

Weekly Recap

Economic Calendar

Monday, October 28

No Major Releases.

Tuesday, October 29

Advance Goods-Only Trade Balance, S&P Case-Shiller Home Prices, Consumer Confidence, JOLTS Job Openings.

Wednesday, October 30

Mortgage Activity, ADP Private Payrolls, Q3 GDP, Q3 PCE Prices, Q3 Real Consumer Spending, Pending Home Sales.

Thursday, October 31

Challenger Job Cuts, Jobless Claims, Personal Income & Spending, September PCE Prices, Unit Labor Costs, Chicago-area PMI.

Friday, November 1

Nonfarm Payrolls, Unemployment Rate, Average Hourly Wages, Construction Spending, ISM Manufacturing.

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[Durable Goods Orders Decline](#)

[New Home Sales Climb](#)

[Used Home Sales Fall](#)

[The Week Ahead Video](#)

Treasury 10-Year Yield Returns to July Levels

Bifurcated Finish

The Dow Industrials and S&P 500 posted declines last week, snapping their six-week winning streaks. However, the Nasdaq Composite eked out a fractional weekly gain, capping a seventh straight weekly advance. Rising Treasury yields were in focus last week, climbing back to levels before the Federal Reserve cut rates by 0.50% in August. Continued optimism for a soft landing acted as a catalyst for rising yields.

For the Week...

The S&P 500 fell nearly 1% (-0.96%), the Dow Jones Industrial Average tumbled 2.66% while the tech-heavy Nasdaq Composite rose 0.16%. The small cap focused Russell 2000 Index slumped nearly 3% (-2.99%). Meanwhile, the Bloomberg Commodities Index gained 2.13%, led by surging oil prices.

Consumer Sentiment Edges Higher

Consumer sentiment rose to 70.5 in October, returning to its highest level since April, according to the University of Michigan, up from 70.1 in September. The index is now up over 40% from its June 2022 low. The survey-based component for inflation expectations held steady at 2.7%.

Weekly Sector Insights

Nine of the 11 major sector groups ended negative last week, with Materials (-4.01%), Healthcare (-2.96%), and Industrials (-2.74%) falling the most. Consumer Discretionary (+0.94%) and Technology (+0.18%) were the only gainers. On a year-to-date basis, Technology (+34.22%) continues to be the top performing sector, followed by Utilities (+30.01%) and Communication Services (+29.25%).

Treasury Yields Rise

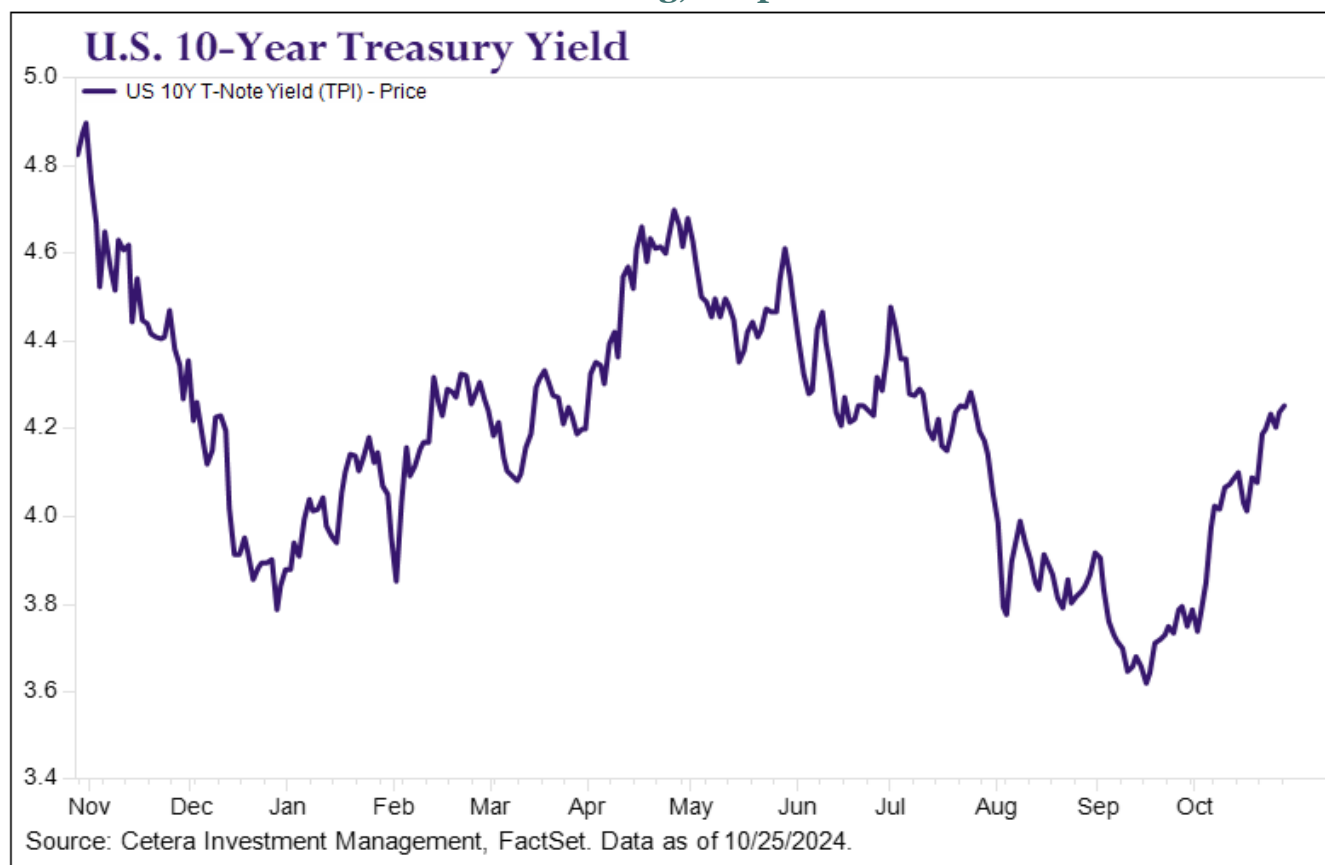
The yield on 10-year Treasury notes ended Friday at 4.24%, up 0.16% from the previous week. The yield on 2-year Treasury Notes rose 0.15%, ending the week at 4.10%, its highest level since August 15. The U.S. Dollar Index rose 0.8%, helping send gold futures up 0.9% to mark a fresh record high of \$2,754.60/ounce. U.S. WTI crude oil surged 4.5% last week amid rising tensions in the Middle East.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-2.66%	-0.43%	5.94%	13.45%	30.00%	7.80%
S&P 500	-0.96%	0.87%	7.94%	23.14%	40.75%	10.04%
NASDAQ Composite	0.16%	1.83%	7.98%	24.06%	45.53%	7.59%
Russell 3000	-1.15%	0.82%	7.50%	21.62%	40.36%	8.40%
Russell 2000	-2.99%	-0.95%	-0.34%	10.11%	35.65%	-0.10%
MSCI EAFE	-1.98%	-4.30%	2.13%	8.13%	23.44%	3.14%
MSCI Emerging Markets	-1.75%	-3.04%	6.19%	13.31%	26.40%	-1.78%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.92%	-2.32%	1.63%	2.03%	11.13%	-2.00%
Bloomberg Municipal Bonds	-1.09%	-1.42%	0.37%	0.84%	9.82%	-0.25%
Bloomberg US Corp High Yield	-0.37%	-0.51%	3.15%	7.46%	16.82%	3.01%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	2.13%	0.21%	4.87%	6.08%	0.57%	2.05%
S&P GSCI Crude Oil	4.50%	5.30%	-8.30%	0.18%	-15.94%	-5.01%
S&P GSCI Gold	0.90%	3.58%	14.78%	32.96%	38.08%	15.08%

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

Chart of the Week: Bond Returns Strong, Despite Recent Rise in Yields



Bond returns move inversely with bond yields. With the recent rise in yields, the aggregate bond index is down over 2% month-to-date. However, it is still up over 10% over the last 12 months.

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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.