

## Economic Calendar

### Monday, April 8

NY Fed Inflation Expectations. Small Business Optimism.

### Tuesday, April 9

Small Business Optimism.

### Wednesday, April 10

Mortgage Activity, Consumer Price Index (CPI), Wholesale Trade Sales and Inventories, FOMC Meeting Minutes, Federal Budget.

### Thursday, April 11

Jobless Claims, Producer Price Index (PPI).

### Friday, April 12

Import/Export Prices, Consumer Sentiment

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# WEEKLY RECAP

April 1-5, 2024 Recap

## Worst Week of the Year for the Dow

### *Labor Market Strength Continues*

Despite a solid gain on Friday, all three major U.S. equity indices ended negative last week. Forward momentum waned as investors wavered between desires for a stronger economy to support corporate earnings growth and being sensitive to interest rate cut expectations. Wage growth continues to be stubbornly higher as strong March payrolls data showed average hourly earnings accelerated slightly month-over-month. Another big theme was the notable increase in Treasury yields driven by overall firmer economic data.

### *For the Week...*

The S&P 500 fell 0.93% and is down nearly 1% from its most recent all-time high. The Dow Jones Industrial Average slumped 2.23% for its worst weekly performance of the year, and the tech-heavy Nasdaq Composite fell 0.79%. The small cap focused Russell 2000 Index fell sharply, down 2.86% for the week.

### *Nonfarm Payrolls Surprise Higher*

The U.S. added 303,000 new jobs in March, surpassing expectations for 205,000 and accelerated from a 270,000 increase in February. The unemployment rate slipped to 3.8% from 3.9%, extended its two-year streak below 4%. Average hourly earnings rose by 0.3% in March, matching forecasts but was up from a 0.2% rise in February.

### *Weekly Sector Insights*

Nine of the 11 major sectors had negative returns last week, with Healthcare (-3.05%), Real Estate (-2.95%), and Consumer Staples (-2.66%) falling the most. Technology (-0.98%) lost nearly 1% and Materials (-0.14%) fell the least. Energy (+3.90%) and Communication Services (+2.50%) were the only weekly gainers. Year-to-date, Communication Services (+18.72%), Energy (+18.12%), and Technology (+11.58%) remain the top 2024 leaders.

### *Treasury Yields Ease*

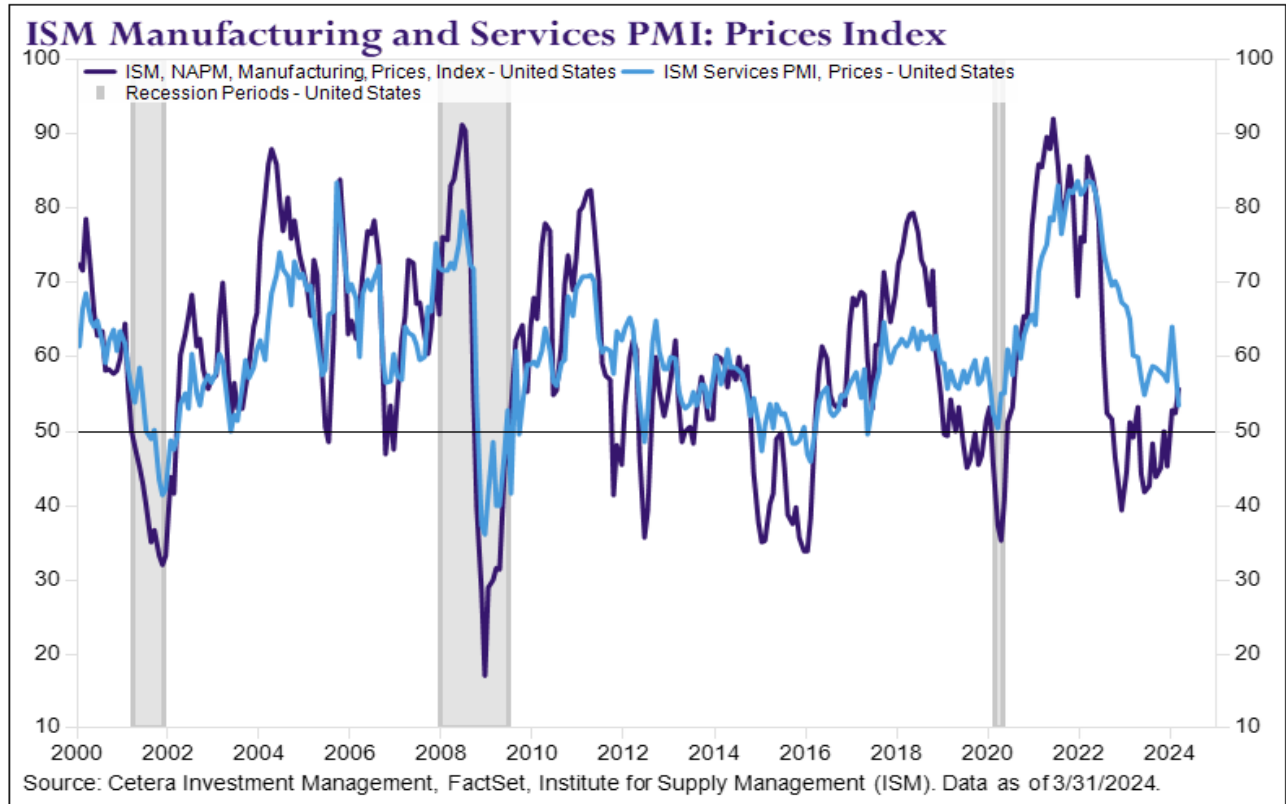
The yield on 10-year Treasury notes ended at 4.394%, up 0.19% for the week. Gold futures surged 4.8% to \$2,345 for its best week since October, extending further into record territory and U.S. WTI crude oil jumped 4.5% to end the week at \$86.91/barrel.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-2.23%	-2.23%	4.35%	3.77%	18.66%	7.23%
S&P 500	-0.93%	-0.93%	11.20%	9.53%	29.24%	10.17%
NASDAQ Composite	-0.79%	-0.79%	12.08%	8.45%	36.51%	6.66%
Russell 3000	-1.07%	-1.07%	10.77%	8.84%	28.90%	8.46%
Russell 2000	-2.86%	-2.86%	6.13%	2.17%	19.61%	-1.71%
MSCI EAFE	-1.35%	-1.35%	5.69%	4.36%	13.24%	3.87%
MSCI Emerging Markets	0.28%	0.28%	4.85%	2.65%	8.66%	-5.50%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-1.06%	-1.06%	-0.63%	-1.83%	-0.53%	-2.87%
Bloomberg Municipal Bonds	-0.65%	-0.65%	-0.74%	-1.03%	1.72%	-0.66%
Bloomberg US Corp High Yield	-0.49%	-0.49%	2.12%	0.98%	10.56%	1.90%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	3.54%	3.54%	5.72%	5.82%	1.81%	10.56%
S&P GSCI Crude Oil	4.30%	4.30%	17.53%	21.07%	7.61%	13.92%
S&P GSCI Gold	4.78%	4.78%	14.42%	13.21%	15.22%	10.69%

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

## Chart of the Week: Easing Service Inflation?



Price pressures are diverging for the Manufacturing and Service sectors. March's ISM Manufacturing PMI prices paid index rose to its highest level since July 2022, while the Services prices paid index dropped to its lowest level since March 2020. This implies upward pressure on goods inflation, which is currently negative year-over-year, and downward pressure on service inflation.

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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.