

Economic Calendar

Monday, July 25
National Activity, Dallas
Fed Manufacturing Activity.

Tuesday, July 26
S&P CoreLogic Case-
Shiller Home Prices,
Consumer Confidence,
New Home Sales.

Wednesday, July 27
Mortgage Activity, Goods-
only Trade Balance, Trade
Inventories, Durable/Capital
Goods Orders, Pending
Home Sales, FOMC Rate
Decisions.

Thursday, July 28
Jobless Claims, Advance
2Q GDP, Personal
Consumption.

Friday, July 29
Personal Income/Spending,
PCE Prices, MNI Chicago
PMI, Consumer Sentiment.

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[2Q Earnings Growth Rates
by Sector](#)

[Services Activity Slows](#)

[The Week Ahead Video](#)

WEEKLY RECAP

July 18-22, 2022 Recap

Stocks Advance

Earnings Help Inspire Gains

Equities posted their strongest weekly gain in a month, led by strength in cyclical growth companies, extending a comeback after falling into a bear market earlier this year. The S&P 500 ended Friday up nearly 8% from this year's mid-June low. Investors shifted into risk assets after welcoming better than feared earnings data, stirring hopes that Wall Street's bear market may or may soon reach a bottom.

For the Week...

The S&P 500 rallied 2.57%, with Friday's 0.93% pullback paring an otherwise larger weekly gain. The Dow Jones Industrial Average rose 1.95%, adding 611-points, while the tech-heavy Nasdaq Composite rebounded 3.33%.

Existing Home Sales Slow

U.S. existing home sales fell a fifth straight month, slowing 5.4% in June to an annualized pace of 5.12 million. Missing expectations for 5.35 million, the pullback capped the longest string of monthly declines since 2013. Backed by aggressive Fed rate hikes to combat inflation, home buying lending rates have risen near the highest since 2008, curbing buyer demand.

Consumer Discretionary Outperforms

Eight of the S&P 500's 11 major sector groups posted gains last week with Consumer Discretionary (+6.81%), Materials (+4.15%), and Industrials (+4.14%) advancing the most. Defensive sectors gained the least and fell the most, including Consumer Staples (+0.52%), Utilities (-0.45%) and Communications Services (-1.16%).

Treasury Yields Ease Further

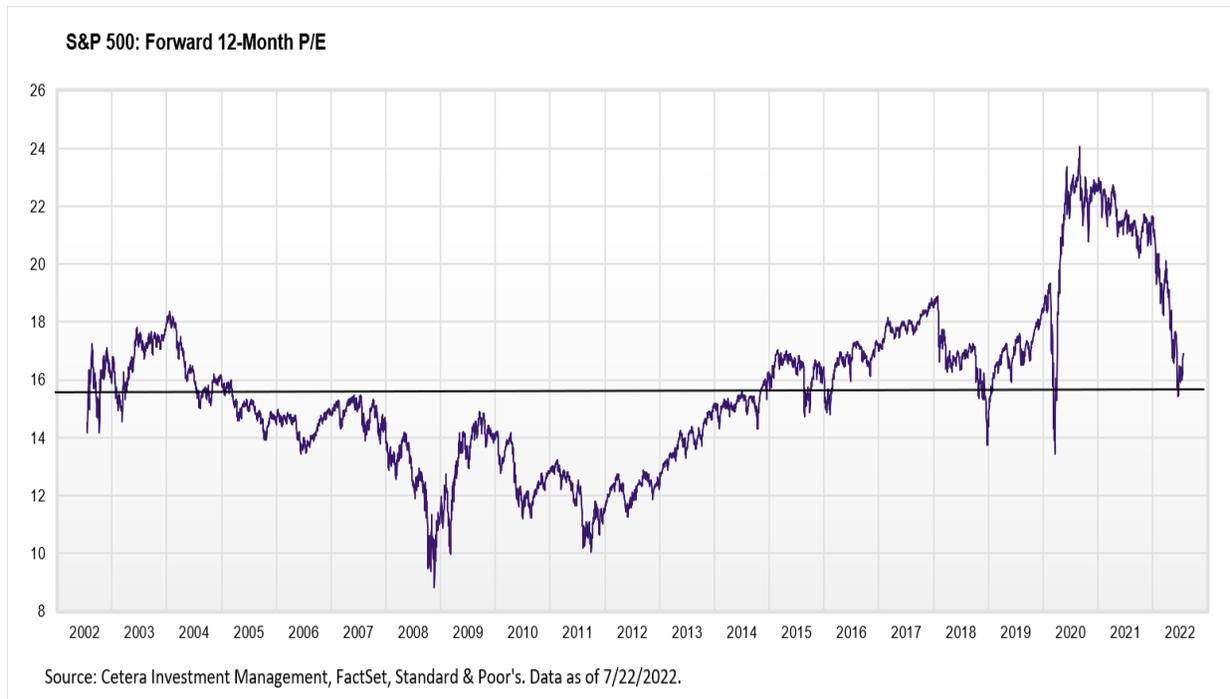
Treasury yields eased another week with the 10-year Treasury ending Friday at 2.785%, down from 2.931% the week prior. The U.S. Dollar index fell 1.23% last week, its first pullback in a month. The greenback is still up nearly 11% this year.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.95	3.65	-5.66	-12.22	-8.40	5.49
S&P 500	2.57	4.73	-6.87	-16.17	-7.96	11.73
NASDAQ Composite	3.33	7.32	-7.63	-24.05	-18.85	13.91
Russell 3000	2.79	4.96	-7.15	-17.18	-10.52	11.04
Russell 2000	3.59	5.84	-6.55	-18.96	-16.86	6.68
MSCI EAFE	4.43	2.81	-8.10	-17.31	-15.25	2.10
MSCI Emerging Markets	3.00	-0.65	-6.77	-18.16	-23.30	0.25
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	1.17	1.79	0.83	-8.74	-9.58	-0.37
Bloomberg Municipal Bonds	0.24	1.70	1.27	-7.43	-7.74	0.19
Bloomberg US Corp High Yield	2.48	4.30	-3.37	-10.50	-9.29	1.57
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	2.74	-0.32	-9.38	18.05	22.63	14.39
S&P GSCI Crude Oil	0.14	-10.46	-7.22	25.91	31.72	18.98
S&P GSCI Gold	1.34	-3.43	-9.77	-4.56	-3.53	6.63

Source: Morningstar

Chart of the Week: Large Cap Stock Valuation Near Average



The S&P 500 might not be cheap based on valuations, but it is no longer trading at a huge premium. The forward 12-month price-to-earnings (P/E) ratio for the S&P 500 is 16.6. That is slightly above the 20-year average. It was 21.6 at the start of the year, 38% higher than 20-year average of 15.7.

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.