

# Weekly Recap

## Economic Calendar

### Monday, February 3

ISM & S&P Global Manufacturing PMIs, Construction Spending.

### Tuesday, February 4

JOLTS Job Openings, Factory Orders.

### Wednesday, February 5

Mortgage Activity, ADP Private Payrolls, U.S. Trade Deficit, ISM & S&P Global Services PMIs.

### Thursday, February 6

Challenger Job Cuts, Jobless Claims, Labor Productivity, Unit Labor Costs.

### Friday, February 7

Nonfarm Payrolls, Unemployment Rate, Average Hourly Earnings, Consumer Sentiment, Consumer Credit.

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## Markets Mixed Amid Volatility

### Tariffs and AI Shake Markets

Concerns over tariffs and Chinese AI company DeepSeek caused market fluctuations last week. Technology and related sectors saw sharp declines but recovered as U.S. tech giants reaffirmed their AI investments. Despite weakness in technology, the broader market remained stable, supported by positive economic data, consumer confidence, and rotations into other cyclical and defensive sectors. Trump's leveraging of tariffs on Canada, Mexico and China added to market volatility, alongside fears of an escalating U.S.-China tech war. As expected, the FOMC held the federal funds target rate unchanged at 4.25% - 4.50%. Key data showed stable inflation and better-than-expected personal consumption, though GDP growth slightly missed expectations.

### For the Week...

The S&P 500 declined 0.99%, the Dow Jones Industrial Average rose 0.27%, and the tech-heavy Nasdaq Composite fell 1.63%. The small cap focused Russell 2000 Index declined 0.86% while the MSCI EAFE Index for overseas developed markets advanced 0.80%.

### Personal Spending Climbs.

The Personal Consumption Expenditures (PCE) index increased 0.7% (+\$133.6B) in December, topping forecasts for a 0.6% increase. Spending increased on services (\$78.2B) and goods spending rose by \$55.4B. Personal incomes rose by 0.4%, in line with the consensus forecast.

### Weekly Sector Insights

Five of the 11 S&P 500 sector groups finished the week in positive territory, led by Communication Services (+2.67%), Consumer Staples (+1.93%), and Health Care (+1.74%). Financials (+1.25%) and Consumer Discretionary (+0.84%) also finished with weekly gains. Materials (-0.22%) and Real Estate (-0.32%) declined slightly while sectors tied to AI experienced steeper declines. Industrials (-1.90%), Utilities (-2.03%), Energy (-3.75%) and Technology (-4.55%) experienced the largest weekly declines. In 2025 year-to-date performance, Communication Services (+9.12%) has risen the most, followed by Health Care (+6.79%) and Financials (+6.56%). Real Estate (+1.84%) is up the least and Technology (-2.90%) is now the only negative sector for the year.

### Treasury Yields Little Changed

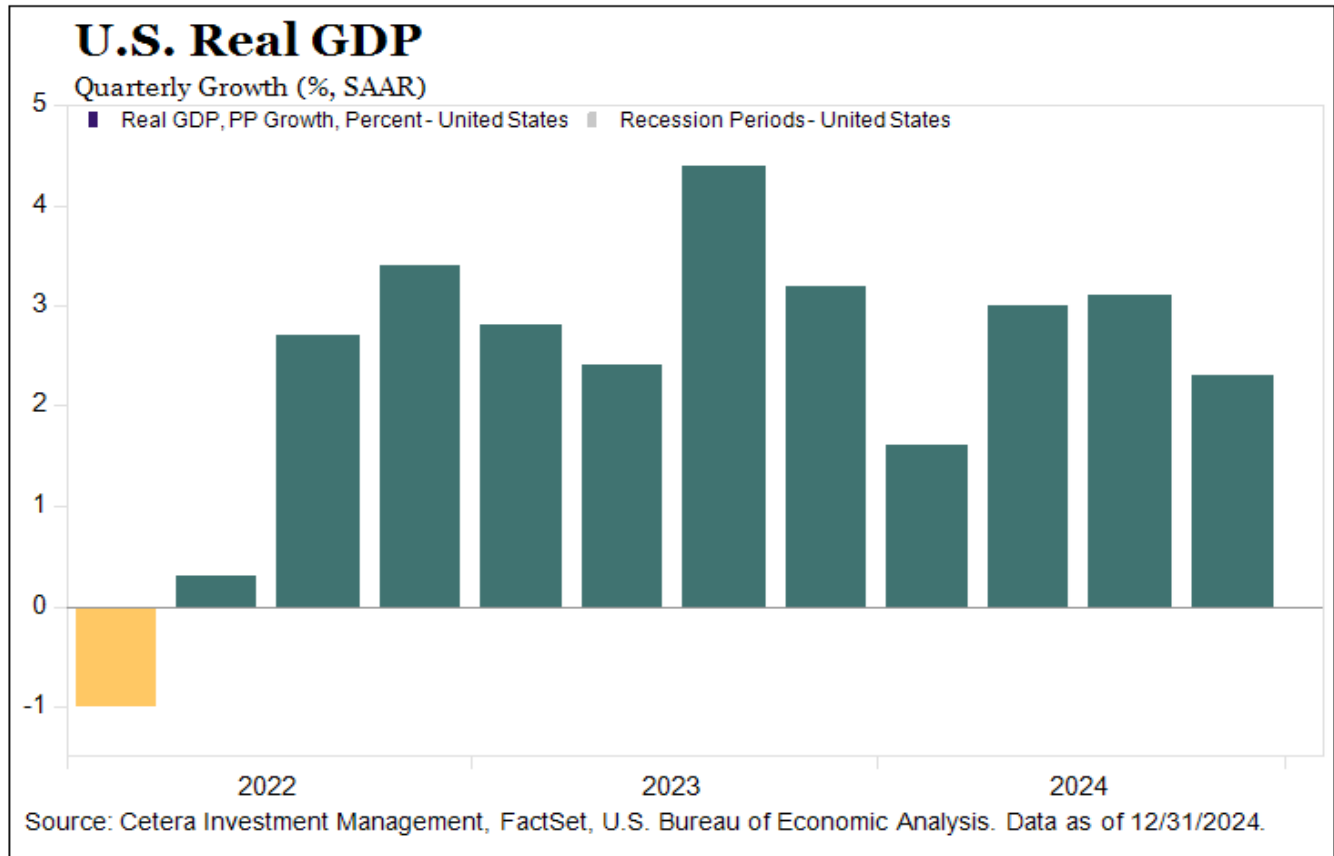
The yield on 10-year Treasury notes ended Friday at 4.548%, down 0.07% for the week. The U.S. Dollar Index was up 0.9% and gold futures rose 2.00%, ending the week at \$2,835/ounce. U.S. WTI crude oil futures declined 2.90% ending Friday at \$72.53/barrel.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.27%	4.78%	7.10%	4.78%	18.93%	10.44%
S&P 500	-0.99%	2.78%	6.22%	2.78%	26.38%	11.89%
NASDAQ Composite	-1.63%	1.66%	8.65%	1.66%	30.37%	12.17%
Russell 3000	-0.89%	3.16%	6.66%	3.16%	26.32%	11.35%
Russell 2000	-0.86%	2.62%	4.47%	2.62%	19.09%	5.62%
MSCI EAFE	0.80%	5.26%	2.28%	5.26%	8.65%	5.12%
MSCI Emerging Markets	0.32%	1.79%	-2.00%	1.79%	14.75%	-0.71%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.44%	0.53%	-0.07%	0.53%	2.07%	-1.52%
Bloomberg Municipal Bonds	0.55%	0.50%	0.75%	0.50%	2.08%	0.54%
Bloomberg US Corp High Yield	0.20%	1.37%	2.10%	1.37%	9.68%	4.34%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.02%	3.95%	5.44%	3.95%	9.11%	2.49%
S&P GSCI Crude Oil	-2.85%	1.13%	4.72%	1.13%	-4.38%	-6.29%
S&P GSCI Gold	1.01%	7.35%	3.12%	7.35%	37.13%	16.41%

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

## Chart of the Week: Q4 Economic Growth Misses Expectations



U.S. economic growth was slower than expected in Q4, with real GDP expanding 2.3% vs 2.5% projected. Consumer spending rose at the fastest pace in 7 quarters (+4.2%), but private domestic fixed investment fell 5.8%, its largest drop in 7 quarters. The economy grew at a healthy pace of 2.8% in 2024 but slowed narrowly from 2.9% growth in 2023. These figures are subject to future revisions.

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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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.