

Economic Calendar

Monday, August 8
New York Fed Inflation Expectations.

Tuesday, August 9
Small Business Optimism, Worker Productivity, Labor Costs.

Wednesday, August 10
Mortgage Activity, Consumer Prices, Average Hourly Earnings, Wholesale Trade Sales/Inventories.

Thursday, August 11
Jobless Claims, Producer Prices.

Friday, August 12
Nonfarm Payrolls, Unemployment Rate, Consumer Credit.

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WEEKLY RECAP

August 1-5, 2022 Recap

Stocks Advance Third Week

Strong Jobs Data Trims Weekly Gain

The S&P 500 posted fraction gains last week after an unexpected strong July payrolls report on Friday. The economy added 528,000 new jobs last month (250,000 expected) with employment back to its pre-pandemic level. This reduced recession prospects but paved the way for the Fed to aggressively hike interest rates at their next policy meeting. Gains were led by Technology, backed by mostly positive earnings data. The S&P 500 and Nasdaq Composite both capped their third straight week of gains, their longest winning streak since April.

For the Week...

The S&P 500 rose 0.39%, the Dow Jones Industrial Average slipped 0.13% and the tech-heavy Nasdaq Composite surged 2.18%. Their respective total returns over the past three weeks were 7.37%, 4.90% and 10.57%.

Mixed ISM Economic Activity

The ISM Manufacturing activity index slipped to 52.8 in July, the lowest level since June 2020, from 53.0 in May. At 48.0 the key factory New Orders component remained in contraction a second month, but positively Price Paid plunged 18.5 points, the most in twelve years. In contrast to manufacturing, the ISM Services index surprised higher, strengthening to a three-month high in July (56.7 from 55.3). The Prices Paid component for service providers fell 7.8 points to the lowest level since February 2021.

Technology Outperforms

Six of the 11 S&P 500 major sectors posted gains last week, led by Technology (+2.00%), Consumer Discretionary (+1.17%) and Communication Services (+1.16%). Energy fell the most, down 6.80%, followed by Real Estate (-1.32%) and Materials (-1.29%). Energy trimmed its 2022 sector leader YTD gain to 34.82%.

Treasury Yields Rise

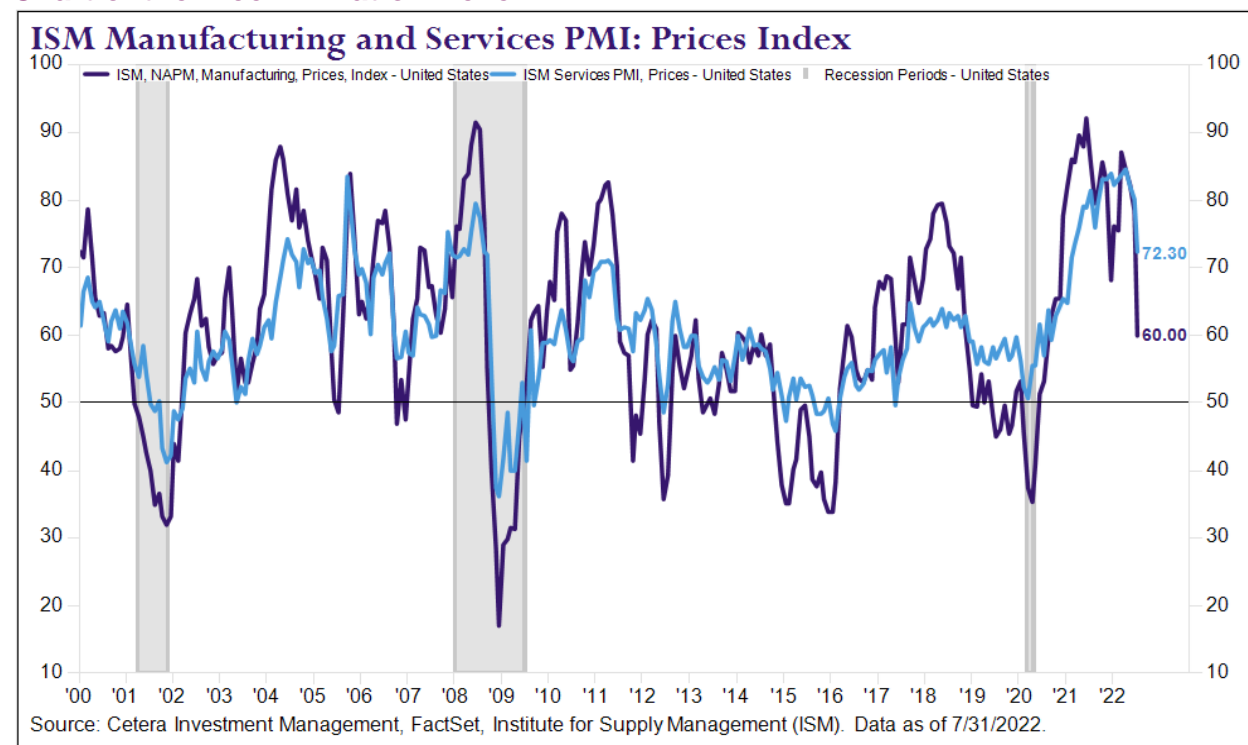
The 10-year benchmark Treasury yield ended the week at 2.838%, up from 2.642% the Friday prior. The yield on two-year Treasury notes finished Friday at 3.240%, up 0.35% for the week. The U.S. Dollar Index strengthened by 0.68% last week, ending a string of two weekly declines.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.13	-0.13	-0.59	-9.73	-6.45	8.45
S&P 500	0.39	0.39	0.40	-12.24	-5.02	15.27
NASDAQ Composite	2.18	2.18	3.00	-18.73	-14.41	18.86
Russell 3000	0.74	0.74	0.58	-13.05	-7.41	14.65
Russell 2000	1.96	1.96	3.10	-13.77	-13.01	10.28
MSCI EAFE	-0.65	-0.65	-2.85	-16.11	-16.25	4.12
MSCI Emerging Markets	0.96	0.96	-4.03	-17.04	-20.74	3.38
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-1.04	-1.04	1.15	-9.11	-10.09	-0.96
Bloomberg Municipal Bonds	-0.12	-0.12	2.88	-6.69	-7.08	0.15
Bloomberg US Corp High Yield	0.66	0.66	0.20	-8.53	-7.25	2.52
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-3.22	-3.22	-10.62	19.52	24.41	16.02
S&P GSCI Crude Oil	-9.93	-9.93	-17.95	18.10	28.58	17.54
S&P GSCI Gold	0.53	0.53	-4.51	-2.05	-0.98	6.65

Source: Morningstar

Chart of the Week: Inflation Relief?



There are some early signs that inflationary pressures began to ease in July. The prices component of the ISM Manufacturing PMI fell to the lowest level in two years, declining the most in a single month in 12 years. Additionally, the prices component of the ISM Services PMI declined to a 17-month low. Both signals indicate that price growth is still present, but the pace is slowing.

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