

Weekly Recap

Economic Calendar

Monday, August 12

U.S. Federal Budget.

Tuesday, August 13

Small Business Confidence, Producer Prices (PPI).

Wednesday, August 14

Mortgage Activity, Consumer Prices (CPI).

Thursday, August 15

Jobless Claims, Retail Sales, Import/Export Prices, Empire State Manufacturing, Philly Fed Manufacturing, Industrial Production, Business Inventories.

Friday, August 16

Housing Starts, Consumer Sentiment, Homebuilder Confidence.

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[S&P Recovers from Early Week Decline](#)

[Initial Jobless Claims Fall](#)

[A Look at Past Drawdowns](#)

[The Week Ahead Video](#)

Markets Rebound Amid Volatility

Large Caps Recover

U.S. stocks recovered from early week losses that included a sharp 3% decline on Monday, closing out the week only fractionally lower. The Monday decline was the worst single day decline since September of 2022 and was induced by a disappointing nonfarm payroll report that caused concerns that the Fed may be behind on cutting rates and fears of a hard landing. Several Federal Reserve board members reiterated that they will not overreact to a single economic release but acknowledged that they are looking more closely at labor market conditions.

For the Week...

The S&P 500 fell by just 0.02%, the tech-heavy Nasdaq Composite declined by 0.17%, and the Dow Jones Industrial Average dipped 0.56%. The small cap-focused Russell 2000 dropped another 1.32% after plunging 6.66% the week prior.

Unemployment Claims Decline

Initial jobless claims fell to 233,000 last week, declining by 17,000 from the week prior. This is good news for the labor market, which saw initial claims hit an 11-month high the week prior. The reversal lower was welcome news for markets.

Weekly Sector Insights

Seven of the 11 sector groups ended negative last week, with Materials (-1.68%), Consumer Discretionary (-1.00%), and Utilities (-0.88%) falling the most. Industrials (+1.22%), Energy (+1.19%), and Communication Services (+0.78%) posted the largest gains. Year-to-date, Communication Services (+21.27%), Information Technology (+18.67%), and Utilities (+18.19%) are up the most in 2024. Consumer Discretionary (-0.85%) is now the only sector with a negative year-to-date return.

Treasury Yields Rise

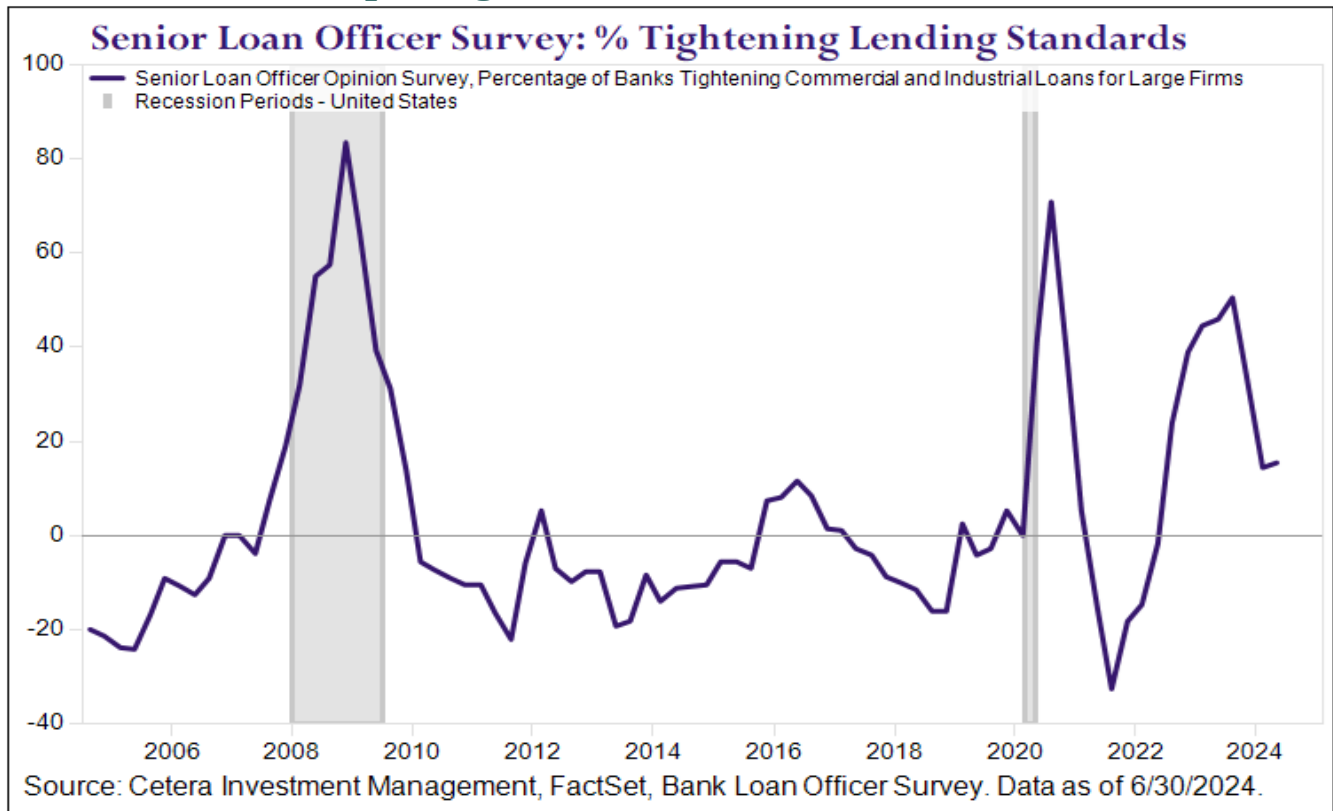
The yield on 10-year Treasury notes ended Friday at 3.94%, up 0.16% for the week. The U.S. Dollar Index declined by 0.10%. Gold futures were up 0.15% and U.S. WTI crude oil futures rose 3.51% to \$76.98/barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.56%	-3.26%	0.77%	5.95%	14.77%	6.15%
S&P 500	-0.02%	-3.20%	2.85%	12.96%	21.42%	8.09%
NASDAQ Composite	-0.17%	-4.84%	2.63%	12.00%	22.97%	4.87%
Russell 3000	-0.02%	-3.51%	2.34%	11.61%	20.20%	6.53%
Russell 2000	-1.32%	-7.67%	0.70%	3.48%	9.41%	-0.95%
MSCI EAFE	-0.29%	-4.04%	-1.50%	4.05%	9.87%	1.85%
MSCI Emerging Markets	0.27%	-1.89%	1.07%	5.77%	8.15%	-3.77%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.82%	0.74%	4.18%	2.36%	6.31%	-2.21%
Bloomberg Municipal Bonds	-0.44%	0.51%	1.55%	1.01%	5.17%	-0.64%
Bloomberg US Corp High Yield	0.25%	-0.05%	2.97%	4.52%	11.24%	2.24%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.93%	-0.84%	-5.53%	0.05%	-5.39%	4.44%
S&P GSCI Crude Oil	3.51%	-2.32%	-3.65%	6.21%	-9.37%	4.64%
S&P GSCI Gold	0.15%	0.02%	5.08%	19.38%	26.80%	12.72%

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

Chart of the Week: Improving Credit Conditions



Credit conditions have improved over the last year. A net 15.6% of large banks tightened lending standards in the second quarter, down significantly from last year's peak of 50.8%. Banks are still showing caution, but the credit environment is improving for borrowers.

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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.