

## Economic Calendar

### Monday, May 16

NY Empire State  
Manufacturing.

### Tuesday, May 17

Retail Sales, Industrial  
Production, Business  
Inventories, NAHB Housing  
Market Index.

### Wednesday, May 18

Mortgage Activity, Housing  
Starts, Building Permits.

### Thursday, May 19

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

### Friday, May 20

Advance Services PMI  
Report (Q1).

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CPI Slower Increase](#)

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Holds Steady](#)

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# WEEKLY RECAP

May 9-13, 2022 Recap

## Stocks Continue Downward Trend

### **S&P 500 Declines a Sixth Week**

All three major U.S. equity indices rebounded strongly last Friday but ended the week sharply lower as investors expressed fears around the economic growth outlook. Wall Street remains concerned high annualized inflation and the Fed's aggressive tightening policy needed to combat rising costs could weaken economic growth. The S&P 500 rebounded 2.39% on Friday, while the Nasdaq Composite (+3.82%) posted its best single-day gain since November 2020.

### **For the Week...**

Despite Friday gains, the S&P 500 fell 2.35% last week to cap a sixth weekly loss, its longest losing streak since June 2011. The Dow Jones Industrial Average ended 2.14% lower on the week and the Nasdaq Composite lost 2.77%. The benchmark S&P 500 is more than 16% below its early January peak, while the Nasdaq fell deeper into a bear market, down over 27% from its November 2021 peak.

### **Consumer Prices Expand at Slower Pace**

The headline consumer price index (CPI) rose 0.3% in April and is up 8.3% from a year ago, easing from March which saw a monthly increase of 1.2% and year-over-year increase of 8.5%. Travel category costs led the April CPI increase (as shown in the Chart of the Week below). Core CPI prices, which exclude volatile food and energy items, rose faster than expected last month (+0.6% vs. +0.4% expected) but slowed on a year-over-year basis to 6.2% from 6.5%.

### **Defensive Sectors Performs Best**

10 of the 11 major sector groups posted negative returns last week, with Real Estate (-3.85%), Financials (-3.54%) and Technology (-3.47%) falling the most. Communication Services (-0.16%) fell the least, along with Healthcare (-0.88%) and Utilities (-1.07%). Consumer Staples (+0.31%) was the sole weekly gainer. While Energy fell 2.61% last week, it remains this year's best performing sector (+46.87% year to date).

### **Treasury Yields Ease**

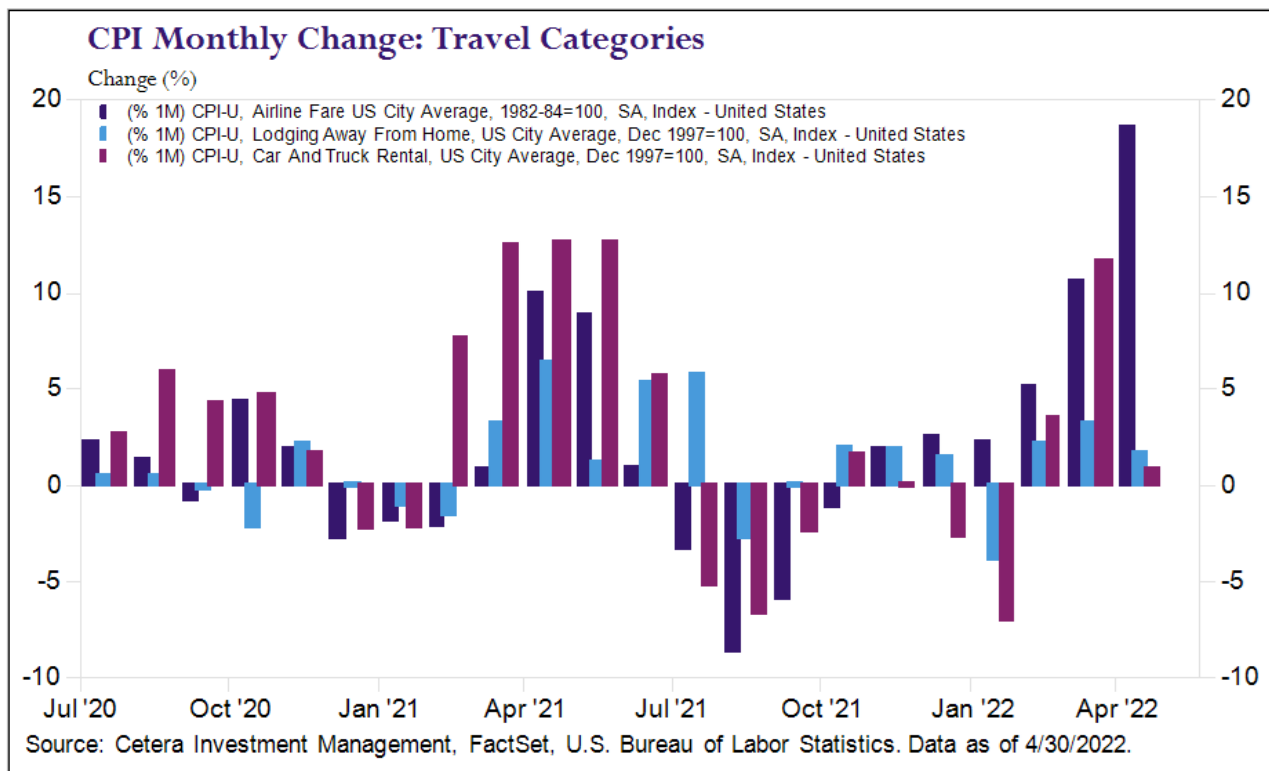
Treasury bond prices climbed last week on safe-haven buying, dampening the yield on benchmark 10-year Treasury notes to 2.930% from 3.126% the week prior. Separately, U.S. WTI crude oil futures finished the week at \$110.49/barrel, slightly up from \$109.77/barrel the week prior.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-2.14	-2.37	-7.32	-11.40	-5.37	8.33
S&P 500	-2.35	-2.53	-8.58	-15.12	-0.76	14.60
NASDAQ Composite	-2.77	-4.23	-14.23	-24.35	-9.46	16.53
Russell 3000	-2.36	-2.87	-9.40	-16.25	-3.76	13.73
Russell 2000	-2.50	-3.76	-11.40	-19.83	-16.53	6.91
MSCI EAFE	-1.41	-4.20	-13.64	-15.70	-11.64	4.19
MSCI Emerging Markets	-2.60	-6.62	-18.58	-17.96	-20.57	1.92
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.89	-0.23	-6.49	-9.71	-8.45	0.14
Bloomberg Municipal Bonds	-0.72	-1.46	-7.22	-10.15	-9.25	-0.28
Bloomberg US Corp High Yield	-1.21	-2.38	-6.65	-10.41	-7.43	2.30
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.54	-0.87	16.93	29.61	40.24	18.59
S&P GSCI Crude Oil	-0.78	3.76	18.83	44.44	70.22	21.07
S&P GSCI Gold	-3.69	-5.07	-1.48	-0.75	-0.62	11.54

Source: Morningstar

## Chart of the Week: Travel Inflation Heating Up



Headline inflation slowed on a year-over-year basis in April, but inflation is heating up in travel categories. Airfares surged 18.6% in April, after a 10.6% rise in March. Car rentals and hotel prices are both rising faster than overall inflation. There is a lot of pent-up demand for travel and the cost of a summer vacation is going to rise as a result.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@CeteraIM](https://twitter.com/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.