

## Economic Calendar

### Monday, June 26

No Major Releases.

### Tuesday, June 27

Durable Goods Orders, S&P Case-Shiller Home Prices, New Home Sales, Consumer Confidence.

### Wednesday, June 28

Mortgage Activity, Trade Balance in Goods, Wholesales Trade Sales/Inventories.

### Thursday, June 29

Jobless Claims, Pending Home Sales.

### Friday, June 30

Personal Income/Spending, Personal Consumption Expenditures (PCE), PCE Prices, Chicago-Area Business Sentiment, Consumer Sentiment.

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# WEEKLY RECAP

June 19-23, 2023 Recap

## S&P 500 Posts Worst Week Since March

### **Nasdaq Ends Eight-Week Winning Streak**

U.S. equities slid backward last week with the S&P 500 snapping a five-week winning streak to close out the holiday-shortened week with losses in three of its four trading days. Outside a few key economic readings, it was largely an uneventful week that did little to change the “higher-for-longer” Fed policy narrative. Fed Chairman Powell’s testimony on Capitol Hill simply reiterated the central bank’s data-dependent outlook for up to two more rate hikes this year.

### **For the Week...**

The S&P 500 fell 1.37%, the Dow Jones Industrial Average lost 1.67%, and the tech-heavy Nasdaq Composite backpedaled 1.43%. Small caps (-2.86%) fell the most, trimming its YTD gain to 4.18%.

### **Mixed Economic Data**

Friday’s early June manufacturing PMI continued to trend contractionary, weakening to 46.2 from 48.4 while the services PMI extended its expansion slipping to 54.1 from 54.9. Meanwhile, housing data was positive as June homebuilder confidence reached its highest since July 2022, backed by better-than-expected readings on housing starts and permits. Headline initial jobless claims, however, rose to a 20-month high.

### **Weekly Sector Insights**

All but one of the S&P 500’s 11 major sectors ended negative, with Real Estate (-3.96%), Energy (-3.45%), and Utilities (-2.59%) falling the most. Consumer Discretionary (-0.02%) and Consumer Staples (-0.37%) fell the least while Healthcare (+0.26%) was the only gainer. Technology fell 2.02%, but remains this year’s top-performing sector, up 38.71%.

### **Treasury Yields Inched Lower**

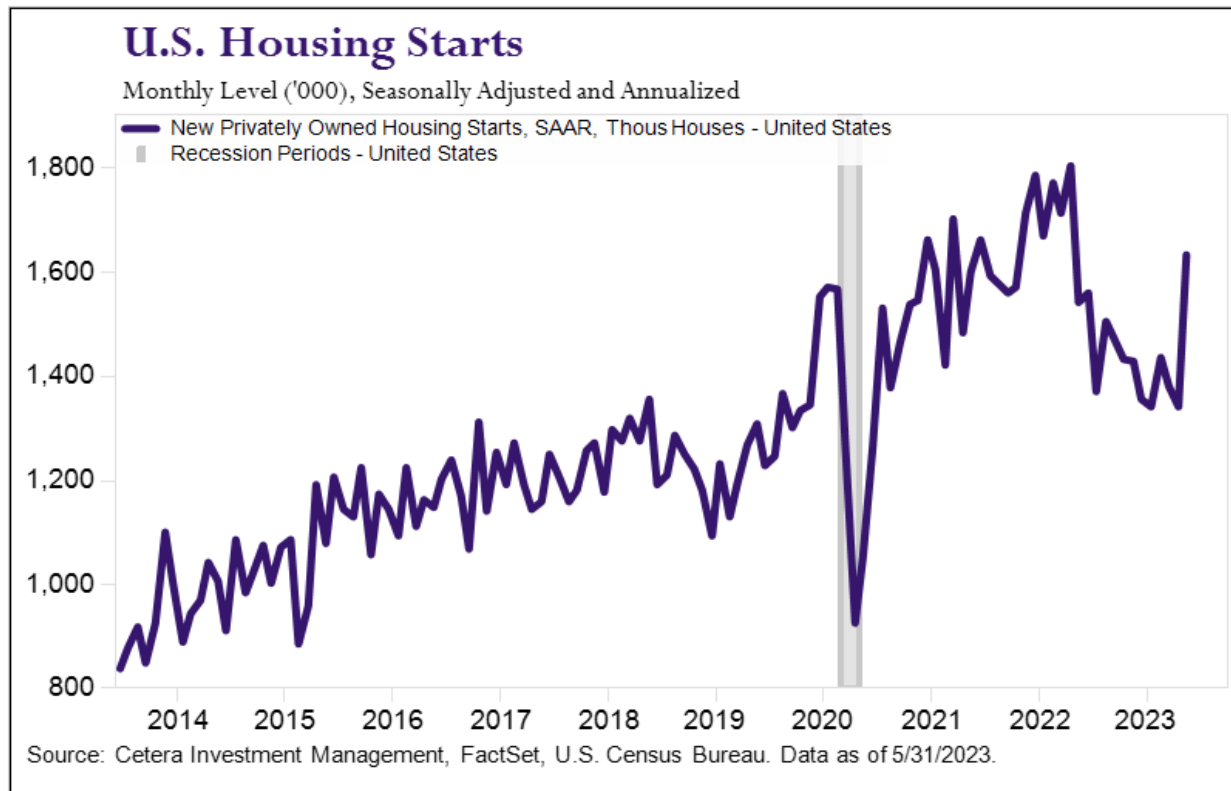
The yield on benchmark 10-year Treasury notes ended Friday at 3.743%, little changed from the Friday prior at 3.777%.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-1.67	2.49	5.05	1.75	9.95	8.85
S&P 500	-1.37	4.14	10.57	14.19	16.56	13.35
NASDAQ Composite	-1.43	4.36	14.71	29.47	21.22	10.88
Russell 3000	-1.58	4.15	10.17	13.25	15.57	12.61
Russell 2000	-2.86	4.23	6.33	4.18	8.09	9.55
MSCI EAFE	-3.35	2.84	3.57	9.84	17.46	7.34
MSCI Emerging Markets	-3.60	3.84	2.34	4.93	2.58	1.71
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.14	-0.10	-0.99	2.36	-0.26	-3.80
Bloomberg Municipal Bonds	0.30	1.02	0.58	2.69	3.58	-0.54
Bloomberg US Corp High Yield	-0.75	0.84	2.32	4.51	6.83	2.32
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-2.56	4.82	1.11	-7.09	-11.82	18.29
S&P GSCI Crude Oil	-3.85	1.57	-1.14	-13.83	-33.69	19.67
S&P GSCI Gold	-2.11	-2.65	-4.16	5.66	5.46	2.69

Source: Morningstar

## Chart of the Week: Housing Construction Rebounds



U.S. housing starts surged in May, rising 21.7% to 1.63 million annualized. New housing construction is now at a 13-month high. The housing market is still dealing with low inventory of existing homes, resulting in increased demand for new homes.

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