

Weekly Recap

Economic Calendar

Monday, January 27

New Home Sales, Chicago Fed National Activity.

Tuesday, January 28

Durable Goods Orders, S&P Case-Shiller Home Prices, Consumer Confidence, FOMC Meeting Begins.

Wednesday, January 29

Mortgage Activity, Advance Goods-only Trade Balance, FOMC Policy & Rate Decisions.

Thursday, January 30

Jobless Claims, 4Q GDP, Pending Home Sales.

Friday, January 31

Employment Costs, Personal Incomes & Spending, PCE Index & Prices, Chicago-area Business Barometer PMI.

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Stocks Climb on Trump's First Week

Back-to-Back Weekly Gains

Newly inaugurated President Trump's pro-business policies pushed most risk assets higher last week, with investors relieved that no direct tariffs have been imposed. It was the second straight weekly gain for all three major U.S. equity averages, with the Dow Industrials and S&P 500 up 4.42% and 3.73% so far this year through Friday. On Thursday, the S&P 500 notched its first new all-time high of 2025. Investors were also focused on the strong start to the fourth quarter earnings season with the S&P 500's blended earnings growth rate improving to 12.8% from 11.9% at the end of the quarter.

For the Week...

The S&P 500 gained 1.76%, the Dow Jones Industrial Average advanced 2.19%, and the tech-heavy Nasdaq Composite rose 1.65%. Comparatively, the small cap focused Russell 2000 Index gained 1.40% while the MSCI EAFE Index for overseas developed markets rallied 3.17%.

Leading Economic Indicators (LEI) Edge Lower

The Leading Economic Index slipped 0.1% in December 2024 to 101.6 from an upwardly revised increase of 0.4% in November. Despite December's slippage, half of the 10 indicators made positive contributions for the month. The LEI fell 1.3% over the second half of 2024, slightly less than its 1.7% decline over the first half of last year. Thankfully however, together with November's upward revision, the LEI is no longer signaling a recession risk.

Weekly Sector Insights

All but one of the 11 S&P 500 sector groups posted gains last week, led by Communication Services (+4.01%), Healthcare (+2.97%), and Industrials (+2.42%). Technology gained 1.88%. Consumer Discretionary (+0.81%) and Materials (+0.74%) gained the least while Energy (-2.89%) declined. In 2025 year-to-date performance Industrials (+7.07%) have risen the most, followed by Communication Services (+6.28%) and Energy (+6.05%). Technology (+1.72%) and Consumer Staples (+0.10%) are up the least.

Treasury Yields Little Changed

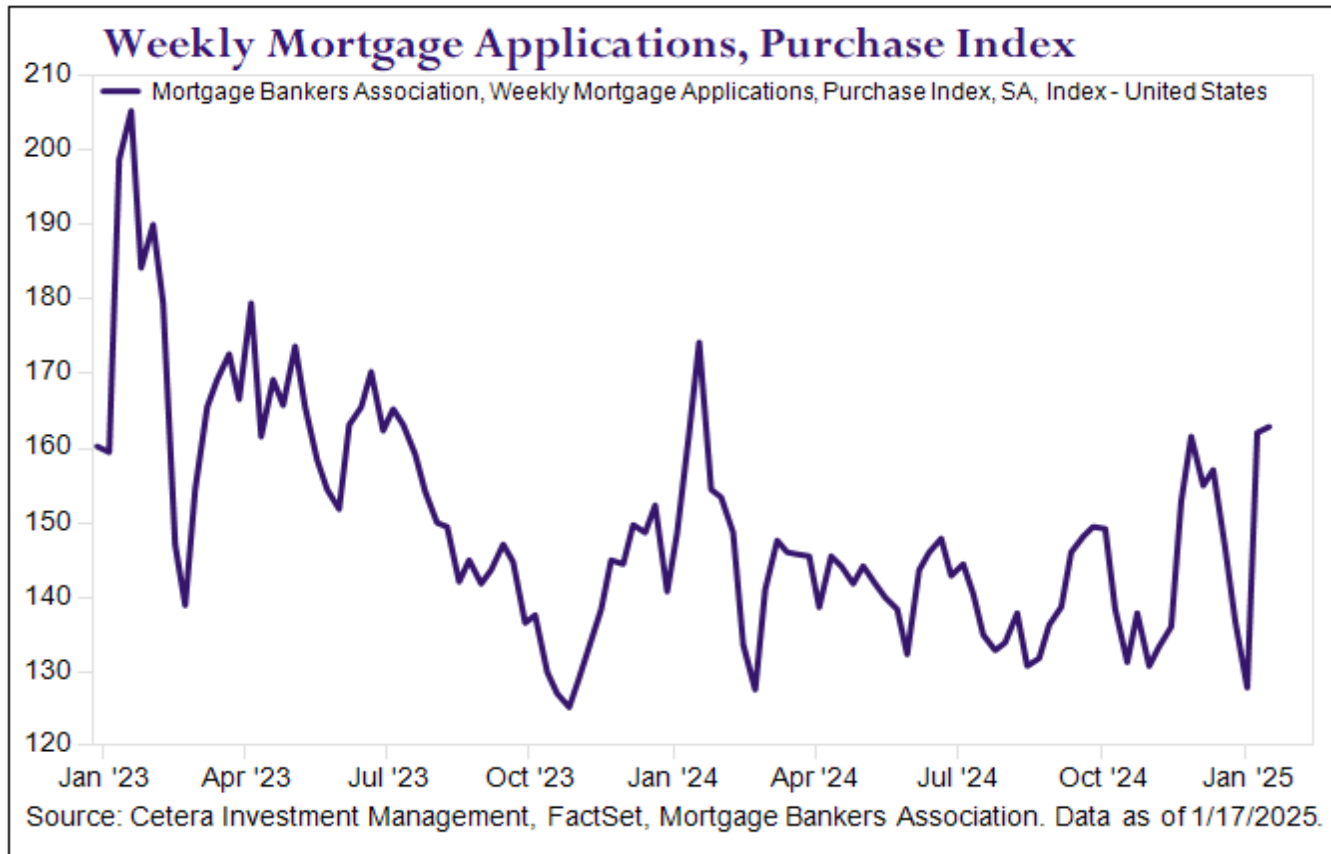
The yield on 10-year Treasury notes ended Friday at 4.619%, up just 0.01% for the week. The U.S. Dollar Index fell nearly 1.9% while gold futures rose 1.2%, ending the week at \$2,778.90/ounce. U.S. WTI crude oil futures slide 3.5% ending Friday at \$74.66/barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	2.19%	4.50%	5.27%	4.50%	19.69%	11.16%
S&P 500	1.76%	3.81%	5.36%	3.81%	27.06%	13.16%
NASDAQ Composite	1.65%	3.35%	8.54%	3.35%	29.82%	13.82%
Russell 3000	1.74%	4.08%	5.86%	4.08%	26.87%	12.49%
Russell 2000	1.40%	3.51%	4.34%	3.51%	19.25%	5.83%
MSCI EAFE	3.17%	4.42%	0.31%	4.42%	9.29%	4.90%
MSCI Emerging Markets	1.87%	1.47%	-3.70%	1.47%	13.63%	-1.19%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.11%	0.09%	-0.86%	0.09%	2.98%	-1.76%
Bloomberg Municipal Bonds	0.26%	-0.05%	0.17%	-0.05%	2.21%	-0.08%
Bloomberg US Corp High Yield	0.33%	1.16%	1.88%	1.16%	9.88%	3.95%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.17%	5.02%	4.77%	5.02%	10.43%	3.89%
S&P GSCI Crude Oil	-3.53%	4.10%	6.37%	4.10%	-0.57%	-3.58%
S&P GSCI Gold	1.14%	6.27%	2.10%	6.27%	37.90%	15.01%

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

Chart of the Week: Signs of Homebuyer Resilience



Mortgage purchase applications edged higher to a 1-year seasonally adjusted high last week, and the second highest since July 2023, despite 30-year mortgage rates remaining above 7%. Homebuyers are showing resilience as the 2025 housing market gets underway.

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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.