

# Weekly Recap

## Economic Calendar

### Monday, December 9

Wholesale Trade Sales & Inventories.

### Tuesday, December 10

Small Business Optimism, Labor Productivity, Unit Labor Costs.

### Wednesday, December 11

Mortgage Activity, Consumer Price Index (CPI), Federal Budget Deficit.

### Thursday, December 12

Jobless Claims, Producer Price Index (PPI).

### Friday, December 13

Import & Export Prices.

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## S&P 500 Caps Third Straight Weekly Gain

### Post-Election Rally Continues

The S&P 500 and Nasdaq Composite both closed Friday at fresh record highs, extending their post-election winning streaks to three consecutive weekly gains. Consumer resilience together with continued labor growth and a Federal Reserve affirmation of a healthy economy drove gains. Fed Chairman Powell said Wednesday that the economy is in remarkably good shape, and that he's comfortable with the current monetary policy. The Chairman's comments followed a speech by Fed Governor Waller, who said on Monday that he's leaning toward a December cut.

### For the Week...

The S&P 500 gained nearly 1%, closing the week at its 57<sup>th</sup> all-time high this year. The tech-heavy Nasdaq Composite performed best, surging 3.36%, while the Dow Jones Industrial Average declined 0.53%. The small cap-focused Russell 2000 also backpedaled, giving back 1.02%.

### Consumer Sentiment Climbs

The University of Michigan's consumer sentiment index rose to 74.0 in December's preliminary reading, marking the fifth straight month of increases and the highest level in seven months. The consensus forecast called for a smaller increase to 73.0 from 71.8 in November. Year-ahead inflation expectations however rose to 2.9% from 2.6% the month prior, while the longer-term five-year inflation outlook slipped to 3.1% from 3.2%.

### Weekly Sector Insights

Consumer Discretionary (+5.90%), Communication Services (+4.11%), and Technology (+3.36%) were the top sector performers last week. However, the remaining eight sectors ended lower, with Consumer Staples (-0.69%) and Financials (-1.71%) declining the least. Energy (-4.52%) and Utilities (-3.81%) fell the most. In year-to-date (YTD) performance, Communication Services (+40.95%), Technology (+39.58%), and Financials (+35.70%) are up the most while Healthcare (+7.15%) has gained the least.

### Treasury Yields Drift Lower

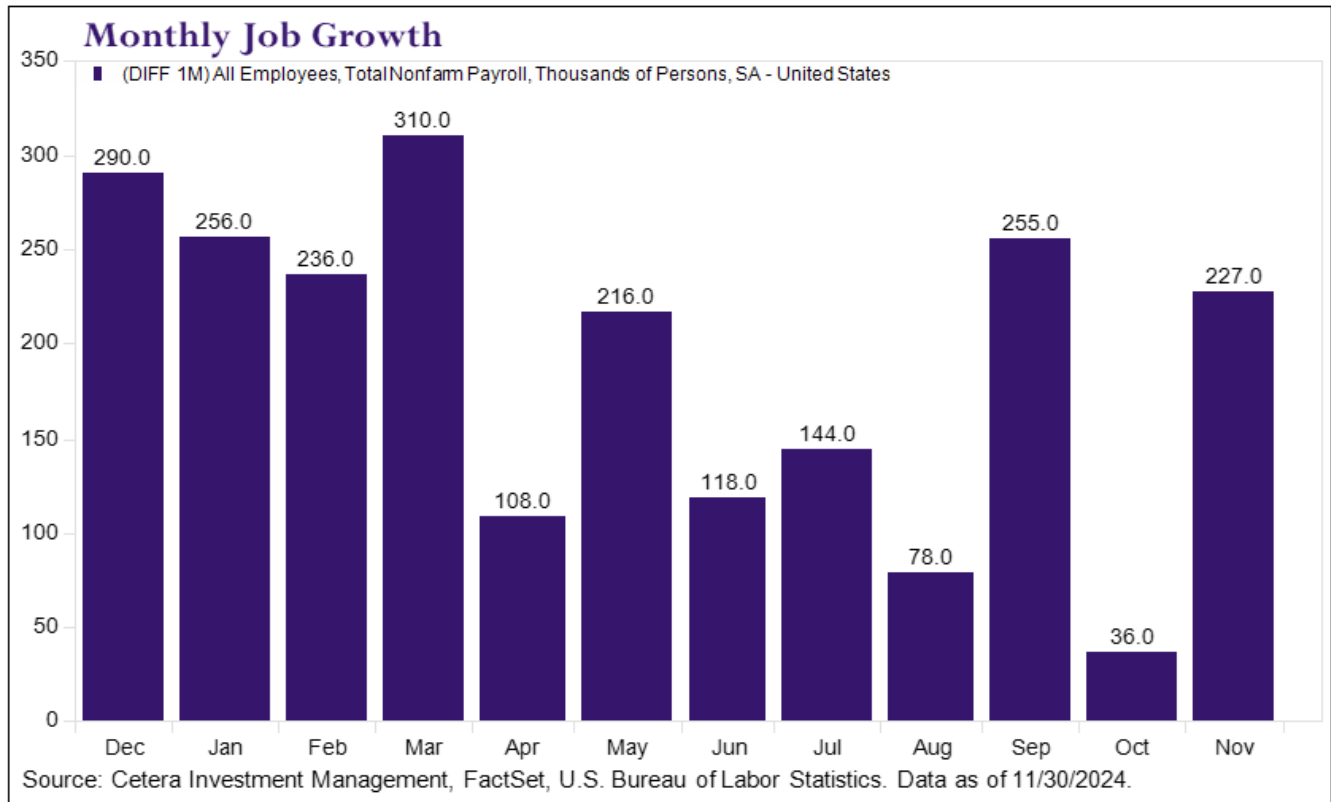
The yield on 10-year Treasury notes was little changed last week, ending Friday at 4.148%. The U.S. Dollar Index edged 0.3% higher, rebounding from the week prior. Gold futures slipped a second week, off 0.8% while U.S. WTI crude oil futures fell 1.2%, closing Friday at \$67.20/barrel.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.53%	-0.53%	11.12%	20.57%	26.10%	10.41%
S&P 500	0.99%	0.99%	12.98%	29.34%	35.75%	11.58%
NASDAQ Composite	3.36%	3.36%	19.19%	33.19%	41.40%	10.13%
Russell 3000	0.92%	0.92%	14.01%	28.89%	35.87%	10.77%
Russell 2000	-1.02%	-1.02%	15.56%	20.34%	31.89%	4.52%
MSCI EAFE	1.71%	1.71%	-0.68%	8.05%	13.07%	4.32%
MSCI Emerging Markets	2.45%	2.45%	2.99%	10.29%	16.01%	-0.53%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.45%	0.45%	-0.96%	3.40%	5.76%	-1.81%
Bloomberg Municipal Bonds	0.33%	0.33%	1.05%	2.88%	4.59%	0.07%
Bloomberg US Corp High Yield	0.42%	0.42%	2.41%	9.11%	12.33%	3.60%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.59%	-0.59%	5.23%	3.71%	5.23%	4.73%
S&P GSCI Crude Oil	-1.24%	-1.24%	-0.76%	-6.27%	-3.21%	-1.13%
S&P GSCI Gold	-0.80%	-0.80%	5.35%	28.37%	29.87%	14.32%

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

## Chart of the Week: Jobs Growth Rises in November



Nonfarm payrolls rose by 227,000 in November, surpassing expectations of an increase of 220,000. Revisions to the prior two months added 56,000 jobs, bringing the 3-month average to 173,000, reflecting healthy labor market growth. However, the unemployment rate edged up slightly to 4.2%.

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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.