

Weekly Recap

Economic Calendar

Monday, July 1

ISM/S&P U.S. Manufacturing PMIs, Construction Spending.

Tuesday, July 2

JOLTS Job Openings.

Wednesday, July 3

Mortgage Activity, Challenger Job Cuts, Jobless Claims, ADP Private Payrolls, Trade Deficit, S&P/ISM Services PMIs, Factory Orders, FOMC Meeting Minutes.

Thursday, July 4

Independence Day Holiday, All Markets Closed.

Friday, July 5

Nonfarm Payrolls, Unemployment Rate, Average Hourly Wages.

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[Mortgage Activity Edges Higher](#)

[Jobless Claims Decline](#)

[Consumer Spending Growth Slows](#)

[The Week Ahead Video](#)

Stocks End Week Narrowly Mixed

Technology Trims Record First Half

U.S. equities ended lightly mixed last week, with the Dow and S&P 500 slipping less than 0.1% while the Nasdaq Composite ended fractionally higher despite a second weekly pullback in AI bellwether NVIDIA (-2.4%). The Fed's preferred measure of inflation, the core PCE price index, was the focus of last week's economic releases, coming in at a scant 0.1% increase month-over-month. Wall Street ended the second quarter with a record-breaking technology driven rally that spurred a near 15.3% return during the first half of the year.

For the Week...

The S&P 500 slipped 0.06%, ending a string of three weekly gains. The Dow Jones Industrial Average fell 0.08% and the tech-heavy Nasdaq Composite rose 0.26%. The broader Russell 3000 rose 0.07% while the small cap-focused Russell 2000 outperformed, climbing 1.33%.

Economic Growth Slows

U.S. real GDP growth expanded at an annualized pace of 1.4% in the first quarter. The reading was up slightly from a second estimate of 1.3% but slowed by 2% from fourth quarter 2023 growth of 3.4%. The final revision reflected a downward revision to imports (which are a subtraction in the GDP calculation) and upward revisions to non-residential fixed investment and government spending.

Weekly Sector Insights

Seven of the 11 major sector groups ended negative last week, Materials (-1.09%), Utilities (-1.03%), and Consumer Staples (-0.63%) falling the most. Technology fell 0.42%. Energy (+2.68) gained the most followed by Communication Services (+1.26%) and Real Estate (+0.81). The 2024 sector leaderboard continues to be dominated by Technology (+28.24%) and Communication Services (+26.68%), followed by 10%-plus gains in Energy (+10.93%) and Financials (+10.17%).

Treasury Yields Rise

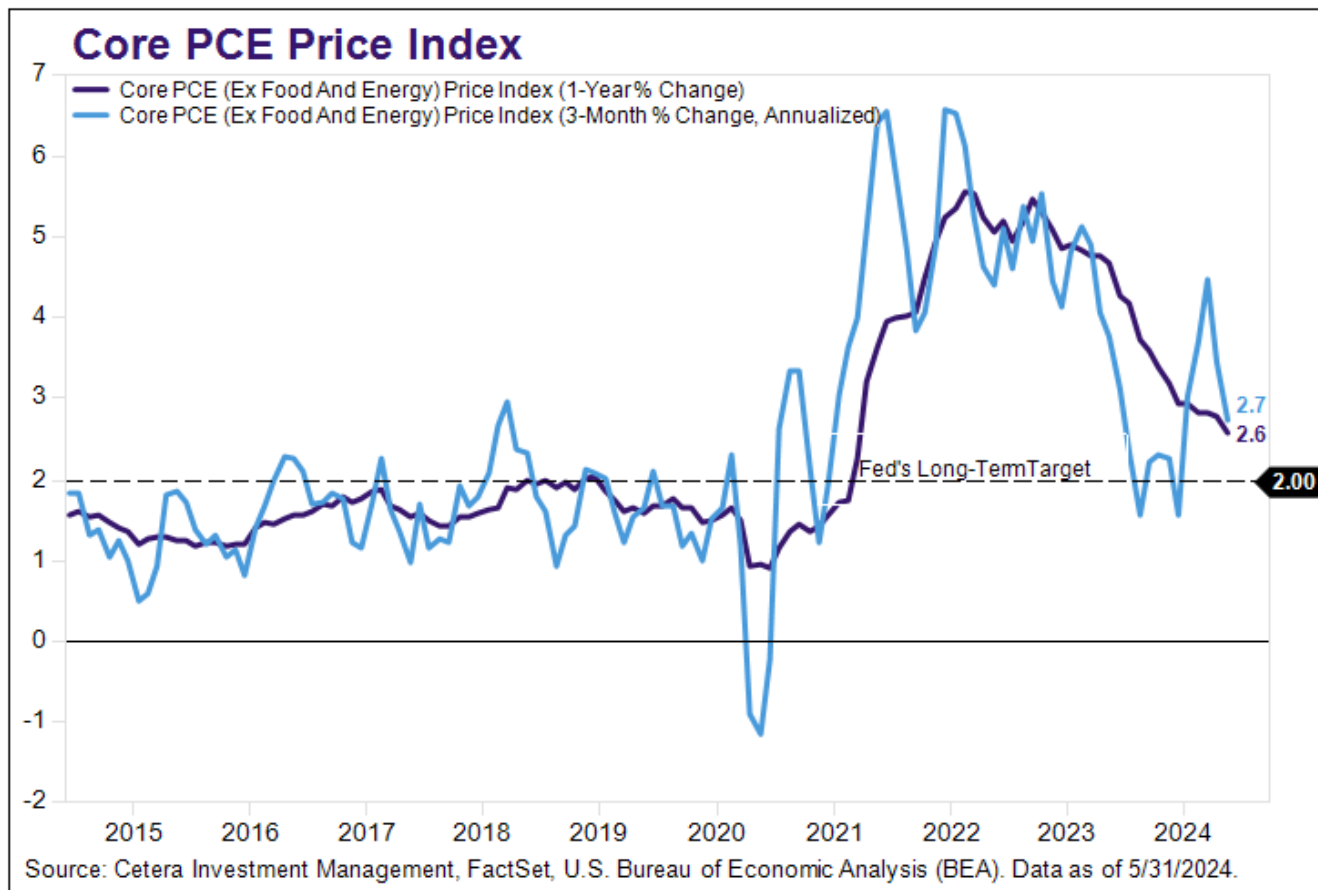
The yield on 10-year Treasury notes climbed a second week, rising 0.12% to finish Friday at 4.371%. Gold futures rose 0.4% to \$2,339.50/oz, retracing over half of its 0.7% prior week decline. U.S. WTI crude oil extended gains to a third straight week, climbing 1% to end Friday at \$81.54/barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.08%	1.23%	-1.27%	4.79%	17.92%	6.64%
S&P 500	-0.06%	3.59%	4.28%	15.29%	26.67%	10.07%
NASDAQ Composite	0.26%	6.03%	8.47%	18.57%	31.49%	7.78%
Russell 3000	0.07%	3.10%	3.22%	13.56%	25.16%	8.06%
Russell 2000	1.33%	-0.93%	-3.28%	1.73%	11.90%	-2.73%
MSCI EAFE	0.36%	-1.61%	-0.31%	5.34%	12.53%	2.54%
MSCI Emerging Markets	0.06%	3.94%	5.29%	7.49%	12.40%	-5.19%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.65%	0.95%	0.07%	-0.71%	2.13%	-2.97%
Bloomberg Municipal Bonds	-0.22%	1.53%	-0.02%	-0.40%	3.06%	-0.85%
Bloomberg US Corp High Yield	0.04%	0.94%	1.09%	2.58%	10.72%	1.70%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.62%	-1.54%	2.89%	5.14%	6.23%	6.20%
S&P GSCI Crude Oil	1.00%	5.91%	-1.96%	13.80%	17.22%	3.80%
S&P GSCI Gold	0.36%	-0.26%	4.52%	12.93%	21.71%	9.52%

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

Chart of the Week: Inflation Slowdown Continues



Inflationary tailwinds cooled again in May. Headline PCE inflation was flat last month, while core PCE inflation (excluding food and energy) increased by 0.1% month-over-month. Inflationary pressures eased the last few months after an uptick in the first quarter Annual core PCE slowed from 2.8% to a 38-month low of 2.6% last month.

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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.