

Weekly Recap

Economic Calendar

Monday, May 5

S&P & ISM Services Activity PMIs.

Tuesday, May 6

U.S. Trade Deficit. FOMC Meeting Begins.

Wednesday, May 7

Mortgage Activity, FOMC Rate/Policy Decisions, Fed Chairman Powell Press Conference, Consumer Credit.

Thursday, May 8

Jobless Claims, Labor Costs and Productivity, Wholesale Trade Sales and Inventories.

Friday, May 9

No Major Releases, Speeches from Several Fed Officials

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[Sell in May and Go Away?](#)

[ISM Manufacturing PMI Edges Lower](#)

[The Week Ahead Video](#)

S&P 500 Caps Nine-Day Winning Streak

Equities Rebound Further

It was another solid week of gains on Wall Street as investors welcomed a better-than-expected monthly jobs report. U.S. nonfarm payrolls grew by 177,000 in April, broadly topping economists' consensus forecast for 130,000, while the unemployment rate held steady at 4.2%. The relief helped offset Monday news that first quarter GDP contracted for the first time since Q1 2022 (see chart below). With last week's gains, the S&P 500 and Nasdaq Composite closed higher than they were before President Trump's April 2 announcement for reciprocal tariffs. On Friday, the S&P 500 also capped its ninth straight daily gain, its longest sustained rally since November 2004.

For the Week...

Following a 4.60% prior week surge, the S&P 500 extended its rebound rally by another 2.94%, posting its first back-to-back weekly gains since January. The Dow Jones Industrial Average advanced 3.00%, and the Nasdaq Composite performed best, gaining 3.43%. The S&P 500 broad market index trimmed its YTD loss to 2.91%. The small cap focused Russell 2000 rallied 3.24%, narrowing its YTD loss to 9.02%.

Sustained Bearish Views

More than 50% of individual investors have been bearish on stocks for a record 9 consecutive weeks, per the AAI Sentiment Survey. Historically, extreme bearish sentiment often signals a market bottom, though a bottoming process can take time.

Weekly Sector Insights

All sectors posted gains last week except Energy (-0.60%). Industrials (+4.34%) led the advance, followed by Communication Services (+4.19%) and Technology (+4.02%). Consumer Staples (+1.17%) and Healthcare (+0.32%) gained the least on the week. On a year-to-date (YTD) basis, seven sectors have returned to positive performance. Defensive sectors continue to top this year's leaderboard, including Consumer Staples (+6.35%), Utilities (+6.14%), and Real Estate (+3.80%). Consumer Discretionary (-12.18%) and Technology (-8.21%) are still down the most this year.

Treasury Yields Rise

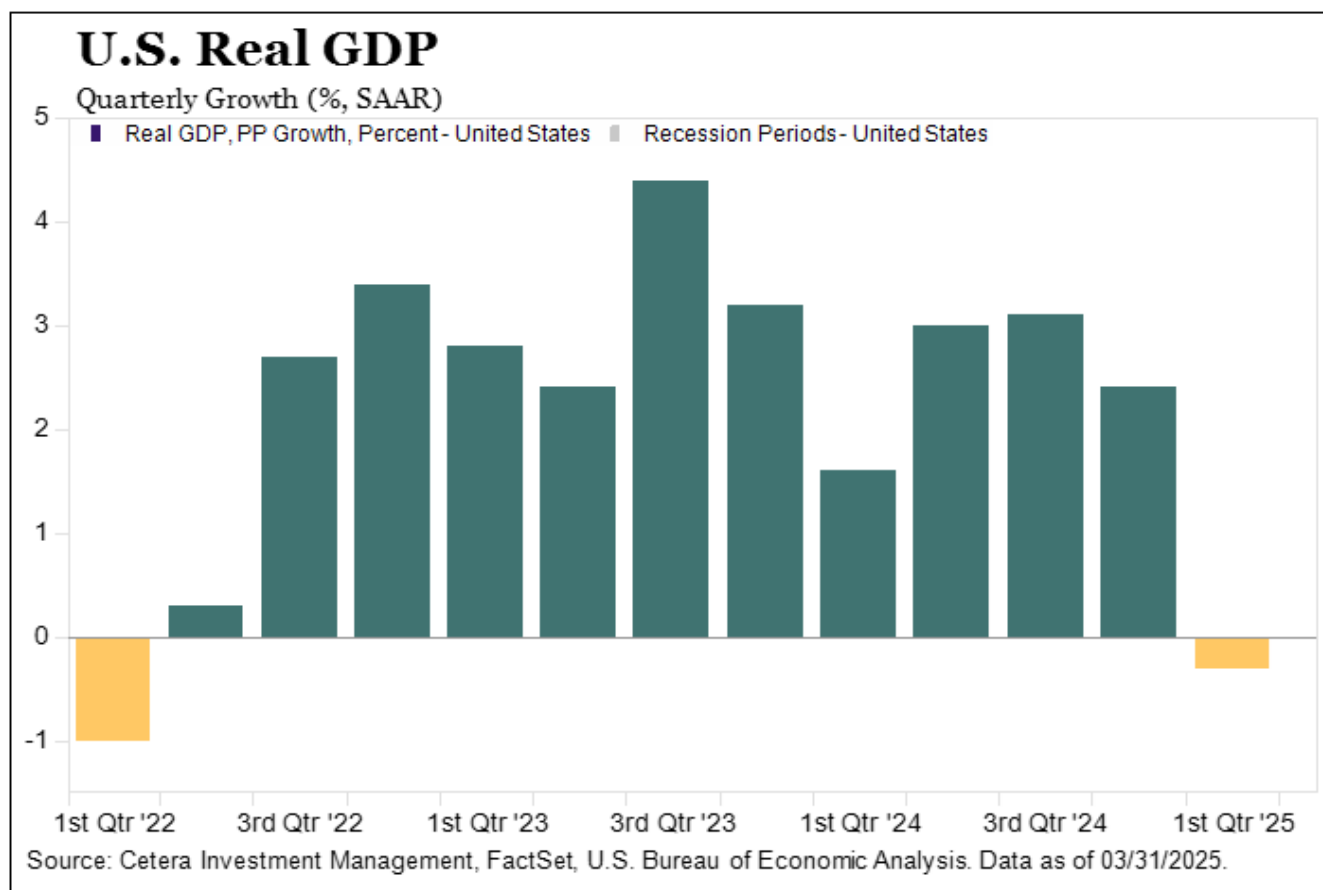
The yield on 10-year Treasury notes ended Friday at 4.307%, up just 0.05% for the week. The U.S. Dollar Index rose 0.5% for the week while gold futures declined a second week, down 1.67% to end Friday at \$3,243.30 per ounce. U.S. WTI crude oil futures fell 7.51%, ending the week at \$58.29 per barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	3.00%	1.59%	-6.84%	-2.39%	10.03%	9.89%
S&P 500	2.94%	2.12%	-5.54%	-2.91%	13.82%	12.74%
NASDAQ Composite	3.43%	3.05%	-8.24%	-6.72%	14.30%	13.66%
Russell 3000	3.00%	2.19%	-6.25%	-3.29%	13.00%	11.96%
Russell 2000	3.24%	2.89%	-11.34%	-9.02%	1.61%	3.90%
MSCI EAFE	3.17%	1.44%	7.71%	13.37%	14.00%	11.08%
MSCI Emerging Markets	3.37%	1.86%	4.36%	6.22%	10.29%	4.60%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.30%	-0.79%	1.83%	2.37%	6.36%	1.89%
Bloomberg Municipal Bonds	0.76%	0.15%	-1.37%	-0.88%	1.58%	2.31%
Bloomberg US Corp High Yield	0.27%	0.39%	0.01%	1.38%	8.65%	6.57%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.06%	0.55%	0.25%	4.21%	5.48%	-3.40%
S&P GSCI Crude Oil	-7.51%	0.14%	-19.63%	-18.73%	-26.17%	-17.84%
S&P GSCI Gold	-1.67%	-2.28%	14.40%	22.81%	40.43%	20.26%

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

Chart of the Week: Economic Growth Declines in Q1



In the first of three BEA estimates, U.S. real GDP fell 0.3% in the first quarter, missing expectations for +0.8% growth. It was the first quarterly decline in three years. Consumer spending rose at an annualized pace of 1.8%, its slowest pace in 7 quarters, while a 41.3% pre-tariff import surge led to the GDP decline.

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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.