

# Weekly Recap

## Economic Calendar

### Monday, January 19

Martin Luther King Jr. holiday. Markets Closed.

### Tuesday, January 20

No Major Releases.

### Wednesday January 21

Mortgage Applications, Construction Spending (Oct delayed), Pending Home Sales.

### Thursday, January 22

Jobless Claims, Q3 GDP, Personal Income/Spending (Nov delayed), PCE Prices (Nov delayed).

### Friday, January 23

Consumer Sentiment, S&P flash U.S. Manufacturing & Services PMIs.

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[HY Bond Spreads Narrow](#)

[Jobless Claims Decline Below 200K](#)

[Retail Sales Ramp Higher](#)

[The Week Ahead Video](#)

## S&P 500 Backpedals from Record High

### Broad Market Dips even as Breadth Improves

All three major U.S. equity average posted fractional losses last week with the S&P 500 stepping back approximately 0.5% from its third record high of the new year set on Monday, January 12. Market breadth was however positive with the equal-weighted S&P 500 outperforming its official cap-weighted index by over 1%. Investor sentiment weakened primarily surrounding rising geopolitical tensions with Iran and Venezuela. Cyclical and small cap stocks outperformed.

### For the Week...

The S&P 500 slipped 0.36% after advancing 1.58% the week prior. The Dow Jones Industrial Average and tech-heavy Nasdaq Composite also fractionally backpedaled last week, falling 0.28% and 0.66%, respectively. The small cap focused Russell 2000 performed best, gaining 2.05% last week which extended its year-to-date gain to 7.92%.

### Industrial Production Surprises Higher

U.S. industrial production rose 0.4% in December, topping the +0.1% consensus forecast and matched November's upwardly revised increase (+0.4% from +0.2% originally reported). Industrial production advanced at an annualized 2.0% pace from a year ago.

### Weekly Sector Insights

Five of the eleven S&P 500 sectors registered losses last week, with Financials (-2.33%), Consumer Discretionary (-1.99%) and Communication Services (-1.44%) falling the most. Defensive sectors advanced, led by Real Estate (+4.10%) and Consumer Staples (+3.69%), followed by Industrials (+3.03%). In year-to-date (YTD) performance, Industrials (+7.60%), Materials (+7.27%) and Energy (+6.81%) moved to the top of the 2026 leaderboard. Last year's biggest annual sector gainer Communication Services (+0.52%) is now up the least this year while Technology (-0.55%) and Financials (-0.61%) turned negative in early YTD performance.

### Treasury Yields Rise

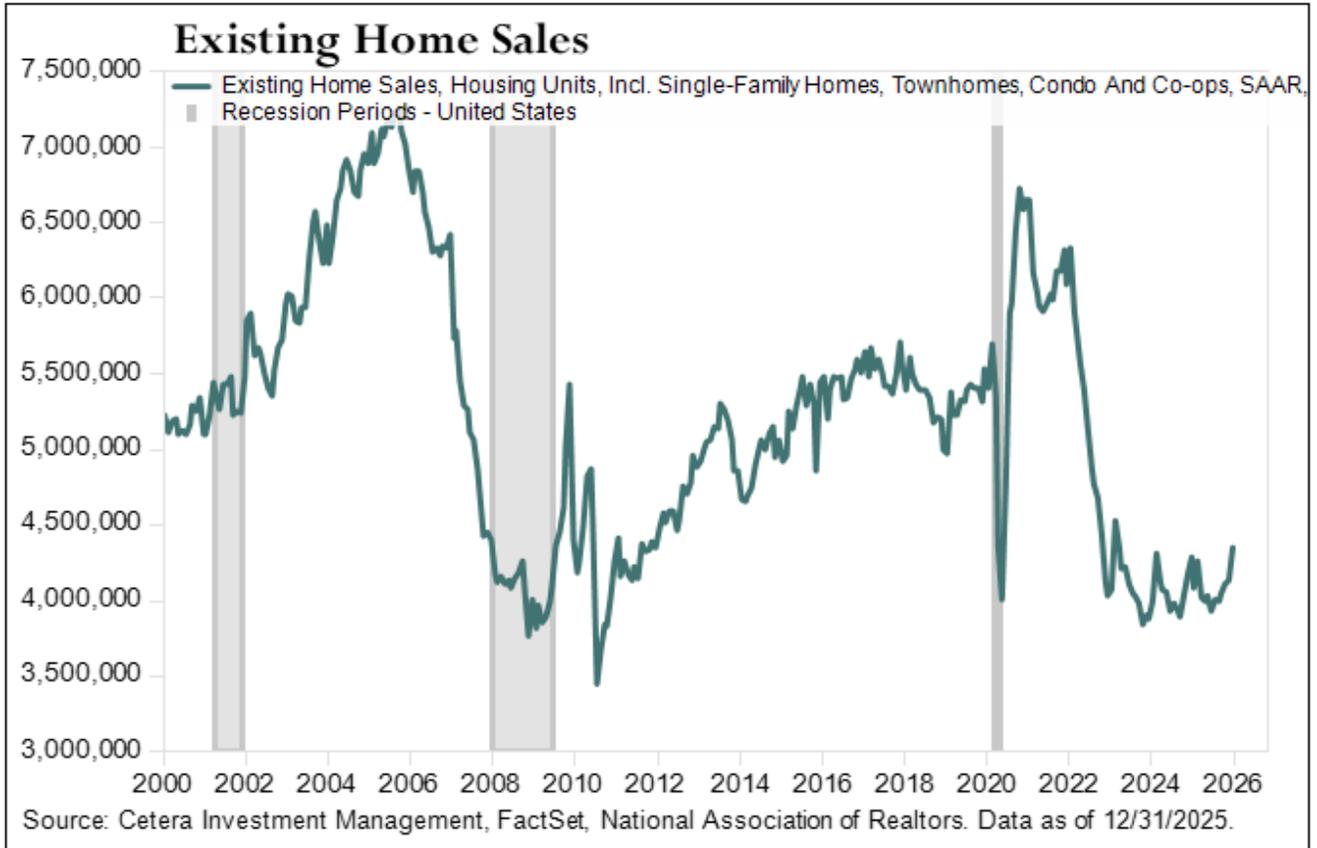
The yield on 10-year Treasury notes ended the week at 4.226%, up 0.06% for the week. Yields rise as prices fall. The U.S. Dollar Index strengthened 0.2% for a third weekly gain, while gold futures advanced 2.55% to end the week at \$4,595.40 per troy ounce. U.S. WTI crude oil futures rose 0.49%, ending Friday at \$59.34 per barrel.

## Market Watch

| Stocks                       | 1-Week | MTD   | 3-Month | YTD   | 1-Year  | 3-Year |
|------------------------------|--------|-------|---------|-------|---------|--------|
| Dow Jones Industrial Avg.    | -0.28% | 2.74% | 7.86%   | 2.74% | 16.35%  | 15.05% |
| S&P 500                      | -0.36% | 1.44% | 5.01%   | 1.44% | 18.39%  | 21.88% |
| NASDAQ Composite             | -0.66% | 1.19% | 4.38%   | 1.19% | 22.39%  | 29.43% |
| Russell 3000                 | -0.20% | 1.90% | 5.14%   | 1.90% | 17.79%  | 21.16% |
| Russell 2000                 | 2.05%  | 7.92% | 8.89%   | 7.92% | 19.74%  | 13.98% |
| MSCI EAFE                    | 1.40%  | 3.45% | 7.03%   | 3.45% | 34.46%  | 15.89% |
| MSCI Emerging Markets        | 2.26%  | 5.78% | 8.10%   | 5.78% | 42.31%  | 15.65% |
| Bonds                        | 1-Week | MTD   | 3-Month | YTD   | 1-Year  | 3-Year |
| Bloomberg US Agg Bonds       | -0.14% | 0.01% | -0.03%  | 0.01% | 7.31%   | 3.72%  |
| Bloomberg Municipal Bonds    | 0.19%  | 0.93% | 1.54%   | 0.93% | 5.78%   | 3.40%  |
| Bloomberg US Corp High Yield | 0.17%  | 0.56% | 1.94%   | 0.56% | 8.52%   | 8.88%  |
| Commodities                  | 1-Week | MTD   | 3-Month | YTD   | 1-Year  | 3-Year |
| Bloomberg Commodity          | 1.38%  | 3.72% | 7.89%   | 3.72% | 13.58%  | 5.55%  |
| S&P GSCI Crude Oil           | 0.49%  | 3.34% | 4.12%   | 3.34% | -23.78% | -9.51% |
| S&P GSCI Gold                | 2.55%  | 6.64% | 7.55%   | 6.64% | 66.74%  | 33.63% |

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

## Chart of the Week: Home Sales Remain Low but Are Trending Higher



Existing home sales increased 5.1% in December to an annualized rate of 4.35 million, the strongest pace since March 2023. Easing mortgage rates and stabilizing home prices have marginally improved affordability, helping to elevate home buying activity.

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.