

Economic Calendar

Monday, August 29
Dallas Fed Manufacturing Activity.

Tuesday, August 30
Home Prices, Consumer Confidence, JOLTS Job Openings.

Wednesday, August 31
Mortgage Activity, ADP Private Jobs, MNI Chicago PMI.

Thursday, September 1
Mortgage Activity, ADP Private Jobs, MNI Chicago PMI.

Friday, September 2
Nonfarm Payrolls, Unemployment Rate, Hourly Earnings, Factory Orders, Durable Goods Orders.

[The Latest from @CeteraIM](#)

[Valuations Trimmed](#)

[Too Much Inventory?](#)

[Negative Correlation](#)

[The Week Ahead Video](#)

WEEKLY RECAP

August 22-26, 2022 Recap

Equities Give Back More Gains

Second Week of Selling

U.S. equities fell sharply last week and erased month-to-date gains for August in all three major domestic indices. Investor sentiment soured after Fed Chairman Powell spoke briefly, but candidly, in his Jackson Hole, Wyoming Friday speech that aggressive rate hikes are still needed to combat inflation. The S&P 500 fell nearly 3.4% on Friday, its worst day since June 13.

For the Week...

The S&P 500 fell 4.02%, the Dow Jones Industrial Average lost 4.22% and the tech-heavy Nasdaq Composite gave back the most for a second week in a row, down 4.43%. The S&P 500 is now down 14% YTD, while the Nasdaq is down nearly 22% since the start of the year.

Consumer Sentiment Reaches Three-Month High

The University of Michigan's consumer sentiment index advanced to 58.2 in August, the highest since May, from 51.5 in July. Sentiment improved as year-ahead inflation prospects eased to 4.8% from 5.2% the month prior. Longer-term inflation forecasts over the next 5- to 10-years were unchanged at 2.9%.

Energy Outperforms

All but one sector posted losses for the week, with Energy (+4.27%) the sole gainer. Decliners were led by Technology (-5.58%), Communication Services (-4.82%) and Consumer Discretionary (-4.74%).

Treasury Yields Rise

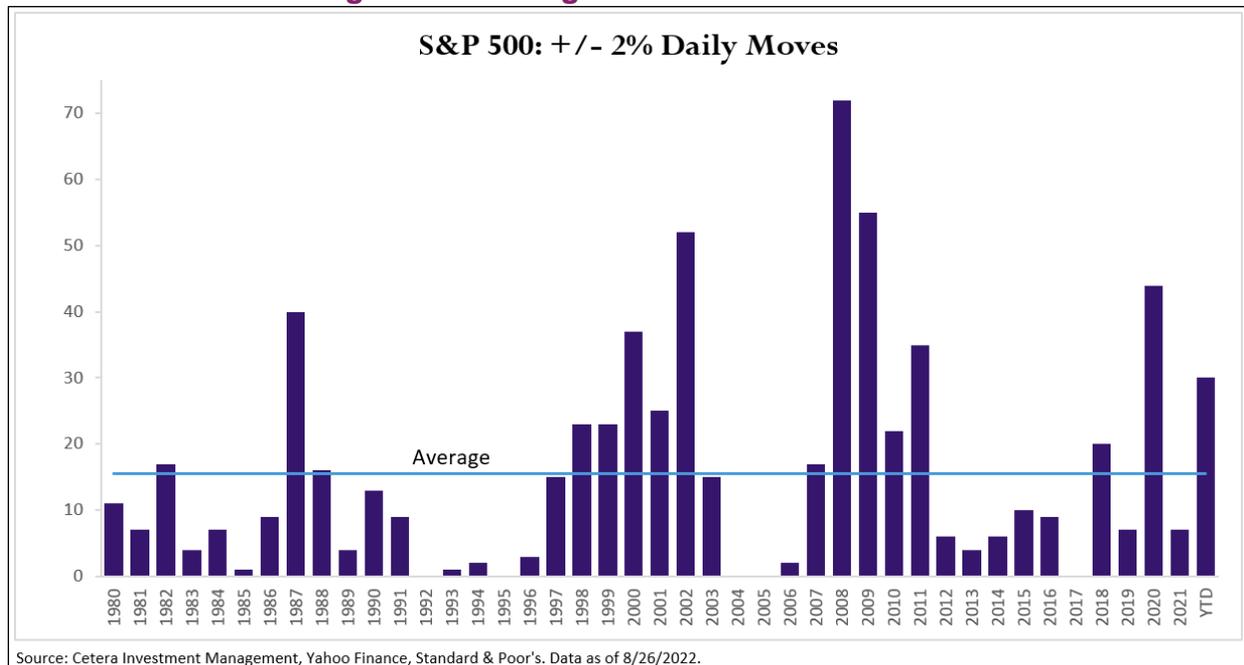
Treasury yields rose last week with the 10-year benchmark Treasury yield edging higher to 3.04% from 2.98% the week prior. The yield on two-year Treasury notes finished Friday at 3.37%, widening its inversion relative to 10-year notes to 0.33% (up from 0.27% in the prior week). The U.S. Dollar Index gained 0.59% last week after surging 2.4% the week before.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-4.22	-1.71	-1.08	-11.16	-8.33	7.62
S&P 500	-4.02	-1.62	0.41	-14.00	-7.87	13.98
NASDAQ Composite	-4.43	-1.91	3.63	-21.99	-18.18	16.56
Russell 3000	-3.82	-1.23	0.76	-14.76	-9.91	13.46
Russell 2000	-2.93	0.88	3.72	-14.69	-13.14	10.14
MSCI EAFE	-1.91	-2.61	-5.96	-17.77	-17.40	3.66
MSCI Emerging Markets	0.54	1.66	-0.20	-16.46	-18.18	4.01
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.36	-2.03	-1.64	-10.02	-10.59	-1.62
Bloomberg Municipal Bonds	-0.47	-1.87	-0.36	-8.32	-8.30	-0.69
Bloomberg US Corp High Yield	-1.05	-0.68	-1.22	-9.74	-8.73	1.70
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.92	2.48	-6.02	26.55	32.22	18.42
S&P GSCI Crude Oil	2.90	-5.64	-18.43	23.73	38.06	20.15
S&P GSCI Gold	-0.74	-1.80	-5.62	-4.31	-2.53	4.41

Source: Morningstar

Chart of the Week: Large Stock Swings



We are less than two-thirds of the way through the year and the S&P 500 has already closed with daily gains or losses of 2% or more 31 times. Going back to 1980, daily swings of this magnitude occur an average of 15 times a year. If you feel like markets are a roller coaster this year, you are correct.

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

About Cetera® Investment Management

Cetera Investment Management LLC is an SEC registered investment adviser owned by Cetera Financial Group®. Cetera Investment Management provides market perspectives, portfolio guidance, model management, and other investment advice to its affiliated broker-dealers, dually registered broker-dealers and registered investment advisers.

About Cetera Financial Group

“Cetera Financial Group” refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Advisor Networks LLC, Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), Cetera Financial Specialists LLC, and First Allied Securities, Inc. All firms are members FINRA / SIPC. Located at 655 W. Broadway, 11th Floor, San Diego, CA 92101.

Disclosures

Individuals affiliated with Cetera firms are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.

The material contained in this document was authored by and is the property of Cetera Investment Management LLC. Cetera Investment Management provides investment management and advisory services to a number of programs sponsored by affiliated and non-affiliated registered investment advisers. Your registered representative or investment adviser representative is not registered with Cetera Investment Management and did not take part in the creation of this material. He or she may not be able to offer Cetera Investment Management portfolio management services.

Nothing in this presentation should be construed as offering or disseminating specific investment, tax, or legal advice to any individual without the benefit of direct and specific consultation with an investment adviser representative authorized to offer Cetera Investment Management services. Information contained herein shall not constitute an offer or a solicitation of any services. Past performance is not a guarantee of future results.

For more information about Cetera Investment Management, please reference the Cetera Investment Management LLC Form ADV disclosure brochure and the disclosure brochure for the registered investment adviser your adviser is registered with. Please consult with your adviser for his or her specific firm registrations and programs available.

No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The opinions expressed are as of the date published and may change without notice. Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision.

All economic and performance information is historical and not indicative of future results. Investors cannot directly invest in unmanaged indices. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards.

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.