

Economic Calendar

Monday, August 15

Empire State
Manufacturing, Housing
Market Index.

Tuesday, August 16

Housing Starts/Building
Permits, Industrial
Production.

Wednesday, August 17

Mortgage Activity, Retail
Sales, Business
Inventories, FOMC Meeting
Minutes.

Thursday, August 18

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

Friday, August 19

No Major Releases.

[The Latest from
@CeteraIM](#)

[Consumer Prices Rise](#)

[Producer Prices Ease](#)

[Rate Expectations Fall](#)

[The Week Ahead Video](#)

WEEKLY RECAP

August 8-12, 2022 Recap

Stocks Continue to Rise

Week of Inflation Readings

Major U.S. equity indexes were all up around 3% last week, as investors got a few different readings on inflation. On Wednesday, the Consumer Price Index was reported, followed by the Producer Price Index on Thursday and finally the University of Michigan's Consumer Sentiment Index on Friday. All three reports showed lower expectations for future inflation. This was viewed positively because falling inflation could allow the Fed to raise short-term interest rates less than previously expected.

For the Week...

The S&P 500 rose 3.31%, the Dow Jones Industrial Average gained 2.99% and the tech-heavy Nasdaq Composite was up 3.10%. The S&P 500 and Nasdaq Composite both recorded gains for four consecutive weeks. The Nasdaq finished above 13,000 for the first time since late April.

Consumer Prices Unchanged

The consumer price index (CPI) was flat in the month of July following a 1.3% increase in June. However, the index is up 8.5% from a year ago, down from 9.1% the month prior. Reflecting a 4.6% decline in energy prices, the so-called core CPI that excludes volatile food and energy costs rose 0.3% from the prior month but held steady on a year-over-year basis up 5.9%.

Energy is Top Sector

All the 11 S&P 500 major sectors posted gains last week. Energy, which fell the most last week down 6.80%, rebounded and led all sectors up 7.45%. Financials (+5.49%) and Materials (+5.21%) were other leading sectors. The bottom sectors were Consumer Staples (+1.25%), Health Care (+1.66%), and Information Technology (+2.47%).

Treasury Yields Largely Unchanged

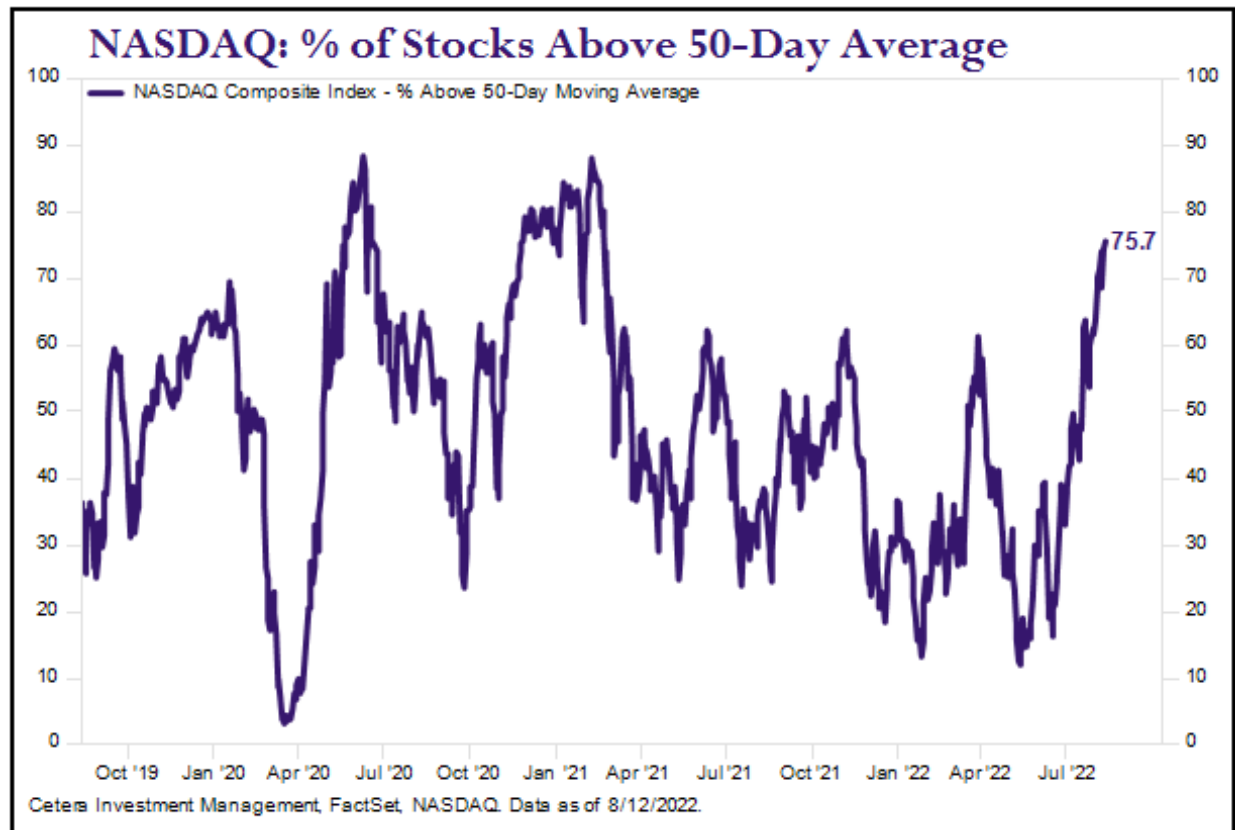
The 10-year benchmark Treasury yield ended the week at 2.84%, up from 2.83% the Friday prior. The yield on two-year Treasury notes finished Friday at 3.25%, up from 3.24%. Notice the two-year Treasury note is 0.41% higher than the 10-year Treasury yield. This could be a sign that future growth expectations are lower and may be an indicator of a recession on the horizon.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	2.92	2.79	6.40	-7.09	-4.90	9.23
S&P 500	3.31	3.71	9.38	-9.34	-2.62	15.97
NASDAQ Composite	3.10	5.35	14.98	-16.21	-11.31	19.35
Russell 3000	3.49	4.26	10.25	-10.02	-4.75	15.44
Russell 2000	4.97	7.03	16.38	-9.48	-9.03	11.89
MSCI EAFE	2.16	1.50	3.45	-14.29	-14.67	4.72
MSCI Emerging Markets	1.65	2.63	4.54	-15.67	-18.90	3.88
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.24	-0.80	0.52	-8.89	-9.23	-1.06
Bloomberg Municipal Bonds	-0.08	-0.19	3.48	-6.76	-6.81	-0.04
Bloomberg US Corp High Yield	0.94	1.60	3.17	-7.67	-6.17	2.73
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	4.59	1.23	-2.67	25.00	30.57	17.72
S&P GSCI Crude Oil	2.97	-7.26	-12.39	21.61	32.77	18.57
S&P GSCI Gold	1.36	1.89	-0.88	-0.72	3.64	6.16

Source: Morningstar

Chart of the Week: Nasdaq Enters New Bull Market



The tech heavy Nasdaq Composite Index has entered a new bull market up over 20% from its mid-June low. Market breadth is also strong with over 75% of its companies above their 50-day moving averages. While the Nasdaq has rebounded, it is still roughly 20% below its peak.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@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 USD_X or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000.