

# Weekly Recap

## Economic Calendar

### Monday, February 24

No Major Releases.

### Tuesday, February 25

S&P Case-Shiller Home Prices, Consumer Confidence.

### Wednesday, February 26

Mortgage Activity, New Home Sales.

### Thursday, February 27

Jobless Claims, Durable Goods Orders, Q4 GDP (second revision), Pending Home Sales.

### Friday, February 28

Personal Income & Outlays, PCE Index, PCE Prices, Chicago Business Barometer PMI, Consumer Sentiment.

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## Equities Pullback

### Tariff Plans Stir Inflation Concerns

All three major U.S. equity averages ended negative last week amid investor concerns over signs of slowing in consumer spending stirred in part by jitters over President Trump's tariff plans. The pullback began early in the week upon an adverse first quarter revenue forecast from the world's largest retailer, Walmart. This was followed by economic data showing January existing home sales fell 4.9% after having already fallen to the lowest level since 1995 the month prior. Moreover, the University of Michigan's consumer sentiment retreated nearly 10% to 64.7 in February as consumers expressed concerns about inflation ahead of possible new trade tariffs.

### For the Week...

The S&P 500 fell 1.63%, the Dow Jones Industrial Average tumbled 2.48% for its worst week since last October, while the tech-heavy Nasdaq Composite sank 2.49%. The small cap focused Russell 2000 Index slumped 3.69%.

### LEI Weakens to Multi-Year Low

The Leading Economic Index fell fractionally in January (-0.3%) while the year-over-year annual decline of -2.6% was the lowest level since September 2022. While rolling recessions in manufacturing and housing led to a sharp fall in this index, signs of stabilization are emerging.

### Weekly Sector Insights

Consumer Discretionary (-4.28%), Communication Services (-3.68%) and Industrials (-2.00%) contributed the most to last week's losses. Yet five of the 11 major S&P 500 sector groups posted gains for the week including Utilities (+1.49%), Healthcare (+1.13%) and Energy (+1.08%). In year-to-date performance, Healthcare (+6.53%), Consumer Staples (+6.50%) and Utilities (+6.06%) are up the most. Consumer Discretionary (-3.35%) and Technology (-0.19%) are in negative territory.

### Treasury Yields Tick Lower

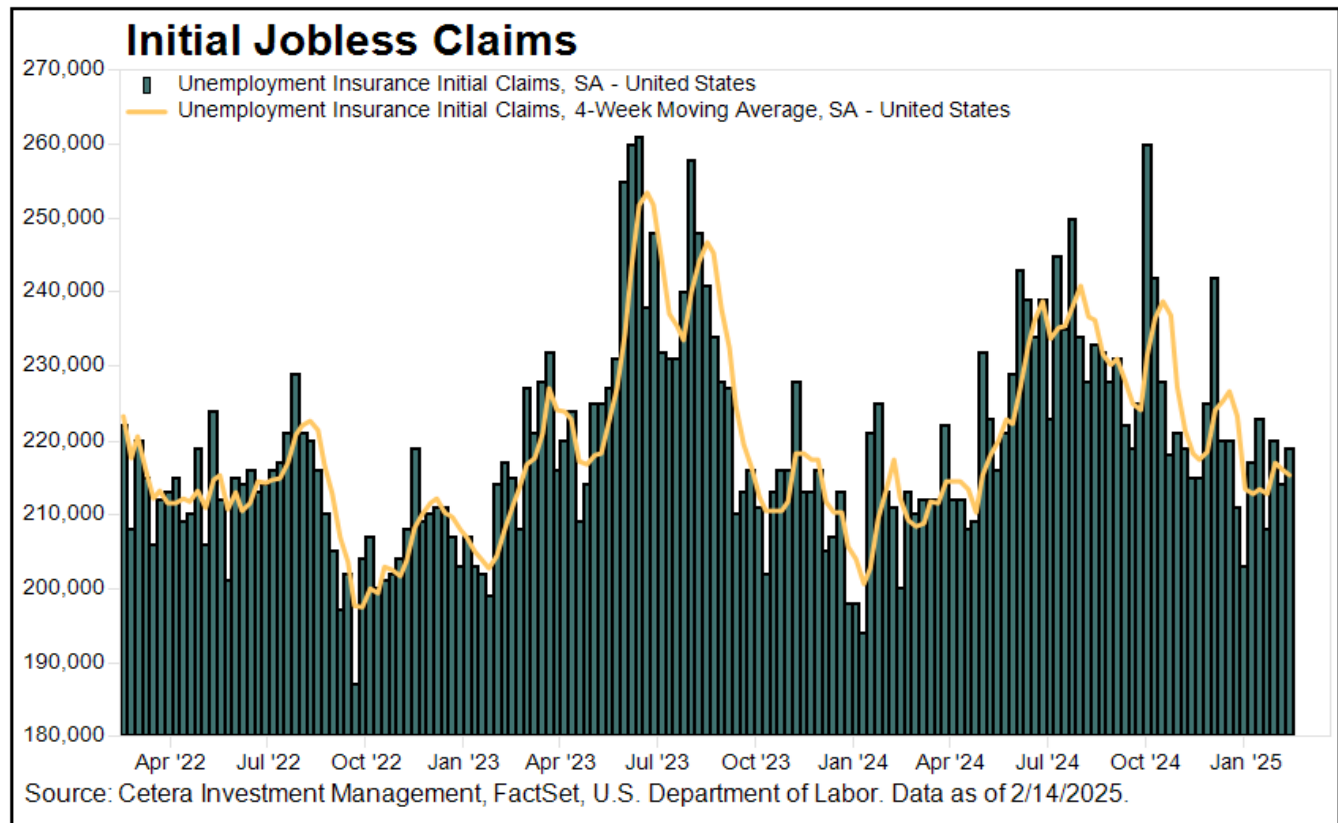
The yield on 10-year Treasury notes ended Friday at 4.425%, little changed at 4.477%, down 0.05% for week. The U.S. Dollar Index stayed closed to the unchanged mark while gold futures advanced 2.1% for the week. U.S. WTI crude oil futures slipped 0.2% for the week ending Friday at \$70.40/barrel.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-2.48%	-2.38%	-0.61%	2.29%	14.51%	10.61%
S&P 500	-1.63%	-0.35%	1.41%	2.42%	22.35%	13.13%
NASDAQ Composite	-2.49%	-0.47%	3.07%	1.18%	26.19%	13.84%
Russell 3000	-2.01%	-0.94%	0.64%	2.19%	21.57%	12.28%
Russell 2000	-3.69%	-3.96%	-6.85%	-1.44%	11.57%	4.51%
MSCI EAFE	-0.12%	2.77%	7.83%	8.17%	11.00%	6.16%
MSCI Emerging Markets	2.00%	5.01%	6.07%	6.88%	15.15%	0.59%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.35%	0.93%	1.24%	1.47%	5.02%	-0.70%
Bloomberg Municipal Bonds	0.17%	0.38%	0.29%	0.89%	2.58%	0.87%
Bloomberg US Corp High Yield	0.02%	0.27%	1.64%	1.64%	10.08%	4.99%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.98%	4.69%	9.20%	8.83%	16.25%	2.88%
S&P GSCI Crude Oil	-0.44%	-2.94%	0.43%	-1.84%	-9.64%	-7.92%
S&P GSCI Gold	1.81%	4.17%	9.41%	11.82%	45.17%	15.82%

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

## Chart of the Week: Layoffs Remain Low



Initial jobless claims increased by 5,000 last week to 219,000, slightly above the consensus expectation of 216,000. However, the 4-week average fell to 215,250, which is below the 2-year average of 223,000 and the 50-year average of 379,000. While the pace of job growth is slowing, layoffs remain low.

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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.