

Economic Calendar

Monday, February 12

U.S. Federal Budget.

Tuesday, February 13

Consumer Price Index (CPI).

Wednesday, February 14

Mortgage Activity.

Thursday, February 15

Jobless Claims, Empire State Mfg., Philadelphia Fed Mfg., Import/Export Prices, Retail Sales, Industrial Production, Homebuilder Confidence.

Friday, February 16

Housing Starts/Building Permits, Producer Price Index (PPI).

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WEEKLY RECAP

February 5-9, 2024 Recap

Historic Milestone for S&P 500

Small Caps Outperform

The S&P 500 closed Friday above 5,000 for the first time, with all three major U.S. indices capping gains in 14 of the past 15 weeks. That's the longest winning streak for the S&P 500 since March of 1972. Stocks have gained as the investors cheered better-than-expected corporate earnings results led by Big Tech firms. U.S. companies are discussing cost control measures at a record rate during their earnings calls, looking at reallocating investments into AI-driven efficiencies.

For the Week...

The S&P 500 rose 1.40% for its fifth straight weekly gain. The Dow Jones Industrial Average crept 0.09% higher and the tech-heavy Nasdaq Composite advanced 2.34%. The small cap focused Russell 2000 Index gained 2.44%, led by a 3.53% surge among its growth components whereas its value counterparts rose a lesser 1.36%.

Annual CPI Revisions

Investors drew a breath of relief Friday after the government's annual revisions to seasonal adjustment factors for monthly inflation data were mostly lower than expected. Revisions to the consumer price index (CPI) showed December inflation increased 0.2% on the month, less than the originally reported 0.3%.

Weekly Sector Insights

Eight of the 11 major sector groups posted gains last week, led by Technology (+3.25%), Consumer Discretionary (+1.47%), and Healthcare (+1.43%). Materials (-0.03%) rose the least, while Utilities (-1.94%) and Consumer Staples (-1.31%) fell the most. Communication Services (+12.05%), Technology (+10.25%) and Healthcare (+5.69%) continue to top the 2024 year-to-date leaderboard.

Treasury Yields Climb

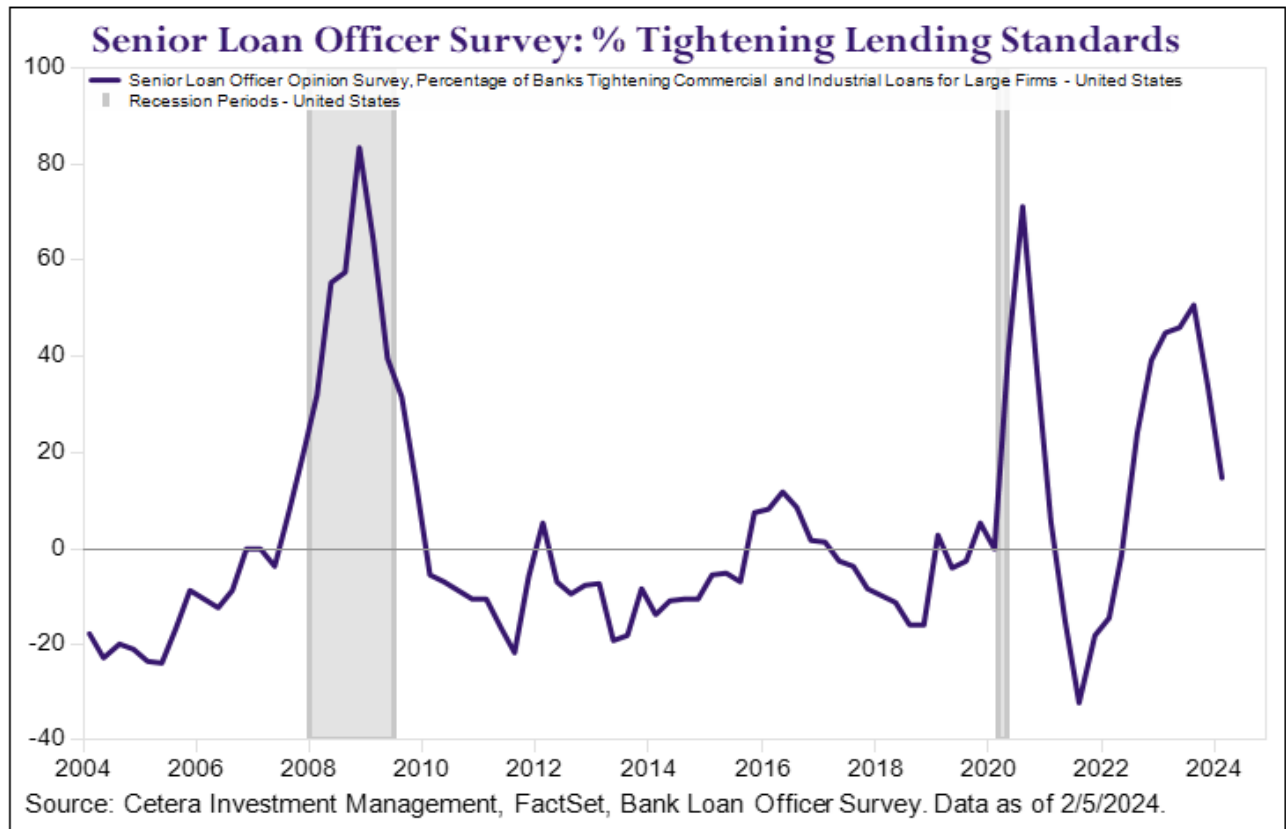
Amid mostly hawkish higher-for-longer commentary from several regional Fed presidents, the yield on 10-year Treasury notes ended Friday at 4.171%, up 0.14% for the week. The U.S. Dollar Index rose 0.2% last week, reaching its highest level since mid-November. U.S. WTI crude oil posted five straight daily gains last week, ending Friday at \$76.84/barrel (+6.3% for the week).

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.09%	1.41%	14.68%	2.74%	17.24%	9.40%
S&P 500	1.40%	3.77%	16.09%	5.52%	25.18%	10.42%
NASDAQ Composite	2.34%	5.48%	18.51%	6.58%	36.77%	5.32%
Russell 3000	1.54%	3.77%	16.65%	4.92%	23.56%	8.29%
Russell 2000	2.44%	3.25%	19.59%	-0.76%	6.61%	-3.09%
MSCI EAFE	0.11%	-1.00%	9.57%	-0.43%	8.27%	2.85%
MSCI Emerging Markets	0.75%	2.03%	4.47%	-2.70%	-0.30%	-8.68%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.82%	-1.20%	4.96%	-1.47%	1.95%	-3.47%
Bloomberg Municipal Bonds	-0.45%	-0.10%	5.40%	-0.61%	3.06%	-0.90%
Bloomberg US Corp High Yield	0.13%	0.17%	6.39%	0.17%	9.38%	1.62%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.39%	-1.50%	-3.81%	-1.11%	-5.29%	7.77%
S&P GSCI Crude Oil	6.25%	1.25%	1.39%	7.18%	-1.78%	9.61%
S&P GSCI Gold	-0.73%	-1.39%	2.87%	-1.60%	8.53%	3.52%

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

Chart of the Week: Improving Credit Conditions



Credit conditions are improving. The Federal Reserve's latest Senior Loan Officer Opinion Survey (SLOOS) showed a marked improvement in lending standards for commercial and industrial loans. A net 14.5% of banks are tightening standards, dropping from a cycle peak of 50.8% last fall.

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