

Weekly Recap

Economic Calendar

Monday, March 2

S&P Manufacturing PMI, ISM Manufacturing.

Tuesday, March 3

No Major Releases

Wednesday March 4

Mortgage Applications, ADP Unemployment, S&P Services PMI, ISM Services.

Thursday, March 5

Jobless Claims, Export-Import Price Index, Q4 Productivity & Labor Cost.

Friday, March 6

Non-Farm Payrolls, Unemployment Rate, Retail Sales.

[The Latest from @CeteraIM](#)

[Home Price Rise 1.3%](#)

[S&P Stuck in Narrowest Range since Sept'17](#)

[Federal Deficit above 5%](#)

[The Week Ahead Video](#)

Uncertainty Weighs on Market Confidence

AI and Geopolitics Weigh on Markets

AI-related concerns continue to weigh on markets as investors assess the potential impact on traditional business models, including software companies. These concerns have spread to private credit markets, which play a critical role in financing non-public software companies, contributing to broader market unease. Nvidia Inc. reported earnings on Wednesday that exceeded expectations, but the results were not sufficient to restore investor confidence. Meanwhile, inconclusive negotiations between the U.S. and Iran added to geopolitical uncertainty, further weighing on market sentiment.

For the Week...

The S&P 500 remained range-bound during the week, ending the period down 0.4%. The Dow Jones Industrial Average declined 1.3%, while the tech-heavy Nasdaq Composite proved more resilient, slipping 0.9%. Small-cap stocks were also down, with the Russell 2000 falling 1.2%.

Effective Tariff Rate falls to 13.7% after Supreme Court Ruling

The effective tariff rate was 16% before the Supreme Court's ruling limiting IEEPA tariffs. With Section 122 tariffs now in effect, the rate is 13.7% and is set to fall to 9.1% in 150 days without congressional action. Tariffs uncertainty remains high.

Weekly Sector Insights

Seven of the eleven S&P 500 sectors registered gains last week, led by Utilities (3.0%) and Consumer Staples (+2.7%) as investors flocked to safety. Information Technology (-2.2%) fell the most this week as AI fears continue to impact sentiment.

Treasury Yields Fall

The yield on 10-year Treasury notes ended the week at 3.95%, down 1.4% for the week, the lowest since October'25. Yields rise as prices fall. The U.S. Dollar Index fell 0.2%. Precious metals remained volatile this week with gold and silver up 3.3% and 12.4%, respectively. U.S. WTI crude oil rose 0.8% as Middle East tension continues to rise.

The Week Ahead.

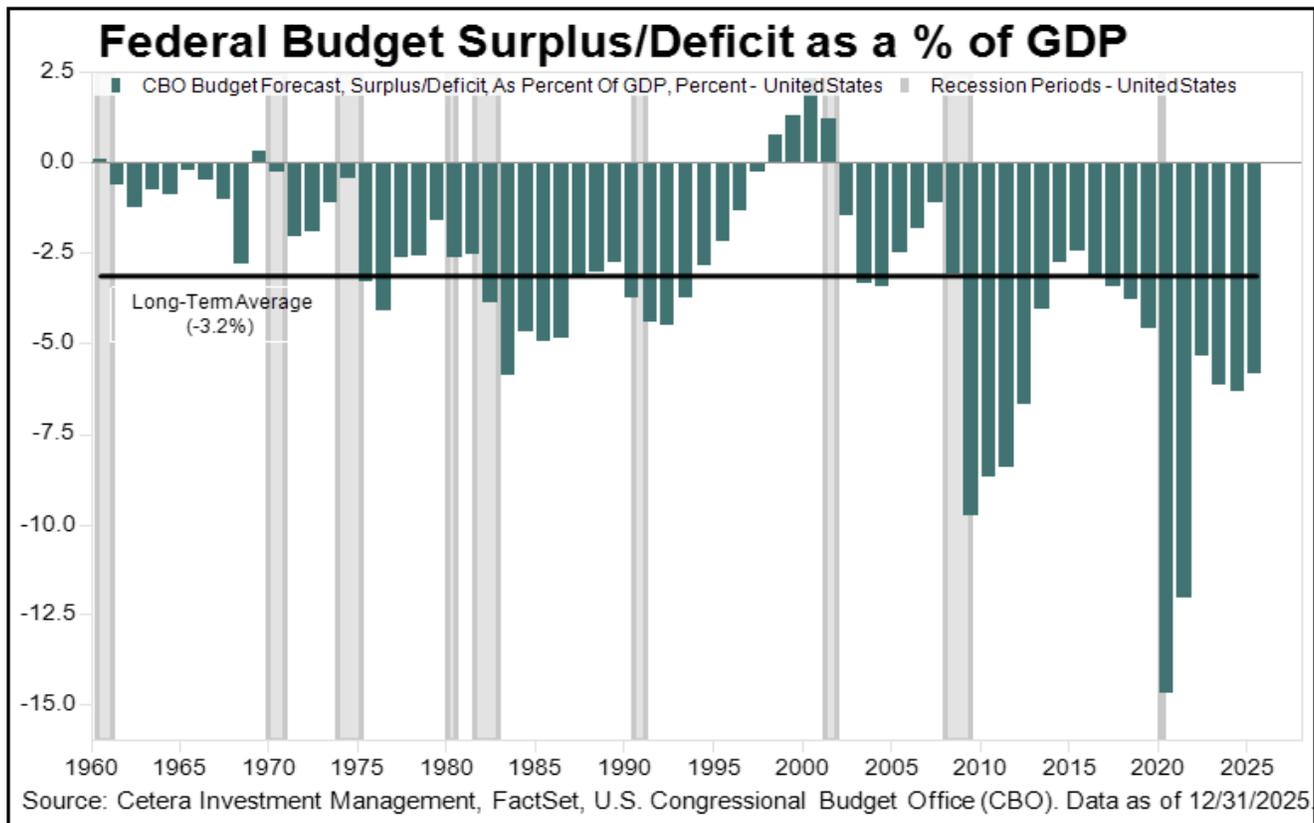
Markets will be closely watching a busy slate of economic data, particularly the unemployment rate. A lower-than-expected reading could help ease recent market concerns, including fears of job losses stemming from increased adoption of artificial intelligence. Recent developments in the Middle East — including reports of air strikes — have added to regional uncertainty, and markets are monitoring the situation for indications of calming conditions and stability.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-1.28%	0.31%	3.69%	2.12%	15.23%	16.33%
S&P 500	-0.42%	-0.76%	1.28%	0.68%	18.86%	21.66%
NASDAQ Composite	-0.94%	-3.33%	-2.22%	-2.39%	23.02%	26.38%
Russell 3000	-0.43%	-0.48%	1.62%	1.07%	18.83%	20.81%
Russell 2000	-1.15%	0.80%	6.21%	6.20%	24.71%	13.14%
MSCI EAFE	1.24%	4.63%	14.05%	10.09%	33.57%	18.70%
MSCI Emerging Markets	2.82%	5.50%	17.89%	14.83%	46.39%	21.39%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.54%	1.64%	1.47%	1.75%	6.68%	5.14%
Bloomberg Municipal Bonds	0.33%	1.25%	2.34%	2.20%	5.00%	4.44%
Bloomberg US Corp High Yield	-0.22%	0.19%	1.47%	0.69%	7.22%	9.45%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.74%	1.10%	13.11%	11.58%	21.51%	9.81%
S&P GSCI Crude Oil	0.81%	2.78%	14.27%	16.72%	-4.73%	-3.97%
S&P GSCI Gold	3.29%	10.60%	24.88%	20.89%	81.22%	42.16%

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

Chart of the Week: Persistently High Deficits



The federal deficit exceeded 5% of GDP for the 6th straight year in 2025, outpacing the long-term average of 3.2% since 1960. While continued high deficit spending should support growth in 2026, the path of the economy ultimately depends on the consumer.

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.