

## Economic Calendar

### Monday, July 17

NY Empire State  
Manufacturing.

### Tuesday, July 18

Retail Sales, Industrial  
Production, Business  
Inventories, Homebuilder  
Confidence.

### Wednesday, July 19

Mortgage Activity, Housing  
Starts/Building Permits.

### Thursday, July 20

Jobless Claims, Philadelphia  
Fed Manufacturing, Existing  
Home Sales, Leading  
Indicators.

### Friday, July 21

No Major Releases.

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[U.S. Dollar Weakness](#)

[CPI Falls to 27-Month Low](#)

[Nasdaq's Low Breadth](#)

[The Week Ahead Video](#)

# WEEKLY RECAP

July 10-14, 2023 Recap

## Equities Rebound on Disinflation Theme

### *Small Cap Growth Stocks Led Gains*

The S&P 500 moved broadly higher last week, posting gains in four out of five trading days to more than erase its 1.1% prior week decline. Gains were led by bellwether Big Tech stocks amid a renewed disinflationary theme after the headline Consumer Price Index (CPI) came in lower than expected at 3.0% in June, its lowest year-over-year reading since March 2021. The CPI report together with declining producer prices and fewer weekly jobless claims helped bolster soft-landing hopes.

### *For the Week...*

The S&P 500 rallied 2.44%, reaching its highest levels since April 2022. The Dow Jones Industrial Average gained 2.29% and the tech-heavy Nasdaq Composite jumped 3.32%. Amongst Russell indices, small caps performed best, up 3.58% with gains led by its growth components (+3.98%) versus value (+3.18%).

### *Consumer Sentiment Rips*

The University of Michigan's Consumer Sentiment Index jumped to 72.6 in early July, widely surpassing the 65.5 forecast and was up 13% from the 64.4 reading in June. This sentiment reading is at its highest since September 2021 and is now around halfway between the all-time low of 50 in June 2022 and the February 2020 pre-pandemic reading of 101.

### *Weekly Sector Insights*

All 11 major S&P 500 sector groups advanced last week with Communication Services (+3.36), Consumer Discretionary (+3.31%), and Technology (+2.81%) posting the largest gains. Consumer Staples (+1.21%) and Energy (+0.62%) rose the least. Communication Services is now up 40.64% YTD, only trailing Technology (+44.67% YTD).

### *Treasury Yields Decline*

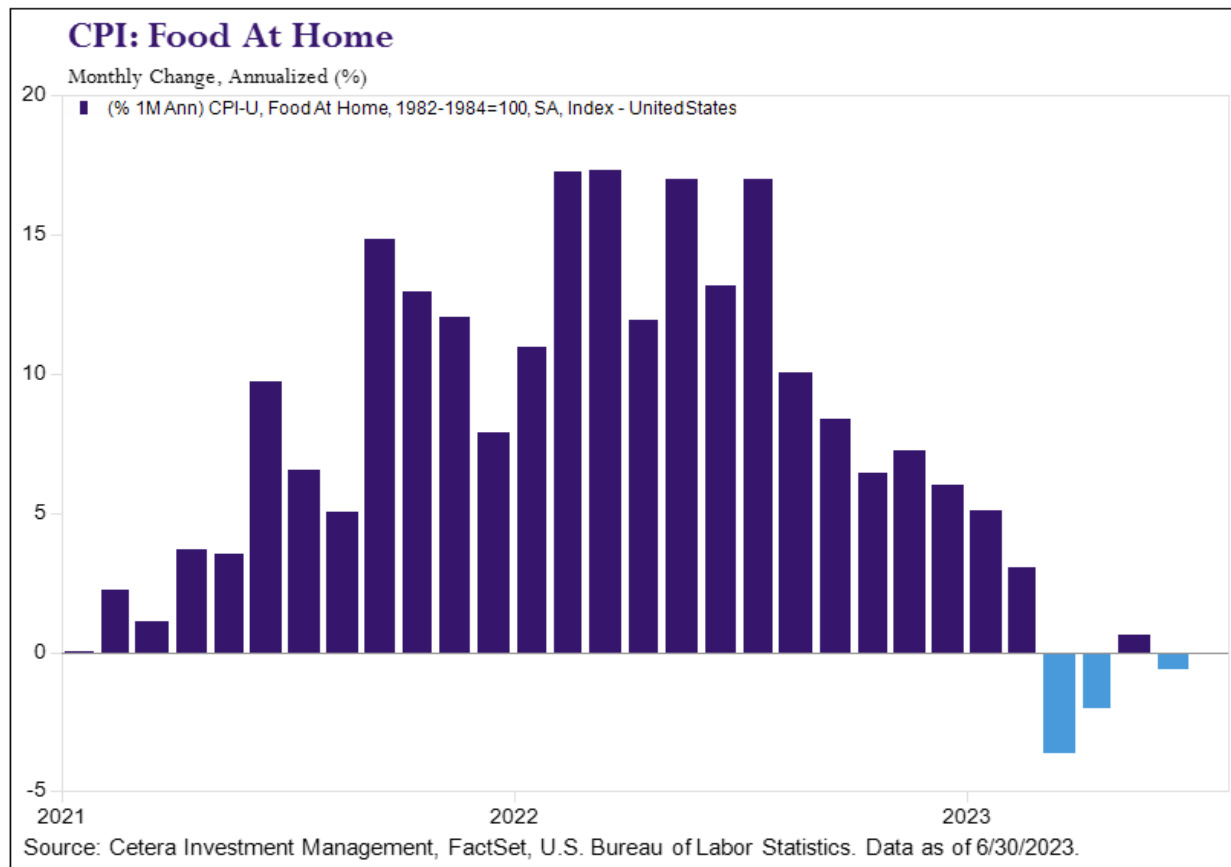
The yield on benchmark 10-year Treasury notes ended Friday at 3.818%, down 0.23% week-over-week. Notably, the policy-sensitive 2-year Treasury yield continued to retreat from the prior week's brief stint above 5%, slipping this past week to as low as 4.60% (4.76% currently).

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	2.29	0.29	1.84	4.11	12.67	9.01
S&P 500	2.44	1.30	9.33	18.41	20.93	13.90
NASDAQ Composite	3.32	2.38	16.66	35.47	26.59	11.27
Russell 3000	2.64	1.52	9.51	17.93	20.60	13.36
Russell 2000	3.58	2.28	8.85	10.55	14.86	12.00
MSCI EAFE	4.87	2.73	3.01	14.71	26.18	8.90
MSCI Emerging Markets	4.95	4.28	4.06	9.38	9.61	1.50
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	1.51	0.20	-0.66	2.29	-1.03	-4.13
Bloomberg Municipal Bonds	0.48	0.16	-0.96	2.84	1.89	-0.76
Bloomberg US Corp High Yield	1.60	0.99	1.89	6.42	8.81	3.01
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	2.74	3.28	-1.71	-4.76	-2.26	18.38
S&P GSCI Crude Oil	1.98	6.63	-8.63	-6.15	-18.87	22.94
S&P GSCI Gold	3.65	3.81	-0.64	9.68	16.10	2.84

Source: Morningstar

## Chart of the Week: Grocery Prices Easing



Inflation slowed on an annual basis to 3.0% year-over-year in June, the slowest pace of price increases in 27 months. A year ago, inflation was at a 40-year high of 9.1%. Falling grocery store prices are contributing to inflation cooling. CPI Food at Home declined in 3 of the last 4 months, providing consumers some price relief. In 2022, this category increased by 10% or more annualized the first eight months of the year.

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