

Weekly Recap

Economic Calendar

Monday, January 20

Martin Luther King, Jr. Day holiday, All Markets Closed.

Tuesday, January 21

No Major Releases.

Wednesday, January 22

Mortgage Activity, Leading Economic Indicators.

Thursday, January 23

Jobless Claims, Federal Reserve Balance Sheet.

Friday, January 24

S&P Global flash U.S. Manufacturing & Services PMIs, Existing Home Sales, Consumer Sentiment.

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Stocks Rebound as Inflation Concerns Ease

Best Week Since 2024 Elections

U.S. equities posted solid gains with the S&P 500 notching its best weekly performance since the week of the November 6 presidential election. Investors cheered Wednesday's CPI report showing a modest easing in core consumer prices (excluding food and energy items). The annualized core CPI slipped to 3.2% from 3.3%, its first deceleration in Y/Y price growth since July. This in turn stirred the 10-year Treasury yield to tumble nearly 0.14% to 4.650%, the largest daily pullback in a month. Wall Street also cheered a strong start of the 4Q earnings season, with banking giants reporting robust results.

For the Week...

The S&P 500 gained 2.93%, the Dow Jones Industrial Average jumped 3.69%, and the tech-heavy Nasdaq Composite advanced 2.45% for its best one-week gain since early December. Comparatively, the small cap focused Russell 2000 Index performed best, surging 3.97%.

Homebuilder Confidence Inches Higher

The NAHB/Wells Fargo Homebuilder Confidence index for newly built single-family homes surprised slightly higher in January, rising one-point to 47 this month, topping expectations for a small decline to 45. The report also revealed that 30% of builders reduced their home selling prices, with the average reduction of 5%.

Weekly Sector Insights

All 11 S&P 500 sector groups ended positive last week with Energy (+6.17%), Financials (+6.11%), and Materials (+6.03%) posting the largest gains. Technology (+1.58%) was the eighth largest gainer while Consumer Staples (+1.26%) and Healthcare (+0.38%) rose the least. In year-to-date performance, Energy (+9.21%) and Materials (+5.05%) are up the most, while Consumer Staples (-0.97%) and Technology (-0.16%) are underwater.

Treasury Yields Retreat

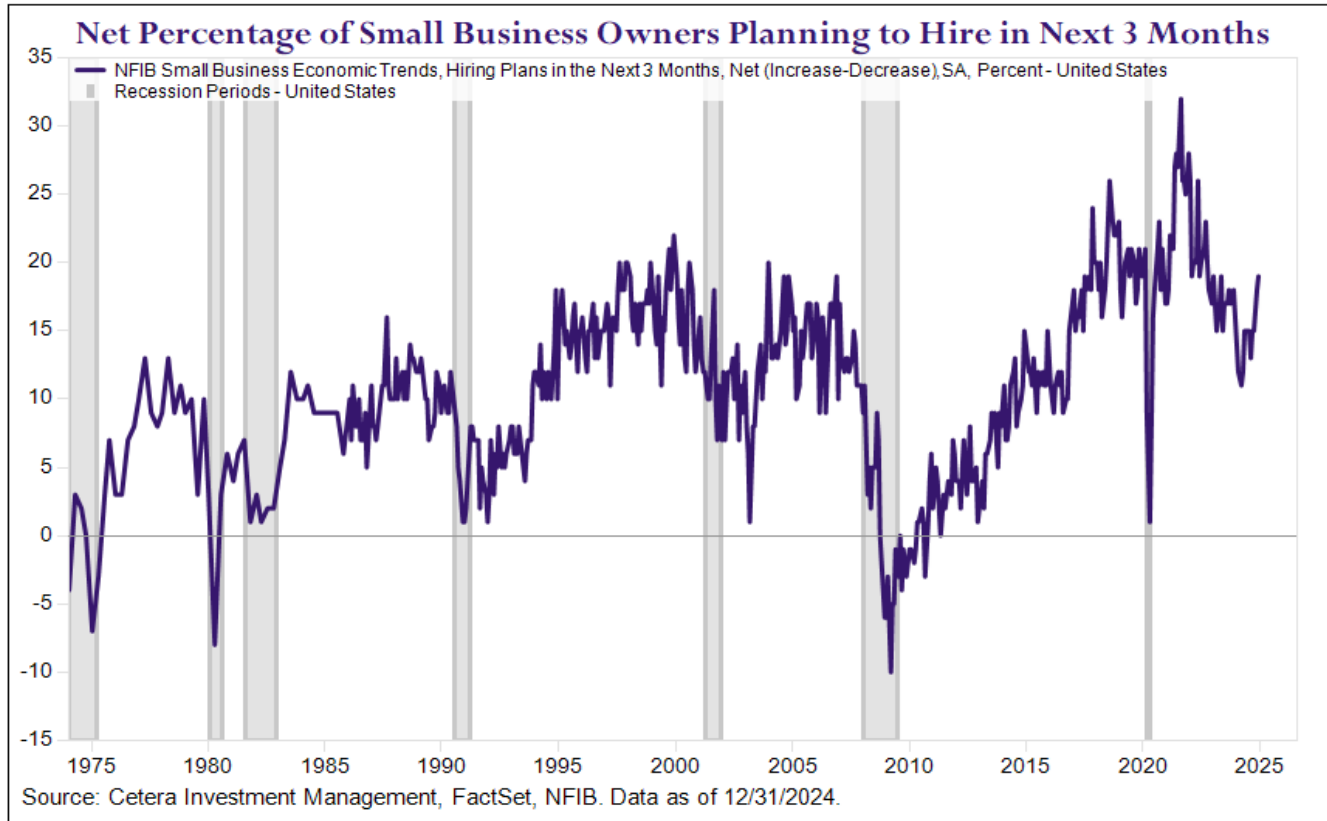
The yield on 10-year Treasury notes ended at 4.610%, down nearly 0.16% for the week. The U.S. Dollar Index fell 0.3%, ending a six-week winning streak. Gold extended gains by 1.2%, to end the week at \$2,748.70/ounce. U.S. WTI crude oil futures advance 1.1% to finish the week at \$77.39/barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	3.69%	2.26%	0.99%	2.26%	18.87%	8.76%
S&P 500	2.93%	2.01%	2.99%	2.01%	28.29%	10.44%
NASDAQ Composite	2.45%	1.67%	7.02%	1.67%	33.10%	10.51%
Russell 3000	3.16%	2.30%	3.33%	2.30%	28.03%	9.78%
Russell 2000	3.97%	2.08%	0.10%	2.08%	20.60%	3.21%
MSCI EAFE	1.95%	1.21%	-4.36%	1.21%	8.62%	2.02%
MSCI Emerging Markets	1.26%	-0.39%	-5.51%	-0.39%	14.35%	-2.64%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.99%	-0.02%	-1.66%	-0.02%	2.49%	-1.81%
Bloomberg Municipal Bonds	0.35%	-0.31%	-1.20%	-0.31%	1.40%	-0.34%
Bloomberg US Corp High Yield	0.80%	0.84%	1.19%	0.84%	9.93%	3.50%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.26%	5.21%	6.64%	5.21%	12.85%	4.31%
S&P GSCI Crude Oil	1.72%	7.91%	10.42%	7.91%	6.77%	-2.42%
S&P GSCI Gold	1.59%	5.07%	2.49%	5.07%	36.97%	15.10%

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

Chart of the Week: Small Business Hiring Plans Rise



The NFIB Small Business Optimism Index hit a 6-year high in December as the net percentage of business owners expecting economic improvement jumped to a net 52%. Hiring plans, though slightly below pre-pandemic levels, reached a 19-month high.

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A diversified portfolio does not assure a profit or protect against loss in a declining market.

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.