

# Weekly Recap

## Economic Calendar

### Monday, April 22

Chicago Fed National Activity.

### Tuesday, April 23

S&P flash U.S. Mfg & Services PMIs, New Home Sales.

### Wednesday, April 24

Mortgage Activity, Durable Goods Orders.

### Thursday, April 25

Jobless Claims, 1Q GDP, Goods-only Trade Balance, PCE Prices (Q1), Retail & Wholesale Inventories, Pending Home Sales.

### Friday, April 26

Personal Income & Spending, PCE Prices (March), Consumer Sentiment.

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## Third Straight Weekly Loss

### Rate Cut Outlook Weakens Further

U.S. stocks fell a third consecutive week as investors struggled to shake off diminished views of Fed rate cut expectations and geopolitical volatility in the Middle East. Hurt by a 10% Friday slide in Nvidia amid a broader AI retreat, the Nasdaq Composite sharply underperformed broader markets and the S&P closed below 5,000 for the first time in two months. The Nasdaq and S&P 500 both capped a sixth straight daily decline, their longest string of losses since October 2022. Fed Chairman Powell noted last week that recent inflation data has shown a lack of further progress while Minneapolis Fed President Kashkari said rate cuts may need to be delayed until after 2024.

### For the Week...

The S&P 500 fell 3.04% and is down 5.4% so far in April. The Dow Jones Industrial Average posted a 0.05% gain, while the Nasdaq Composite slumped 5.52%. The small cap focused Russell 2000 Index fell 2.76% and is down over 20% from its record high.

### Leading Indicators Reverse Lower

The Conference Board's U.S. Leading Economic Indicators (LEI) Index declined 0.3% in March to 102.4 after February's 0.2% increase (revised from +0.1%). Within the 10 major indicators, the March decline was driven by negative yield spreads, together with weakness in building permits, consumer sentiment and new orders. Over the last six months, the LEI contracted by 2.2%, but improved from the 3.4% six-month decline recorded in February.

### Weekly Sector Insights

Despite the deep Technology pullback, four sectors posted gains last week. Utilities (+1.87%), Consumer Staples (+1.55%), and Financials (+0.81%) gained the most, while Technology (-7.26%), Consumer Discretionary (-4.52%), and Real Estate (-3.64%) fell the most. Although Energy declined on the week (-1.19%), on a year-to-date basis, Energy (+14.47%) is now at the top of the 2024 leaderboard. Communication Services (+14.44%) slightly trails Energy, while Financials (+7.83%) now rank as this year's third best performer. Technology is up just 3.26% YTD.

### Treasury Yields Climb

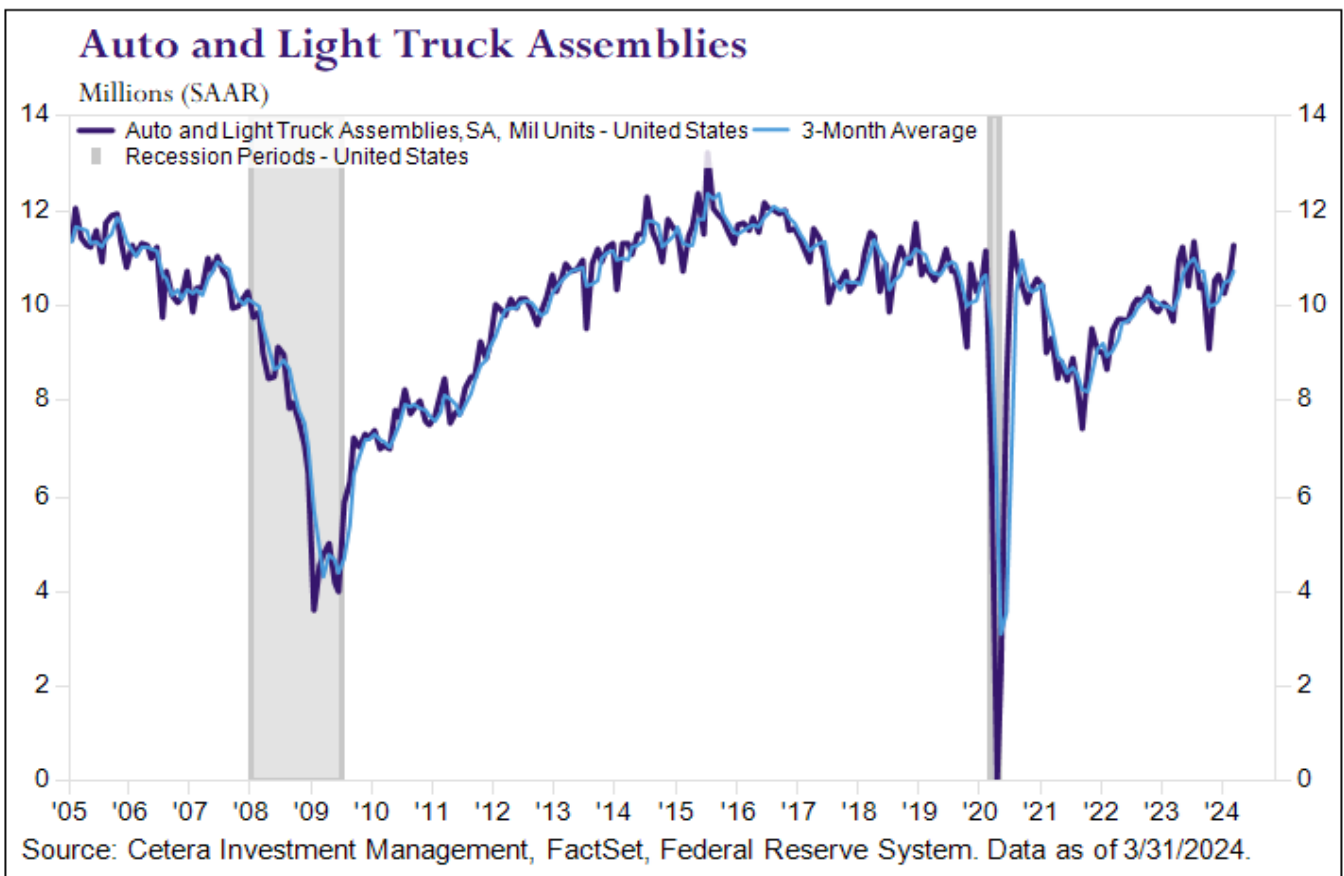
The yield on 10-year Treasury notes ended Friday at 4.614%, up 0.09% for the week. The U.S. Dollar Index advanced only fractionally, extending its prior 1.6% weekly gain. Gold futures advanced 1.7%, while U.S. WTI crude oil ended the week down 4%.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.05%	-4.49%	0.82%	1.37%	14.49%	5.82%
S&P 500	-3.04%	-5.40%	3.00%	4.58%	21.45%	7.72%
NASDAQ Composite	-5.52%	-6.68%	-0.01%	2.01%	26.70%	3.98%
Russell 3000	-3.03%	-5.66%	2.77%	3.79%	20.82%	6.06%
Russell 2000	-2.76%	-8.29%	0.53%	-3.54%	9.93%	-3.11%
MSCI EAFE	-2.29%	-4.69%	3.44%	0.83%	7.08%	1.58%
MSCI Emerging Markets	-3.58%	-3.64%	3.97%	-1.36%	4.10%	-6.99%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.61%	-2.36%	-1.75%	-3.11%	-0.24%	-3.47%
Bloomberg Municipal Bonds	-0.30%	-1.02%	-0.39%	-1.40%	2.47%	-1.06%
Bloomberg US Corp High Yield	-0.58%	-1.64%	0.49%	-0.19%	8.75%	1.34%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.23%	3.92%	7.89%	6.20%	1.32%	9.07%
S&P GSCI Crude Oil	-3.36%	-1.14%	12.25%	14.75%	3.76%	9.02%
S&P GSCI Gold	1.67%	7.84%	17.83%	16.51%	20.25%	10.87%

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

## Rising Auto Production



Auto production rose 5.5% last month to an 8-month high of 11.3 million annualized. Production in the first quarter was on par with 2019 pre-pandemic levels. Domestic manufacturing is showing signs of improvement. Moreover, the March ISM Manufacturing PMI was in expansion territory for the first time in 17-months.

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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.