

# Weekly Recap

## Economic Calendar

### Monday, March 30

Dallas Fed Manufacturing Index.

### Tuesday, March 31

Home Price Index, Job Openings & Labor Turnover (JOLTs).

### Wednesday April 1

Mortgage Applications, Retail Sales (Feb), S&P Global PMI, ISM Manufacturing.

### Thursday, April 2

Jobless Claims, US Trade Balance.

### Friday, April 3

Nonfarm Payroll, Unemployment Rate.

## [The Latest from @CeteraIM](#)

[Continuing Jobless Claims falls to 22 month lows](#)

[Only 43% of S&P 500 Stocks Remain above 200 DMA](#)

[30Y Mortgage Rates Rises to Highest since Oct'25](#)

[The Week Ahead Video](#)

## Geopolitics Lift Inflation as Labor Data Looms

### Elevated Energy Prices Fuel Inflation Risks

Fears of a potential ground invasion of Iran by the U.S. and its allies continued to pressure markets. Despite ongoing mediation efforts, investors remain skeptical about the likelihood of a swift resolution. The Strait of Hormuz, which was briefly reopened to countries purchasing oil in yuan, was again closed to traffic on Friday, further escalating tensions. As a result, investors expect energy prices to remain elevated for an extended period, driving inflation expectations meaningfully higher and pushing markets to price in a 20% probability of a September rate hike by the Fed.

### For the Week...

All three major indices declined for the week, with tech-heavy Nasdaq Composite leading the sell-off, falling 3.2%. The S&P 500 dropped 2.1% while the tech-heavy Dow Jones Industrial Average slipped 0.9%. Small-cap stocks outperformed broader indices, finishing the week up 0.5%.

### S&P 500 Valuations Become More Reasonable

The S&P 500 forward 12-month P/E ratio has declined from a cycle peak of 23.3 last October to 19.9, falling below 20 for the first time since last April. While valuations remain slightly above the 10-year average of 19.3, they are becoming more reasonable.

### Weekly Sector Insights

4 of the 11 Sectors ended the week positive. The Energy sector extended its outperformance, rising 6.2% for the week and lifting year-to-date returns to 41.0%. The Materials sector (+4.2%) rebounded after falling for three consecutive weeks. On the downside, Communication Services (-7.2%) led the decline followed by Information Technology (-3.4%).

### Treasury Yields Rise

The yield on the 10-year Treasury note rose from 4.38% to 4.44%, as rising energy prices continue to pose inflationary pressure. Bond yields move inversely to prices. The U.S. Dollar Index was up 0.5%. U.S. WTI crude oil continued its upward momentum, rising 1.4% this week after surging 73.5% year-to-date. Gold fell 1.9% for the week.

### The Week Ahead

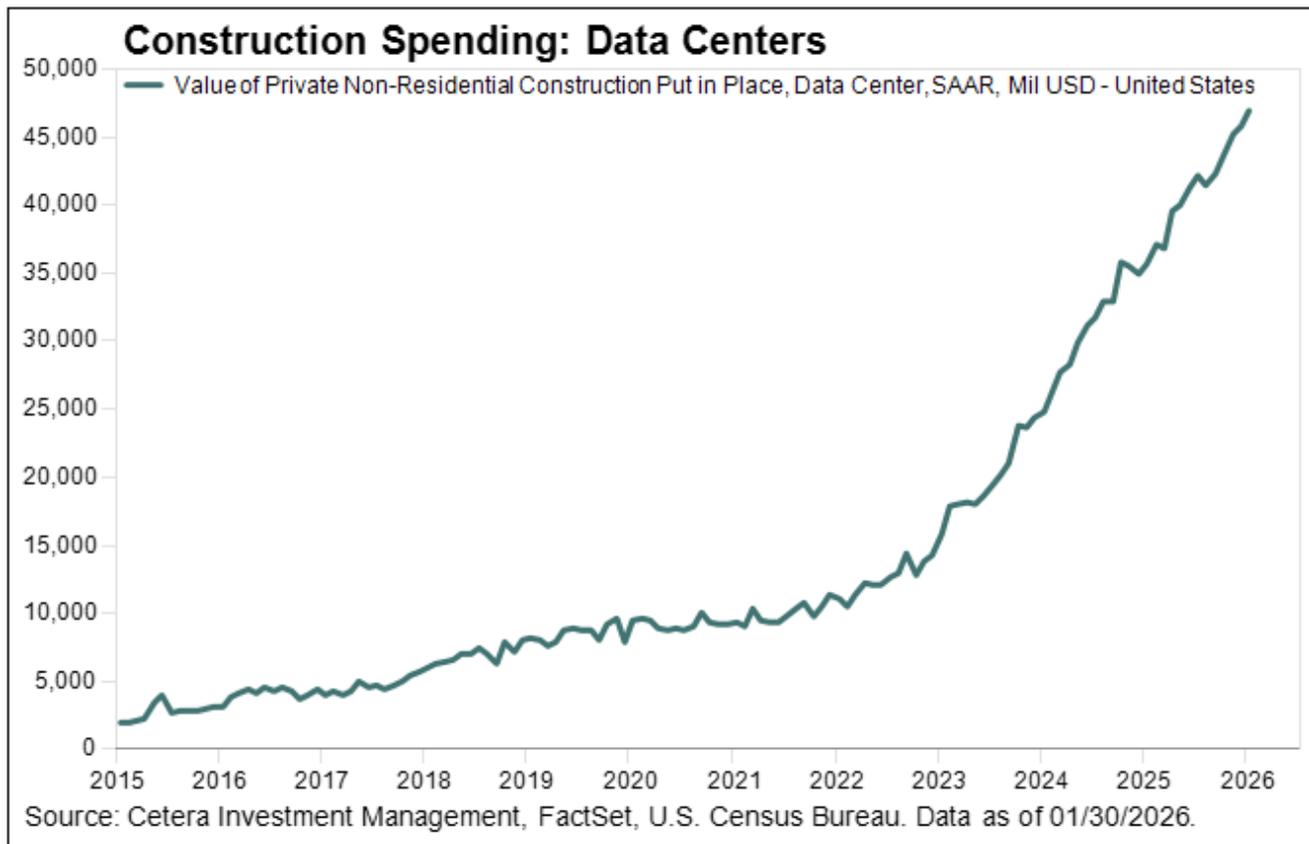
Markets continue to monitor Middle East tensions, as geopolitical developments remain a key driver of risk sentiment. Upcoming labor data—including JOLTS and Nonfarm Payrolls—should offer insight into labor market resilience amid ongoing concerns over AI-driven job displacement.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.90%	-7.61%	-6.90%	-5.65%	8.61%	13.75%
S&P 500	-2.10%	-7.31%	-7.81%	-6.68%	13.28%	18.61%
NASDAQ Composite	-3.22%	-7.52%	-11.07%	-9.73%	18.41%	22.03%
Russell 3000	-1.87%	-7.29%	-7.51%	-6.30%	13.42%	18.18%
Russell 2000	0.47%	-6.82%	-3.05%	-1.05%	20.17%	13.36%
MSCI EAFE	0.05%	-10.44%	-1.45%	-1.40%	17.94%	14.78%
MSCI Emerging Markets	-1.74%	-10.60%	3.20%	2.66%	29.82%	16.97%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.12%	-2.49%	-0.80%	-0.79%	4.39%	3.54%
Bloomberg Municipal Bonds	-0.81%	-2.72%	-0.50%	-0.58%	4.34%	2.81%
Bloomberg US Corp High Yield	-0.47%	-1.97%	-1.09%	-1.29%	5.81%	8.89%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.12%	10.57%	20.38%	23.37%	32.32%	14.21%
S&P GSCI Crude Oil	1.44%	48.67%	75.61%	73.53%	42.51%	11.01%
S&P GSCI Gold	-1.85%	-13.79%	-0.62%	4.22%	46.37%	31.87%

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

## Chart of the Week: Data Center Construction Boom



AI-related capex spending has been a tailwind for the economy, and that momentum has continued early this year. Construction spending on data centers reached \$47 billion (annualized) in January, up 31% from a year earlier

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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.