

Weekly Recap

Economic Calendar

Monday, May 12

Federal Budget Balance.

Tuesday, May 13

NFIB Small Business Optimism, Consumer Price Index (CPI).

Wednesday, May 14

Mortgage Activity, U.S. Crude Oil Inventories.

Thursday, May 15

Jobless Claims, Producer Price Index (PPI), Empire State Manufacturing, Philly Fed Manufacturing, Retail Sales, Industrial Production, Homebuilder Confidence, Fed Balance Sheet.

Friday, May 16

Housing Starts, Import/Export Prices, Consumer Sentiment.

[The Latest from @CeteraIM](#)

[Debt Payments Remain Sub-Pandemic](#)

[S&P 500 Up Double-Digits Since April Low](#)

[Is the Fed Too Restrictive?](#)

[The Week Ahead Video](#)

Caution Ahead of U.S.-China Trade Talks

Equities Slightly Retrace Prior Gains

U.S. equity indices ended fractionally lower last week, backpedaling slightly from solid back-to-back prior weekly gains. Investor sentiment ended the week on a cautious tone ahead of weekend tariff negotiations between the U.S. and China. Earlier in the week, President Trump announced a framework 10% baseline tariff agreement with the UK, including lowering levies to 10% for British autos. Meanwhile, the Trump administration rejected Japan's request for full zero-for-zero trade tariff exemptions.

For the Week...

The S&P 500 slipped 0.45%, the Dow Jones Industrial Average edged lower by 0.14% while the Nasdaq Composite declined by 0.26%. The small cap-focused Russell 2000 Index outperformed, posting a weekly gain of 0.14%. Notably, the Equal-weighted S&P 500 Index outperformed the market-cap weighted index by 0.87%.

Fed Funds Rates Hold Steady

The Fed's FOMC policymakers voted unanimously (12 to 0) to keep its key lending rate unchanged at 4.25%-4.50% as widely expected. Fed Chairman Powell noted the Fed is in no rush to lower rates, noting that with a still-solid economy, voting members are comfortable taking a wait-and-see posture amid rising uncertainties and risks surrounding tariff induced unemployment and inflation.

Weekly Sector Insights

Six of the eleven major S&P 500 sector groups posted gains last week led by Industrials (+1.07%), Consumer Discretionary (+0.81%), and Utilities (+0.61%). Technology (+0.27%) and Financials (+0.14%) gained the least while Healthcare (-4.21%) and Communication Services (-2.42%) fell the most. On a year-to-date (YTD) basis, Utilities (+6.79%), Consumer Staples (+5.27%), and Industrials (+3.64%) top the 2025 YTD leaderboard. Consumer Discretionary (-11.47%) is now the only sector remaining in YTD correction status, while Technology (-7.96%), follows as the second worst YTD performer.

Treasury Yields Rise

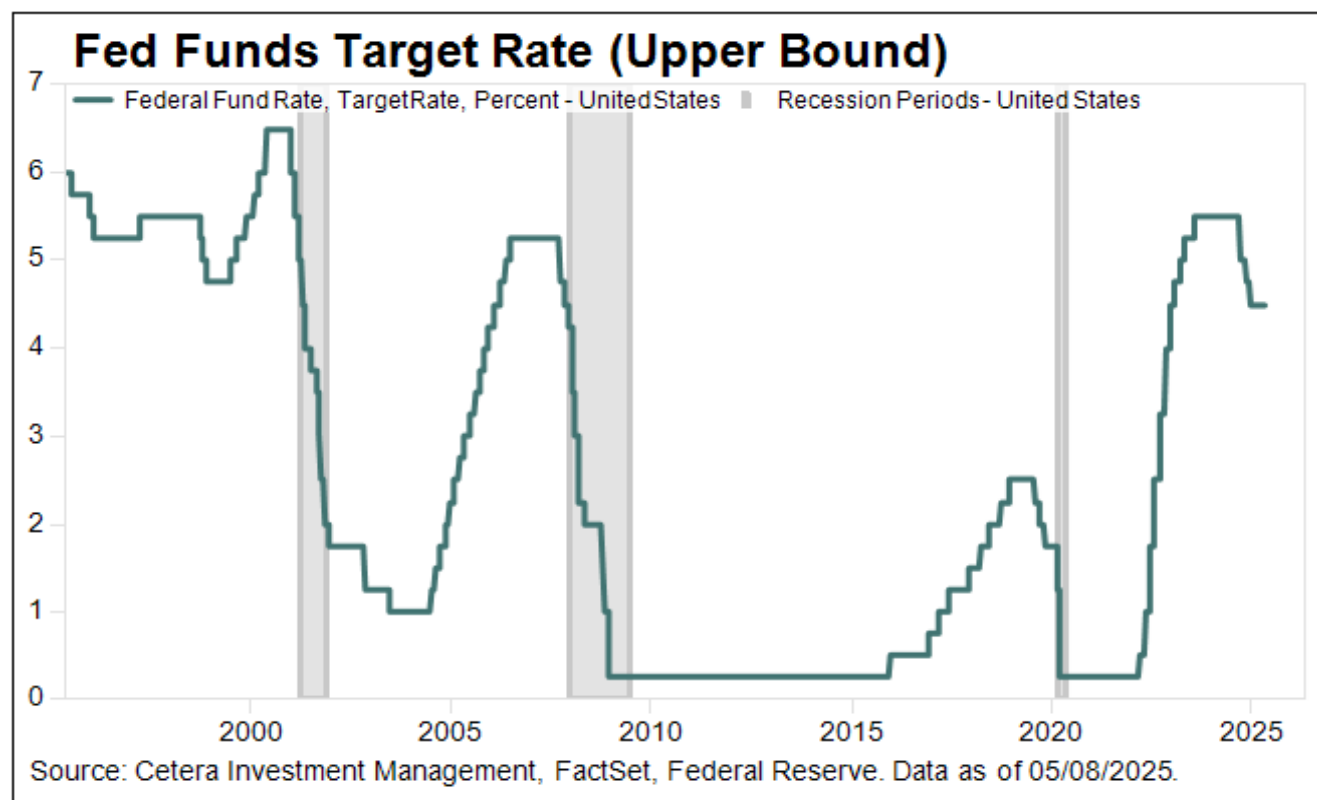
The yield on 10-year Treasury notes ended Friday at 4.378%, up 0.07% for the week. Gold futures rallied 3.1% to end the week at \$3,344 per ounce. U.S. WTI crude oil futures jumped 4.7% to \$61.02 per barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.14%	1.46%	-6.46%	-2.52%	6.60%	10.73%
S&P 500	-0.45%	1.66%	-5.75%	-3.34%	10.02%	14.08%
NASDAQ Composite	-0.26%	2.78%	-8.00%	-6.96%	10.46%	16.44%
Russell 3000	-0.30%	1.89%	-6.31%	-3.58%	9.46%	13.61%
Russell 2000	0.14%	3.03%	-10.92%	-8.89%	-1.10%	6.27%
MSCI EAFE	-0.08%	1.37%	7.38%	13.28%	11.34%	12.74%
MSCI Emerging Markets	0.49%	2.36%	3.43%	6.74%	9.66%	6.72%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.17%	-0.95%	1.27%	2.20%	5.32%	1.86%
Bloomberg Municipal Bonds	0.11%	0.26%	-1.69%	-0.77%	0.81%	2.61%
Bloomberg US Corp High Yield	0.15%	0.54%	0.17%	1.53%	8.22%	7.17%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.37%	1.93%	-0.34%	5.64%	5.12%	-1.88%
S&P GSCI Crude Oil	4.23%	4.37%	-14.37%	-15.29%	-23.08%	-16.00%
S&P GSCI Gold	3.63%	1.27%	16.40%	27.27%	42.80%	21.75%

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

Chart of the Week: Fed Maintains Rates



The Fed held rates steady at a range of 4.25 to 4.50% for the third straight FOMC Meeting. Tariff uncertainty is clouding the Fed's inflation outlook, and more clarity is needed before ending its rate pause. The Fed's statement also hinted at stagflation concerns, noting rising risks of higher unemployment and inflation.

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

About Cetera® Investment Management

Cetera Investment Management LLC is an SEC registered investment adviser owned by Cetera Financial Group®. Cetera Investment Management provides market perspectives, portfolio guidance, model management, and other investment advice to its affiliated broker-dealers, dually registered broker-dealers and registered investment advisers.

About Cetera Financial Group

"Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Advisor Networks LLC, Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), and Cetera Financial Specialists LLC. All firms are members FINRA / SIPC. Located at 655 W. Broadway, 11th Floor, San Diego, CA 92101.

About Avantax

Avantax, Inc. (Avantax) is a wholly owned subsidiary of Aretec Group, Inc. (dba Cetera Holdings). Avantax is a unique community within Cetera Holdings, delivering tax-intelligent wealth management solutions for financial professionals, tax professionals, and CPA firms. Avantax operates two distinct, but related, models within its business: the independent Financial Professional model and the employee-based model. The independent Financial Professional model, known as Avantax Wealth Management®, works with a nationwide network of Financial Professionals operating as independent contractors. Avantax Wealth Management offers its services through its registered broker-dealer, Avantax Investment Services, Inc., Member FINRA/SIPC, registered investment advisor (RIA), Avantax Advisory Services, Inc., and insurance agency subsidiaries.

The employee-based model, known as Avantax Planning PartnersSM, offers services through its RIA, insurance agency, and affiliated broker-dealer, Avantax Investment Services, Inc. Avantax Planning Partners collaborates with CPA firms to provide their consumer and small-business clients with holistic financial planning and advisory services.

Avantax Investment Services, Inc. is located at 3200 Olympus Blvd, Suite 100, Dallas, TX, 75019. Avantax and Cetera Financial Group are under common ownership. For additional information, please visit www.avantax.com.

Disclosures

Individuals affiliated with Cetera firms are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.

The material contained in this document was authored by and is the property of Cetera Investment Management LLC. Cetera Investment Management provides investment management and advisory services to a number of programs sponsored by affiliated and non-affiliated registered investment advisers. Your registered representative or investment adviser representative is not registered with Cetera Investment Management and did not take part in the creation of this material. He or she may not be able to offer Cetera Investment Management portfolio management services.

Nothing in this presentation should be construed as offering or disseminating specific investment, tax, or legal advice to any individual without the benefit of direct and specific consultation with an investment adviser representative authorized to offer Cetera Investment Management services. Information contained herein shall not constitute an offer or a solicitation of any services. Past performance is not a guarantee of future results.

For more information about Cetera Investment Management, please reference the Cetera Investment Management LLC Form ADV disclosure brochure and the disclosure brochure for the registered investment adviser your adviser is registered with. Please consult with your adviser for his or her specific firm registrations and programs available.

No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The opinions expressed are as of the date published and may change without notice. Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision.

All economic and performance information is historical and not indicative of future results. The market indices discussed are not actively managed. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information.

Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards. A diversified portfolio does not assure a profit or protect against loss in a declining market.

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.