

Weekly Recap

Economic Calendar

Monday, January 5

ISM Manufacturing PMI.

Tuesday, January 6

S&P U.S. Services PMI.

Wednesday January 7

Mortgage Activity, ADP

Private Sector Payrolls, ISM Services PMI, JOLTS Job Openings, Factory Orders.

Thursday, January 8

Jobless Claims, U.S. Trade Deficit, Labor Productivity, Consumer Credit.

Friday, January 9

Nonfarm Payrolls, Unemployment Rate, Hourly Wages, Housing Starts, Consumer Sentiment.

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Stocks Retrace Prior Week Gains

Friday's Start to 2026 Ends Positive

The S&P 500 backpedaled last week, giving back most of its 1.2% prior week gain as investors bemoaned a lack of traction in 2025's Santa Claus rally. The Dow Industrials and S&P 500 capped four straight daily declines through Wednesday while posting mild gains on Friday after 2026 New Year's Day celebrations the day before.

For the Week...

The S&P 500 fell 1.00%, the Dow Jones Industrial Average fell 0.66% and the tech-heavy Nasdaq Composite lost 1.50%. International developed markets overperformed last week with the MSCI EAFE climbing 0.55% while MSCI's Emerging Markets surged 2.33%.

U.S. Manufacturing Activity Slows

S&P Global's final December U.S. Manufacturing PMI reading slowed to 51.8 from 52.2 in November, matching its prior "flash" estimate and economists' consensus forecast. While the reduced 51.8 reading still reflects expansion, it does so at the lowest level in five months.

Weekly Sector Insights

Eight of the eleven S&P 500 sectors ended negative last week, led by Consumer Discretionary (-3.17%), Technology (-1.49%) and Financials (-1.19%). Energy (+3.29%) led to the upside, followed by Utilities (+0.95%) and Industrials (+0.52%). In fledgling 2026 year-to-date (YTD) performance, Energy (+2.09%), Industrials (+1.88%) and Materials (+1.55%) have gained the most while Consumer Discretionary (-1.14%), Communication Services (-0.38%) and Consumer Staples (-0.14%) are down the most.

Treasury Yields Rebound

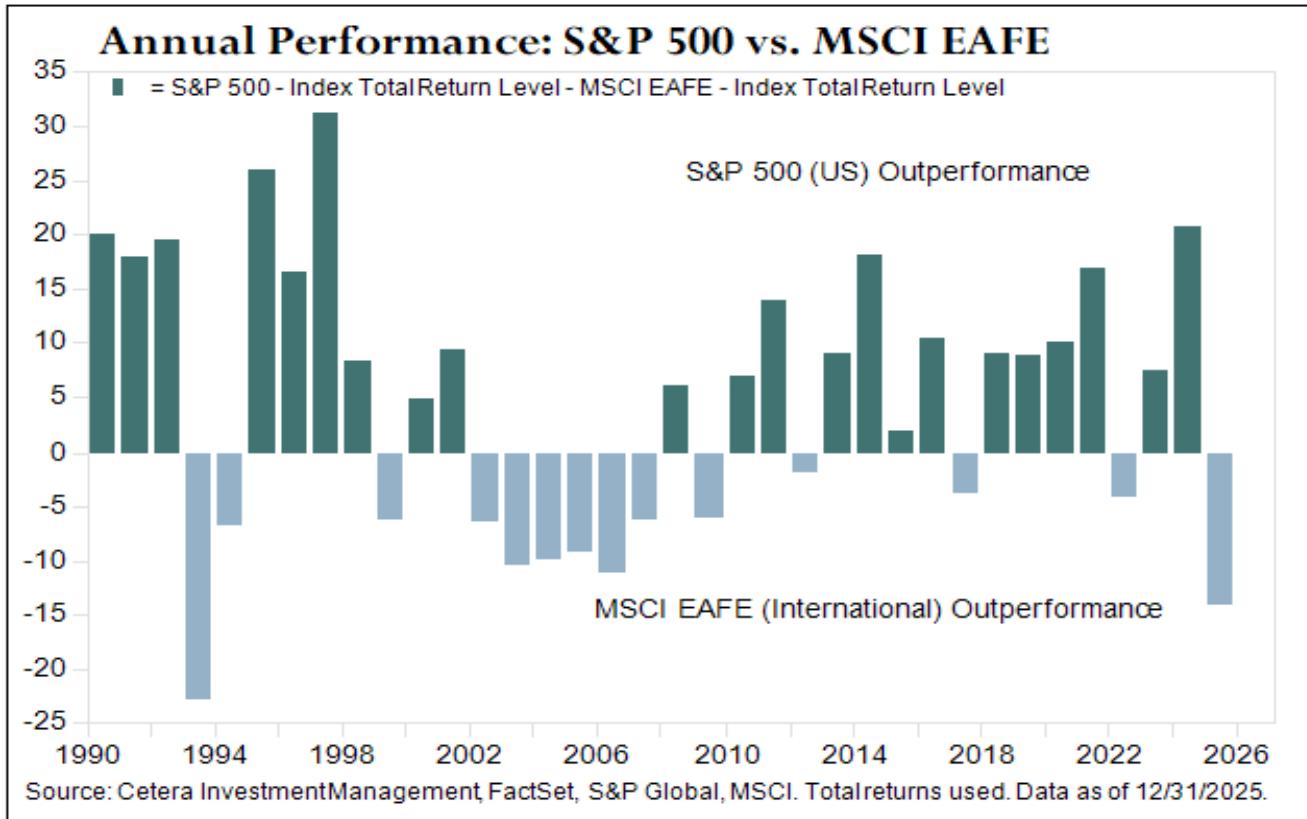
The yield on 10-year Treasury notes ended the week at 4.191%, up 0.06% for the week. Yields rise as prices fall. The U.S. Dollar Index strengthened 0.5% while gold futures tumbled 4.9% to end the week at \$4,329.60 per troy ounce. Gold and silver (-7.4%) futures both declined after the CME again raised their margin requirements. U.S. WTI crude oil futures rebounded, climbing 1.02% to \$57.32 per barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.66%	0.68%	4.46%	0.68%	16.12%	15.61%
S&P 500	-1.00%	0.21%	2.46%	0.21%	18.39%	23.07%
NASDAQ Composite	-1.50%	-0.02%	1.87%	-0.02%	21.30%	31.39%
Russell 3000	-0.97%	0.32%	2.26%	0.32%	17.70%	22.35%
Russell 2000	-0.98%	1.06%	2.35%	1.06%	13.93%	14.12%
MSCI EAFE	0.55%	0.60%	4.68%	0.60%	32.11%	17.21%
MSCI Emerging Markets	2.33%	1.79%	4.91%	1.79%	36.43%	17.09%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.21%	-0.20%	0.51%	-0.20%	7.04%	4.59%
Bloomberg Municipal Bonds	0.13%	0.05%	1.42%	0.05%	4.11%	3.89%
Bloomberg US Corp High Yield	0.20%	0.00%	1.19%	0.00%	8.44%	10.05%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-2.57%	-0.14%	5.45%	-0.14%	14.60%	3.90%
S&P GSCI Crude Oil	1.02%	-0.17%	-5.22%	-0.17%	-21.62%	-10.60%
S&P GSCI Gold	-4.90%	-0.26%	11.93%	-0.26%	62.22%	33.30%

Source: Cetera Investment Management, FactSet. Total returns used, which includes dividends and interest.

Chart of the Week: International Shined in 2025



International equities outpaced U.S. markets in 2025, with the MSCI EAFE Index returning 31.2% versus the S&P 500's 17.9% total return. It was only the fourth time in 16 years that international stocks beat U.S. stocks, and the widest margin of international outperformance since 1993. While lower valuations and strengthening foreign currencies helped lift international markets, the durability of the U.S. economy remains supportive of domestic equities.

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

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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.