

Economic Calendar

Monday, March 18

Homebuilder Confidence.

Tuesday, March 19

Housing Starts, Building Permits.

Wednesday, March 20

Mortgage Activity, FOMC Rate/Policy Decisions.

Thursday, March 21

Jobless Claims, Philadelphia Fed Manufacturing, S&P flash U.S. Manufacturing Services PMIs, Leading Indicators, Existing Home Sales.

Friday, March 22

Homebuilder Confidence.

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[Rate Cut Probabilities](#)

[The Week Ahead Video](#)

WEEKLY RECAP

March 11-15, 2024 Recap

S&P 500 Slips Second Week

Small Caps Backpedal

U.S. equities ended lower last week with the S&P 500 posting back-to-back weekly losses while the small cap focused Russell 2000 had its worst week this year. Investors remain skittish after the latest inflation data on consumer and wholesale prices came in stronger-than-expected last week, prompting concerns that interest rates may remain higher for longer.

For the Week...

The S&P 500 inched 0.09% lower, trimming its 2024 gain to 7.63%. The Dow Jones Industrial Average ticked 0.01% higher and the tech-heavy Nasdaq Composite fell 0.68%. Following recent weekly gains, the small cap focused Russell 2000 Index lost 2.02%, extending its 2024 loss to 3.44%. Small cap growth stocks fell 2.09% while their value counterparts (-1.95%) fell only slightly less.

Slippage in Consumer Sentiment

The University of Michigan's consumer sentiment index slipped to 76.5 in March from 76.9 in January, trailing expectations for an increase to 77.1. Index officials noted that while consumer confidence remains almost 25% above November 2023, it is now around halfway between its historic low when inflation peaked in June 2022 and pre-pandemic highs.

Weekly Sector Insights

Six of the 11 major sector groups registered losses last week, with Real Estate (-2.81%), Consumer Discretionary (-1.18%), and Healthcare (-0.70%) falling the most. Technology fell 0.36%. Energy (+3.77%) was the biggest winner last week, followed by Materials (+1.60%) and Consumer Staples (+0.56%). Year-to-date, Communication Services (+11.38%), Technology (+10.87%), and Energy (+9.31%) are the top 2024 leaders.

Treasury Yields Advance

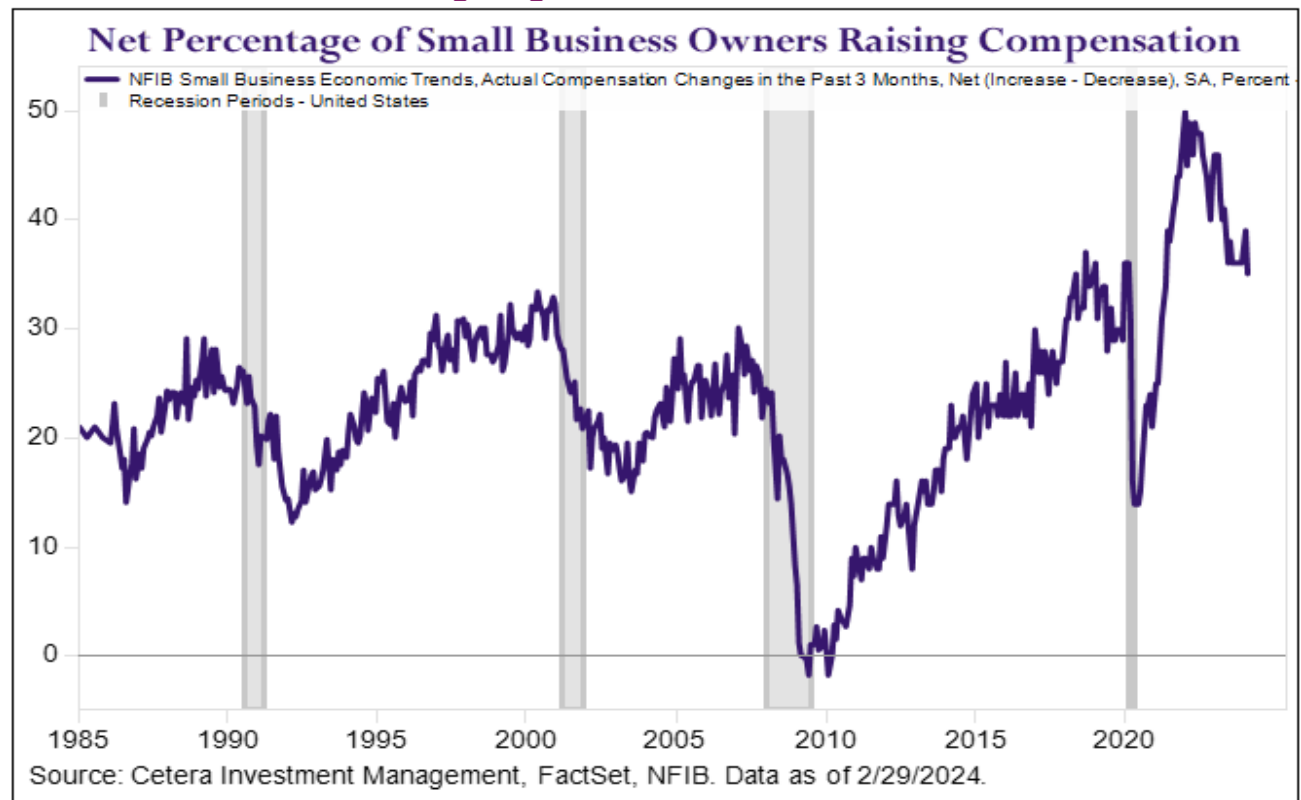
The yield on 10-year Treasury notes notably advanced 0.23% last week to 4.313%. The yield on policy-sensitive 2-year Treasury notes climbed 0.25% to finish at 4.73%, after being at a three-week low of 4.480% the week prior.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.01%	-0.60%	4.29%	3.22%	24.07%	7.68%
S&P 500	-0.09%	0.48%	8.83%	7.63%	33.59%	10.54%
NASDAQ Composite	-0.68%	-0.70%	8.03%	6.58%	40.82%	6.70%
Russell 3000	-0.27%	0.33%	8.23%	6.93%	32.60%	8.48%
Russell 2000	-2.02%	-0.65%	3.10%	0.89%	18.65%	-3.44%
MSCI EAFE	-1.32%	1.92%	6.48%	4.38%	21.31%	4.23%
MSCI Emerging Markets	-0.12%	1.49%	3.84%	1.38%	12.23%	-5.88%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-1.23%	-0.04%	-1.11%	-1.72%	1.15%	-2.80%
Bloomberg Municipal Bonds	-0.07%	0.34%	0.40%	-0.04%	4.24%	-0.35%
Bloomberg US Corp High Yield	-0.24%	0.48%	1.85%	0.77%	13.00%	2.08%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.31%	2.80%	1.64%	1.69%	2.42%	7.85%
S&P GSCI Crude Oil	3.57%	2.96%	12.26%	12.46%	18.95%	7.18%
S&P GSCI Gold	-0.49%	6.25%	7.24%	5.37%	12.06%	8.02%

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

Chart of the Week: Moderating Wage Pressures



The net percentage of small business owners raising compensation fell to the lowest level in nearly three years. The NFIB small business survey showed a similar trend for future compensation plans. Inflation is less likely to reignite if wage pressures are cooling. Other indicators including the declining quit rate and moderating labor market growth, point to additional disinflationary wage trends.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@CeteraIM](#) on X.

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