

Weekly Recap

Economic Calendar

Monday, June 30

MNI Chicago-Region PMI.

Tuesday, July 1

ISM & S&P U.S. Manufacturing PMIs, Construction Spending, JOLTS Job Openings.

Wednesday, July 2

Mortgage Activity, Challenger Job Cuts, ADP Private Payrolls.

Thursday, July 3

Jobless Claims, Nonfarm Payrolls, Unemployment Rate, Hourly Wages, U.S. Trade Deficit, ISM & S&P U.S. Services PMIs, Factory Orders. *Early NYSE Market Close 1 pm ET.*

Friday, July 4

Fourth of July Independence Day holiday, *All Markets Closed.*

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[New Record Highs for Stocks](#)

[Real Consumer Spending Slowed 0.4% Jan-May 2025](#)

[Companies Today are 2X as Profitable vs. 2000 Peak](#)

[The Week Ahead Video](#)

Historic Rebound Sends S&P 500 to New Record

Ceasefire Agreement Holds

The S&P 500 and Nasdaq Composite both closed at all-time highs on Friday while the Dow Industrials advanced to finish within 3% of its January peak. Stocks posted solid gains after the Israeli-Iran ceasefire agreement sent crude oil prices sharply lower and boosted optimism that markets could avoid angst from a wider Middle East conflict. Progress in U.S. trade negotiations with major trading partners China and the EU also lifted investor sentiment ahead of the July 9 deadline for tariff hikes.

For the Week...

The S&P 500 jumped 3.45% last week, closing at its first record high since mid-February. At 89 trading days between records, it was the fastest-ever recovery to a new high after a decline of at least 15%. The Dow Jones Industrial Average surged 3.83% while the tech-heavy Nasdaq Composite performed best, jumping 4.25%. The small cap-focused Russell 2000 gained 3.01%, trimming its YTD decline to 1.95%.

Consumer Sentiment Improves

The University of Michigan's final June reading of consumer sentiment surged 16% from May, recording its first increase in six months. Year-ahead inflation expectations plummeted from 6.6% last month to 5.0% in June. Additionally, the rebound in sentiment reflects improvements in personal finance and business condition expectations, increasing over 20%. Despite the rebound, sentiment remains around 18% below the post-election high in December 2024.

Weekly Sector Insights

Nine of the eleven S&P 500 sectors posted gains last week with Communication Services surging 6.22%, followed by Technology (+4.66%) and Consumer Discretionary (+4.37%). Utilities (+1.38%) and Consumer Staples (+0.38%) gained the least, while Energy (-3.45%) and Real Estate (-0.76%) declined. In year-to-date (YTD) performance, Industrials (+12.14%) and Communication Services (+10.76%) are up the most this year with double-digit YTD performance percentages. Energy (+1.45%) is up the least this year while Consumer Discretionary (-3.03%) and Healthcare (-1.73%) are still the only sectors with negative YTD returns.

Treasury Yields Decline

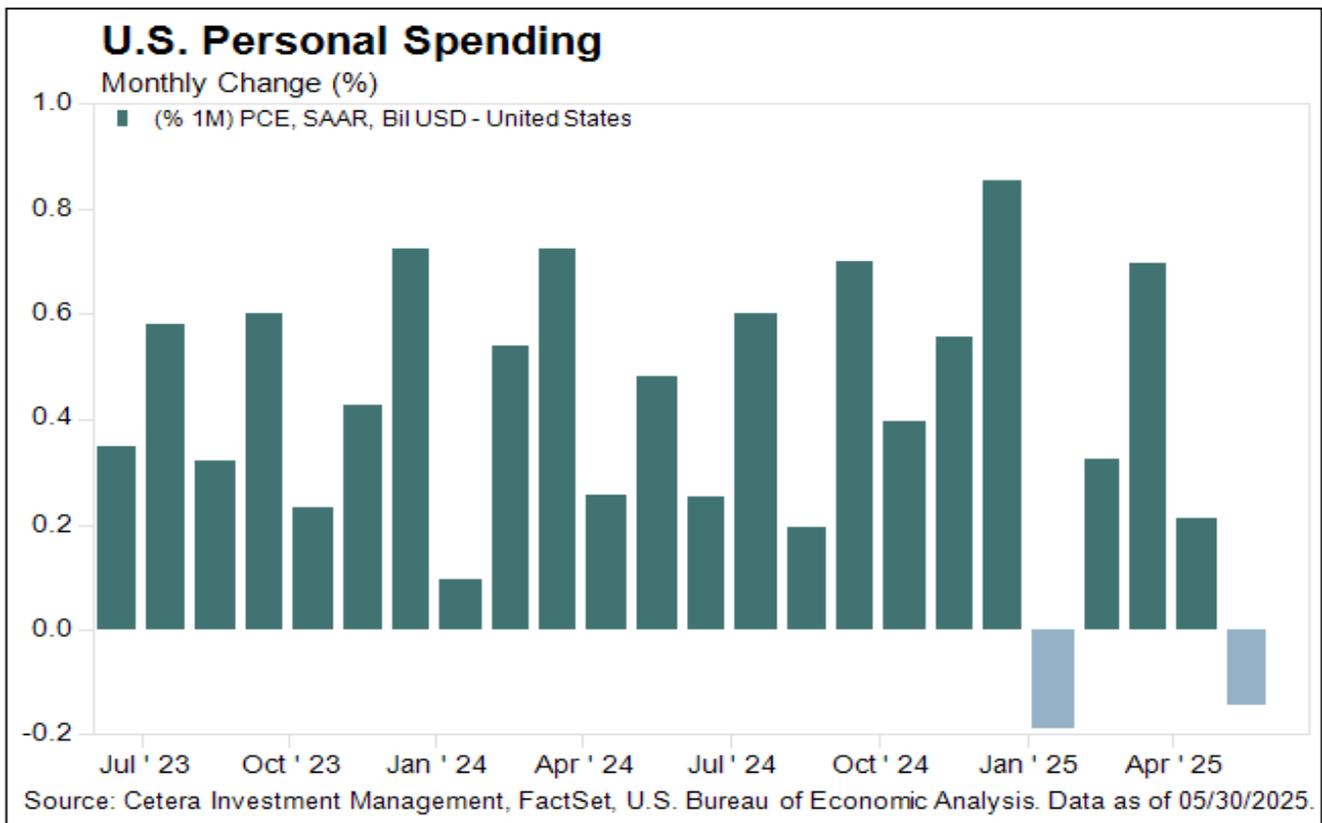
The yield on 10-year Treasury notes ended Friday at 4.282%, down 0.10% for the week. The two-year Treasury yield fell over 0.15% to 3.75%. The U.S. Dollar Index declined 1.5% last week after climbing 0.6% the week prior. Gold futures fell 2.9% to end Friday at \$3,287.60 per ounce. U.S. WTI crude oil futures tumbled nearly 11.3% to \$65.52/barrel, its largest weekly decline since March 2023.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	3.83%	3.82%	4.07%	3.89%	13.87%	13.92%
S&P 500	3.45%	4.54%	8.80%	5.65%	14.11%	18.31%
NASDAQ Composite	4.25%	6.13%	14.07%	5.34%	14.32%	21.65%
Russell 3000	3.40%	4.53%	8.71%	5.20%	14.35%	17.60%
Russell 2000	3.01%	5.26%	5.56%	-1.95%	8.05%	8.62%
MSCI EAFE	3.10%	2.16%	8.84%	19.39%	17.71%	14.94%
MSCI Emerging Markets	3.35%	6.48%	9.62%	15.77%	16.27%	8.97%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.68%	1.18%	1.64%	3.65%	5.22%	2.77%
Bloomberg Municipal Bonds	0.20%	0.52%	0.22%	-0.45%	1.03%	2.58%
Bloomberg US Corp High Yield	0.81%	1.58%	2.93%	4.30%	10.08%	9.15%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-3.53%	3.24%	-1.44%	6.39%	6.29%	-0.93%
S&P GSCI Crude Oil	-11.27%	7.78%	-6.29%	-8.64%	-19.84%	-15.74%
S&P GSCI Gold	-2.90%	-0.84%	6.36%	24.48%	40.70%	21.66%

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

Chart of the Week: Consumer Spending Declines



Consumer spending fell 0.1% in May, missing expectations of +0.3%. Spending on services rose only 0.1% M/M, the weakest in 54 months, while goods spending sank 0.8%. Declines in vehicle sales, dining, and lodging were key drivers of last month's spending slowdown.

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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.