

# Weekly Recap

## Economic Calendar

### Monday, October 14

Columbus Day holiday, Bond Market Closed.

### Tuesday, October 15

NY Empire State Manufacturing Index.

### Wednesday, October 16

Mortgage Activity, Export & Import Prices.

### Thursday, October 17

Jobless Claims, Retail Sales, Philly Fed Business Survey, Industrial Production, Business Inventories, Homebuilder Confidence.

### Friday, October 18

Housing Starts, Building Permits.

## [The Latest from @CeteraIM](#)

[Annualized Consumer Inflation Slows](#)

[Small Business Confidence Inches Higher](#)

[Mortgage Rates Rebound](#)

[The Week Ahead Video](#)

## Fifth Weekly Gain for U.S. Stocks

### Solid Start to Third Quarter Earnings Season

The S&P 500 and Dow Industrials climbed to fresh record highs last week, backed by gains in technology stocks and well received earnings data from the first batch of third quarter earnings reports from major banks. So far, just 24 S&P 500 companies have reported quarterly results. FactSet's current earnings outlook calls for earnings growth slightly above 7% in the third quarter, up from their initial 4.4% earnings growth forecast established on September 30. In the latest inflation report, the consumer price index rose 0.2% month-over-month in September, unchanged from August, but slightly above the +0.1% forecast. In notable easing, the CPI component for shelter rose just 0.2% last month, down from a 0.5% August increase.

### For the Week...

All three major U.S. indices climbed a fifth straight week. The S&P 500 rose 1.13% reaching its 45<sup>th</sup> record high of the year and closed above 5,800 for the first time. The Dow Jones Industrial Average gained 1.22%, finishing at another record. The tech-heavy Nasdaq Composite rose 1.13%, ending the week just 1.6% below its July 10 record high.

### Consumer Sentiment Weakens

The University of Michigan's preliminary October consumer sentiment index backpedaled to 68.9 from 70.1 in September, broadly below economists' consensus forecast for an increase to 70.9. A rise in respondents' year-ahead inflation expectations to 2.9% from 2.7% was the primary catalyst behind the pullback. Despite the monthly decline, consumer sentiment is still 8% higher from a year ago and almost 40% above its trough low reached in June 2022.

### Weekly Sector Insights

Six of the 11 sector groups ended positive last week, led by Technology (+2.51%), Industrials (+2.11%), and Financials (+1.82%). Consumer Staples (+0.35%) rose the least while Utilities (-2.55%) and Communication Services (-1.28%) fell the most. On a year-to-date basis, Technology (+32.90%) returned to top the 2024 leaderboard, followed by Communication Services (+28.98%) and Utilities (+28.15%). Real Estate (+11.14%) is up the least this year.

### Treasury Yields Climb

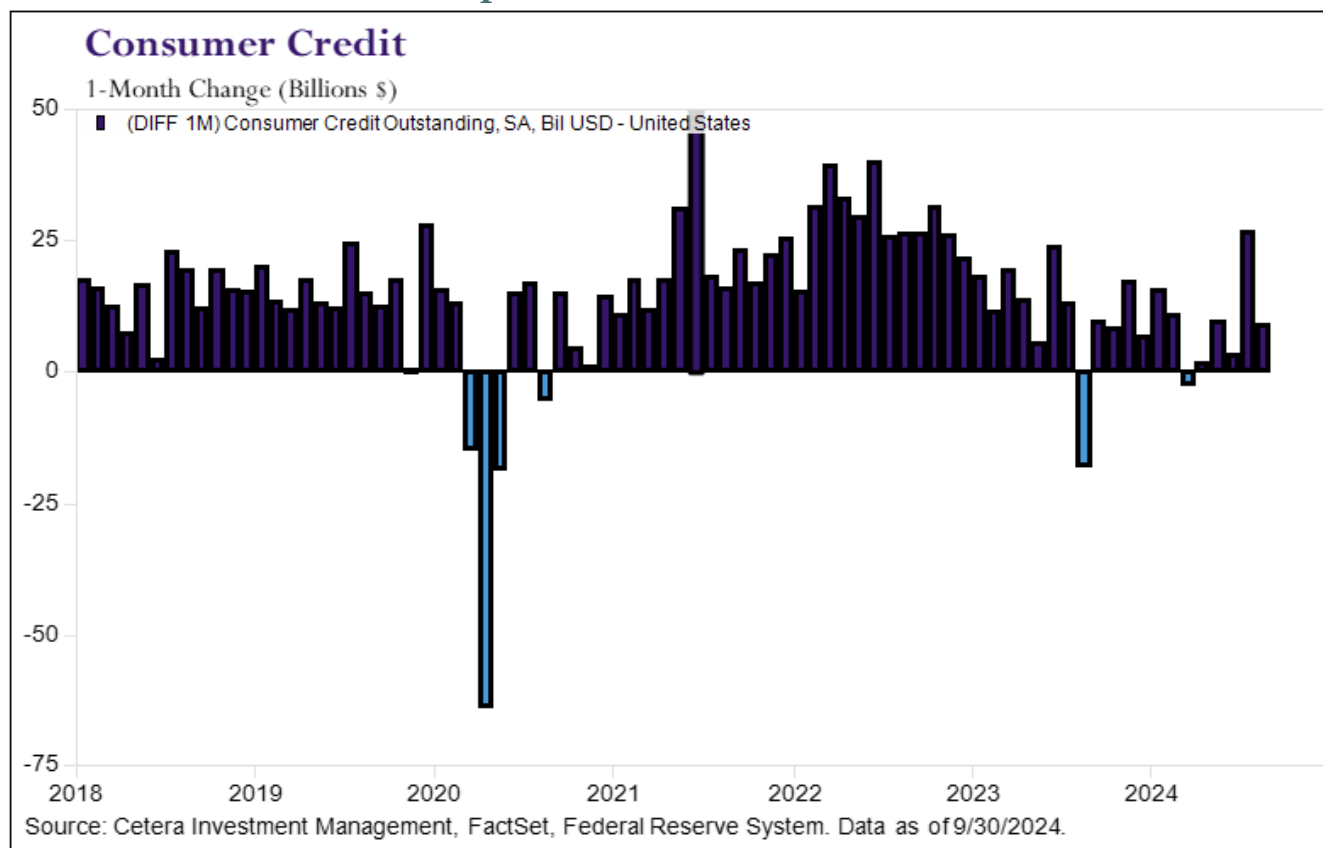
The yield on 10-year Treasury notes ended Friday at 4.084%, up 0.11% for the week and up 0.35% over the past eight trading sessions. The U.S. Dollar Index rose 0.4% while gold futures gained 0.3% at \$2,676/ounce. U.S. crude oil advanced 1.6% to \$75.56/barrel, its fourth increase in the past five weeks.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.22%	1.31%	8.32%	15.42%	29.32%	9.72%
S&P 500	1.13%	0.96%	4.49%	23.25%	34.80%	11.78%
NASDAQ Composite	1.13%	0.86%	0.51%	22.89%	35.30%	9.04%
Russell 3000	1.17%	1.01%	4.85%	21.85%	34.04%	10.21%
Russell 2000	0.99%	0.22%	5.50%	11.42%	27.86%	1.66%
MSCI EAFE	0.25%	-2.00%	1.25%	10.73%	21.54%	4.86%
MSCI Emerging Markets	-1.66%	-0.94%	3.67%	15.76%	24.31%	-0.25%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.46%	-1.46%	2.33%	2.93%	9.77%	-1.70%
Bloomberg Municipal Bonds	-0.54%	-0.56%	1.60%	1.72%	8.95%	-0.04%
Bloomberg US Corp High Yield	-0.31%	-0.48%	3.84%	7.49%	15.61%	3.05%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.16%	0.60%	1.32%	6.50%	3.16%	3.21%
S&P GSCI Crude Oil	0.63%	9.80%	-8.30%	4.47%	-9.11%	-2.26%
S&P GSCI Gold	0.32%	0.64%	8.78%	29.18%	41.81%	15.07%

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

## Chart of the Week: Credit Expansion Slows



Consumer credit increased by a relatively modest \$8.9 billion in August (+11.8B expected), with the pace of credit expansion slowing from July's \$26.6 billion. In the first eight months of the year, consumer credit increased by the following amounts: 2021 (\$276 billion), 2022 (\$241 billion), 2023 (\$87 billion), 2024 (\$74 billion). Consumers have borrowed less as interest rates have risen.

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

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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.