

Weekly Recap

Economic Calendar

Monday, February 09

Consumer Inflation
Expectation (Bank of NY)

Tuesday, February 10

Retail Sales (Dec), Export
Import Prices, Business
Inventories

Wednesday February 11

Mortgage Applications, Non-
Farm Payroll, Unemployment
Rate

Thursday, February 12

Jobless Claims, Existing
Home Sales

Friday, February 13

Consumer Price Index (CPI)

[The Latest from @CeteraIM](#)

[ISM Manufacturing touches
41 Month High](#)

[Challenger Job Cuts](#)

[ISM Services Data](#)

[Patriots and The Superbowl](#)

[The Week Ahead Video](#)

Rotation Favors Value Over Tech

Tech Slides on AI Concern

Tech sold off in a volatile week as AI disruption concerns resurfaced. Pressure intensified after an AI company launched an enterprise-focused AI model capable of replacing core workflow functions, including legal and sales operations, reviving fears that AI could undermine traditional business software providers. Sentiment weakened further following negative earnings reactions from Alphabet and Amazon. The sell-off reinforced a rotation away from growth, as value stocks outperformed, lifting the Russell 1000 Value Index up 2.2%.

For the Week...

The S&P 500 experienced a volatile week, posting a 3.1% peak-to-trough move but ultimately closing 0.1% lower for the period. The Dow Jones Industrial Average finished higher, up 2.5%, while the tech-heavy Nasdaq Composite declined 1.8%. The small-cap-focused Russell 2000 gained 2.2%.

Job Openings Falls to Cycle Low

The latest JOLTS report showed continued labor market softness. Job openings fell to a cycle low of 6.5 million in December, pushing the ratio of openings to job seekers down to 0.87, its lowest level outside the pandemic since May 2017.

Weekly Sector Insights

Eight of the eleven S&P 500 sectors registered gains last week, led by Consumer Staples (+6.0%), Industrials (+4.7) and Energy (+4.4%) as investors flocked to safety. Consumer Discretionary (-4.6%) and Communication Services (-4.4%) fell the most as earnings weighed on the sentiment.

Treasury Yields fall

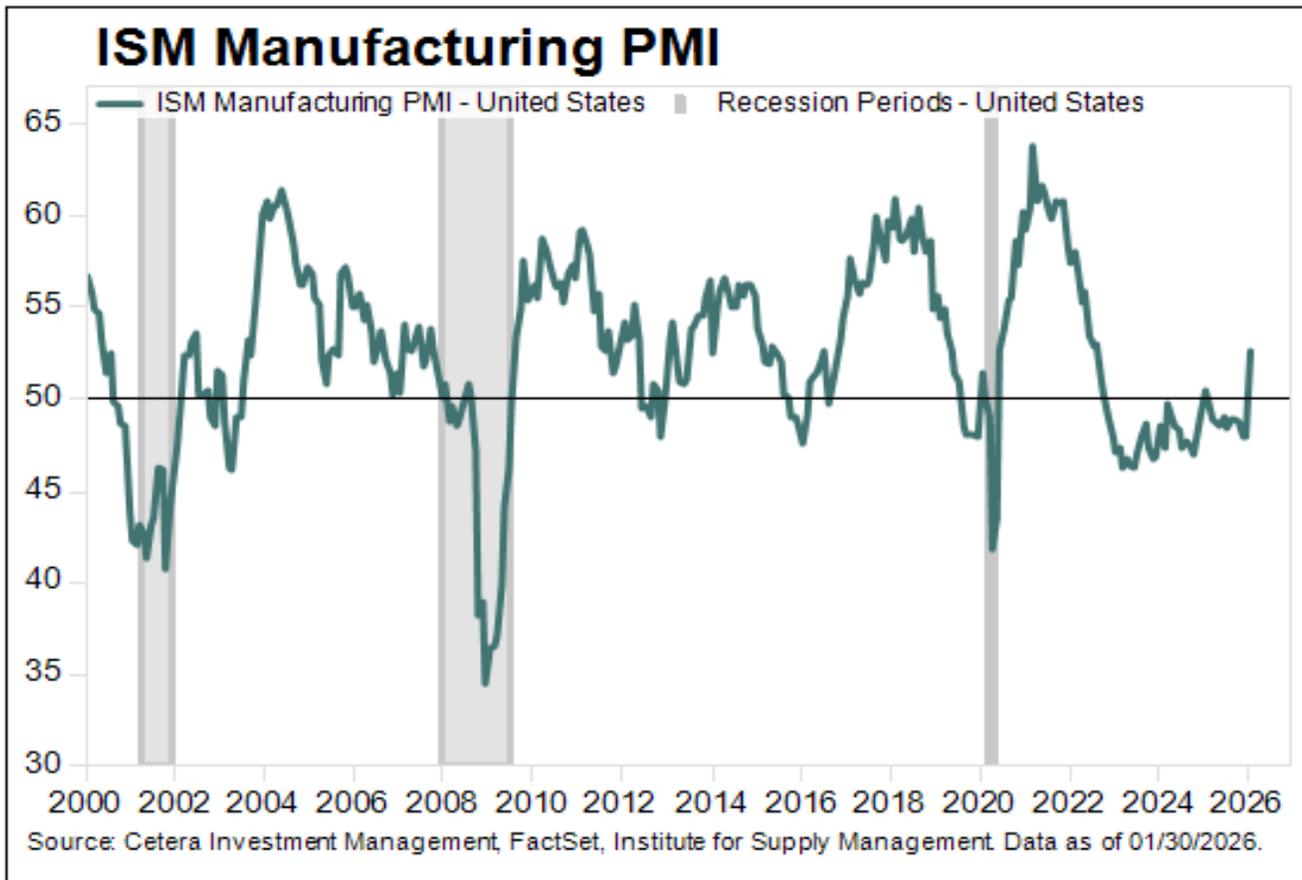
The yield on 10-year Treasury notes ended the week at 4.21%, down 0.3% for the week as projected jobs cut rose. Yields rise as prices fall. The U.S. Dollar Index strengthened 0.5%. Precious metals continued their volatile price swings with gold falling as much as 9% before recovering losses and closed 5.0% higher for the week. U.S. WTI crude oil fell 2.6%, as middle east tension eased slightly.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	2.50%	2.50%	7.28%	4.35%	13.93%	15.79%
S&P 500	-0.09%	-0.09%	3.48%	1.36%	15.42%	20.19%
NASDAQ Composite	-1.83%	-1.83%	0.05%	-0.89%	17.12%	24.76%
Russell 3000	0.16%	0.16%	3.88%	1.71%	14.69%	19.36%
Russell 2000	2.18%	2.18%	10.74%	7.64%	17.32%	12.20%
MSCI EAFE	0.51%	0.51%	10.08%	5.75%	30.86%	16.67%
MSCI Emerging Markets	-1.40%	-1.40%	8.47%	7.32%	39.69%	16.83%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.28%	0.28%	0.81%	0.39%	6.42%	4.04%
Bloomberg Municipal Bonds	0.30%	0.30%	1.49%	1.24%	4.43%	3.39%
Bloomberg US Corp High Yield	0.11%	0.11%	2.02%	0.62%	7.63%	8.75%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-2.20%	-2.20%	11.24%	7.93%	17.77%	7.97%
S&P GSCI Crude Oil	-2.60%	-2.60%	6.87%	10.61%	-10.05%	-6.29%
S&P GSCI Gold	4.95%	4.95%	24.78%	14.71%	73.11%	38.20%

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

Chart of the Week: New Orders Push Manufacturing into Expansion



The ISM Manufacturing PMI accelerated to a 41-month high of 52.6 in January. It was the first expansionary reading in 12 months, and the largest monthly increase since June 2020, driven by a surge in new orders.

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.