

Economic Calendar

Monday, January 29

No Major Releases.

Tuesday, January 30

S&P Case-Shiller Home
Prices, Job Openings,
Consumer Confidence.

Wednesday, January 31

Mortgage Activity, ADP
Private Payrolls, Labor
Costs, Chicago-area PMI,
Fed FOMC Rate & Policy
Decisions.

Thursday, February 1

Jobless Claims, Labor
Productivity, S&P
Services/Manufacturing
PMIs.

Friday, February 2

Nonfarm Payrolls,
Unemployment Rate, Hourly
Wages, Factory Orders,
Consumer Sentiment.

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[Housing Demand Heats Up](#)

[Consumer Spending Tops
Forecasts](#)

[The Week Ahead Video](#)

WEEKLY RECAP

January 22-26, 2024 Recap

Another Winning Week

Small Caps Perform Best

The S&P 500 snapped a six-day winning streak on Friday but ended positive for the week. Five of those six days, the S&P 500 had closed at fresh all-time highs. Economic data largely supported a healthy soft-landing outlook, somewhat marred by several less-than-ideal earnings reports with the profit beat-rate currently running below the five-year average.

For the Week...

The S&P 500 gained 1.07% following a 1.19% advance the week prior. The Dow Jones Industrial Average rose 0.65% and the tech-heavy Nasdaq Composite gained 0.94%. Weekly gains among Russell indices were strongest in small caps, with the Russell 2000 up 1.75%. Moreover, Russell 2000 Value stocks jumped 1.93% whereas their growth counterparts rose 1.57%.

GDP Tops Forecasts

Stronger than expected fourth quarter GDP growth helped propel the S&P 500 to several all-time highs last week. Real GDP growth was +3.3% in the fourth quarter surpassing expectations of +2.0%. Consumer spending accounted for nearly 60% of the quarter's economic growth.

Weekly Sector Insights

Sector performance was mixed again last week with eight of the 11 major sector groups posting gains. Energy (+5.15%), Communications Services (+4.51%), and Financials (+1.89%) gained the most followed by Technology (+0.93%). Consumer Discretionary (-1.38%), Real Estate (-0.51%), and Healthcare (-0.18%) lagged. For the year, Communication Services (+9.13%) and Technology (+5.95%) are at the top of the leaderboard while Real Estate (-3.85%) and Materials (-3.61%) are down the most.

Treasury Yields Little Changed

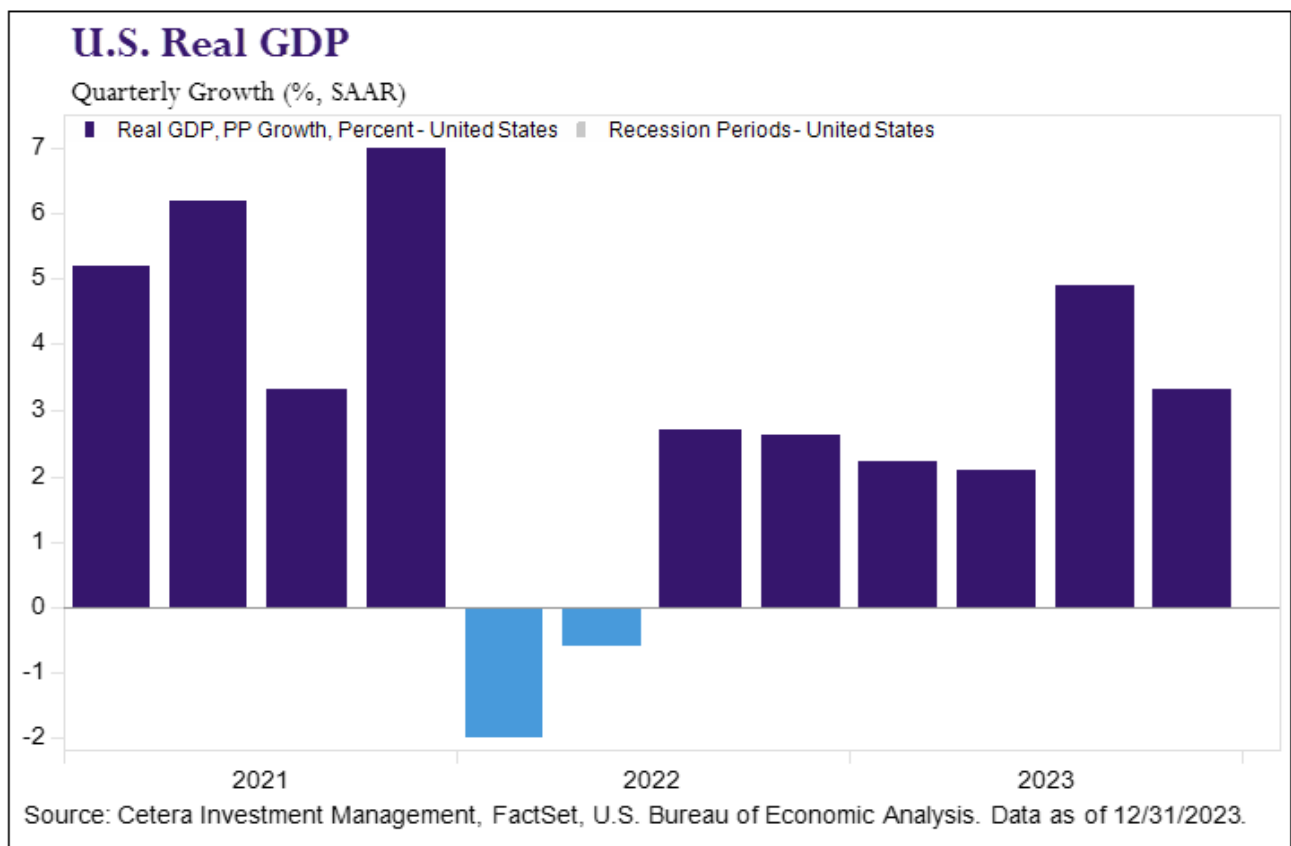
The yield on 10-year Treasury notes ended Friday at 4.147%, little changed from 4.139% the week prior. Spot gold was down 0.6% for the week while U.S. WTI crude oil surged 6.5% on demand optimism and rising Middle East tensions.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.65%	1.20%	16.86%	1.20%	14.69%	9.39%
S&P 500	1.07%	2.62%	18.70%	2.62%	22.43%	10.01%
NASDAQ Composite	0.94%	2.98%	22.96%	2.98%	35.37%	5.10%
Russell 3000	1.08%	2.08%	19.03%	2.08%	20.99%	8.19%
Russell 2000	1.75%	-2.37%	19.87%	-2.37%	5.61%	-1.43%
MSCI EAFE	2.01%	-0.57%	14.75%	-0.57%	8.58%	3.06%
MSCI Emerging Markets	1.47%	-3.74%	8.55%	-3.74%	-3.96%	-8.53%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.10%	-1.30%	6.82%	-1.30%	1.09%	-3.55%
Bloomberg Municipal Bonds	-0.09%	-1.10%	7.69%	-1.10%	2.30%	-0.93%
Bloomberg US Corp High Yield	0.61%	-0.07%	8.70%	-0.07%	9.08%	1.79%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	2.15%	0.55%	-4.27%	0.55%	-7.38%	9.83%
S&P GSCI Crude Oil	6.50%	8.88%	-6.25%	8.88%	-3.70%	14.02%
S&P GSCI Gold	-0.61%	-1.72%	1.94%	-1.72%	4.59%	3.15%

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

Chart of the Week: Stronger than Expected Growth



U.S. economic growth was stronger than expected at the end of 2023. While real GDP growth decelerated from 4.9% in Q3 to 3.3% in Q4, growth easily exceeded expectations of +2.0%. Nearly 60% of economic growth was driven by consumer spending. In 2023, the economy grew 2.5%, an improvement from 1.9% growth in 2022. These figures are subject to future revisions.

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_X or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000.