday, January 25**

Jobless Claims, 4Q GDP, Durable Goods Orders, Goods-only Trade Balance, Retail/Wholesale Inventories, New Home Sales.

### **Friday, January 26**

Personal Income/Spending, PCE Index, PCE Prices, Pending Home Sales

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[Clues for First Rate Cut Timing](#)

[U.S. Crude Oil Remains Stable](#)

[The Week Ahead Video](#)

# WEEKLY RECAP

January 15-19, 2024 Recap

## S&P 500 Reaches New Record High

### ***A Notable Winning Week***

All three major U.S. equity indices finished positive in 11 of the past 12 weeks. Moreover, in a new milestone, the S&P 500 closed at a new all-time high of 4,839.81 on Friday, its first new record since January 3, 2022. Tech stocks led the charge higher following upbeat earnings from a world's leading chipmaker in Taiwan. Investors seem comfortable with January's rise in bond yields viewing the rise as a sign of the economy's resilience.

### ***For the Week...***

The S&P 500 gained 1.19% following a 1.87% advance the week prior. The Dow Jones Industrial Average rose 0.76% and the tech-heavy Nasdaq Composite jumped 2.26%. Gains among Russell indices were concentrated in large caps (+1.11%) while mid caps and small caps fell 0.04% and 0.33% respectively. Large cap growth jumped 2.21% whereas its value counterpart fell 0.20%.

### ***Consumer Sentiment Improves***

The University of Michigan's Consumer Sentiment Index rose in January to 78.8 (the highest level since July 2021), surpassing expectations for 70.0 and up from 69.7 in December. Moreover, the index had the largest 2-month increase since 1991 (+29%). Slowing inflation, rising real wages, and low unemployment are heating up consumer confidence this winter.

### ***Weekly Sector Insights***

Sector performance was mixed last week with five of the 11 major sector groups posting gains. Technology surged 4.32%, followed by Communication Services (+1.95%) and Financials (+0.96%). Utilities (-3.70%), Energy (-3.04%), and Real Estate (-2.13%) fell the most. For the year, Technology (+4.98%) and Communication Services (+4.42%) are at the top of the leaderboard while Energy (-4.29%) and Materials (-3.88%) are down the most.

### ***Treasury Yields Climb***

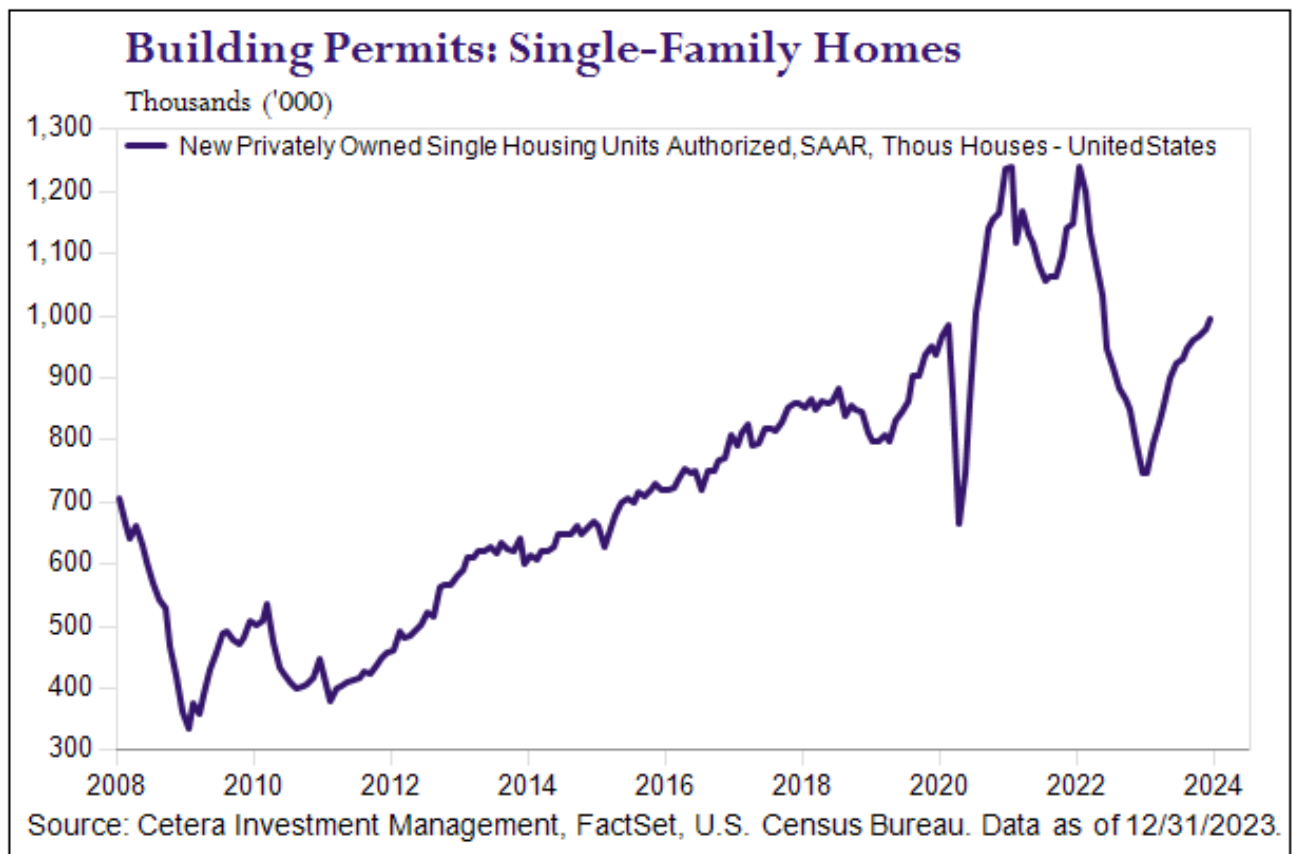
The yield on 10-year Treasury notes ended Friday at 4.139%, up 0.18% for the week after falling 0.08% the week prior. As of Friday's close, the CME Group's FedWatch Tool shows investors were pricing in around a 47% chance of a Fed rate cut in March, a steep decline from 81% a week earlier.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.76%	0.55%	13.95%	0.55%	17.08%	9.16%
S&P 500	1.19%	1.54%	13.59%	1.54%	26.18%	10.11%
NASDAQ Composite	2.26%	2.01%	16.35%	2.01%	42.27%	5.89%
Russell 3000	1.03%	0.99%	13.90%	0.99%	24.72%	8.15%
Russell 2000	-0.33%	-4.05%	14.66%	-4.05%	7.57%	-2.01%
MSCI EAFE	-2.13%	-2.52%	10.45%	-2.52%	8.20%	2.43%
MSCI Emerging Markets	-2.54%	-5.13%	4.71%	-5.13%	-3.09%	-8.81%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-1.10%	-1.39%	7.77%	-1.39%	0.67%	-3.55%
Bloomberg Municipal Bonds	-0.77%	-1.01%	7.69%	-1.01%	2.28%	-0.76%
Bloomberg US Corp High Yield	-0.52%	-0.68%	8.33%	-0.68%	8.70%	1.59%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.08%	-1.57%	-7.50%	-1.57%	-8.81%	9.25%
S&P GSCI Crude Oil	0.63%	2.23%	-17.11%	2.23%	-9.13%	11.39%
S&P GSCI Gold	-1.10%	-1.12%	3.44%	-1.12%	5.57%	3.57%

Source: Cetera Investment Management, FactSet. Total returns used, which includes dividends and interest.

## Chart of the Week: Building Recovery



Home sales activity was weak in 2023 but builders are eyeing a recovery this year. Building permits rose 1.9% in December. Permits are a leading indicator for home construction. Permits for single-family homes are up 33% year-over-year. Mortgage rates peaked above 8% in October, and they are trending lower. Easing rates and higher construction are positive tailwinds for the upcoming spring housing market.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@CeteraIM](https://twitter.com/CeteraIM) on Twitter.

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### ***Glossary***

The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The **S&P 500** is an index of 500 stocks chosen for market size, liquidity and industry grouping (among other factors) designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

The **NASDAQ Composite Index** includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad based index.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.

The **Bloomberg US Aggregate Bond Index**, which was originally called the Lehman Aggregate Bond Index, is a broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings have a fluctuating average life of around 8.25 years.

The **Bloomberg US Corporate High Yield Index** measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years.

The **Bloomberg US Municipal Bond Index** covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity.

The **MSCI EAFE** Index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The **MSCI Emerging Markets Index** is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The **Bloomberg Commodity Index** is a broadly diversified index that measures 22 exchange-traded futures on physical commodities in five groups (energy, agriculture, industrial metals, precious metals, and livestock), which are weighted to account for economic significance and market liquidity. No single commodity can comprise less than 2% or more than 15% of the index; and no group can represent more than 33% of the index.

The **S&P GSCI Crude Oil Index** is a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark for investment performance in the crude oil market.

The **S&P GSCI Gold Index**, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold futures market.

The **U.S. Dollar Index** is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USD<sub>X</sub> or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000.