

Weekly Recap

Economic Calendar

Monday, September 15

Empire State Manufacturing.

Tuesday, September 16

Retail Sales, Import/Export Prices, Industrial Production, Business Inventories, Home Builder Confidence.

Wednesday, September 17

Mortgage Activity, Housing Starts, FOMC Policy & Rate Decisions. FOMC Press Conference.

Thursday, September 18

Jobless Claims, Philadelphia Fed Manufacturing, Leading Indicators.

Friday, September 19

No Major Releases.

The Latest from @CeteraIM

[Wholesale Inflation Cools](#)

[Small Business Optimism Hits 7-Month High](#)

[Shortest T-Bill Yield Drops to 4%](#)

[The Week Ahead Video](#)

Stocks End Broadly Higher

Nasdaq Clinches New Records

U.S. equities were broadly higher last week amid renewed AI optimism and growing confidence for multiple upcoming interest rate cuts. Markets fully priced in a near certain quarter-point rate cut at the Fed's September 16-17 FOMC meeting after consumer inflation came in hotter-than-expected in August. Weekly initial jobless claims also surprised higher, rising 27,000 to 263,000, the most since late October 2021.

For the Week...

The S&P 500 climbed 1.60%, its strongest weekly gain since early August and its fifth positive week in six. The Dow Jones Industrial Average rose 0.97% and finished above 46,000 for the first time. The tech-heavy Nasdaq Composite jumped 2.05%, ending the week with new intra-day and closing all-time highs. The small cap Russell 2000 underperformed, rising just 0.27% for the week.

Headline Inflation Runs Hot

Consumer prices rose beyond forecasts in August, with the headline Consumer Price Index (CPI) up 0.4% (+0.3% forecasted) and accelerated from +0.2% in July. The CPI pickup was led by rising shelter costs, up 0.4%, the fastest pace since the start of the year. Annualized CPI rose 2.9%, matching estimates while climbing from +2.7% the month prior.

Weekly Sector Insights

Ten of the eleven S&P 500 sectors posted gains last week, led by a 3.10% jump in Technology, followed by Utilities (+2.44%) and Energy (+1.58%). Healthcare (+0.16%) and Materials (+0.03%) rose the least while Consumer Staples (-0.15%) lagged. In year-to-date (YTD) performance, all eleven sectors again held onto gains, led by Communication Services (+24.97%), Technology (+17.81%), and Industrials (+15.81%). Energy (+5.39%), Consumer Discretionary (+5.07%) and Healthcare (+1.34%) are up the least in 2025.

Treasury Yields Ease

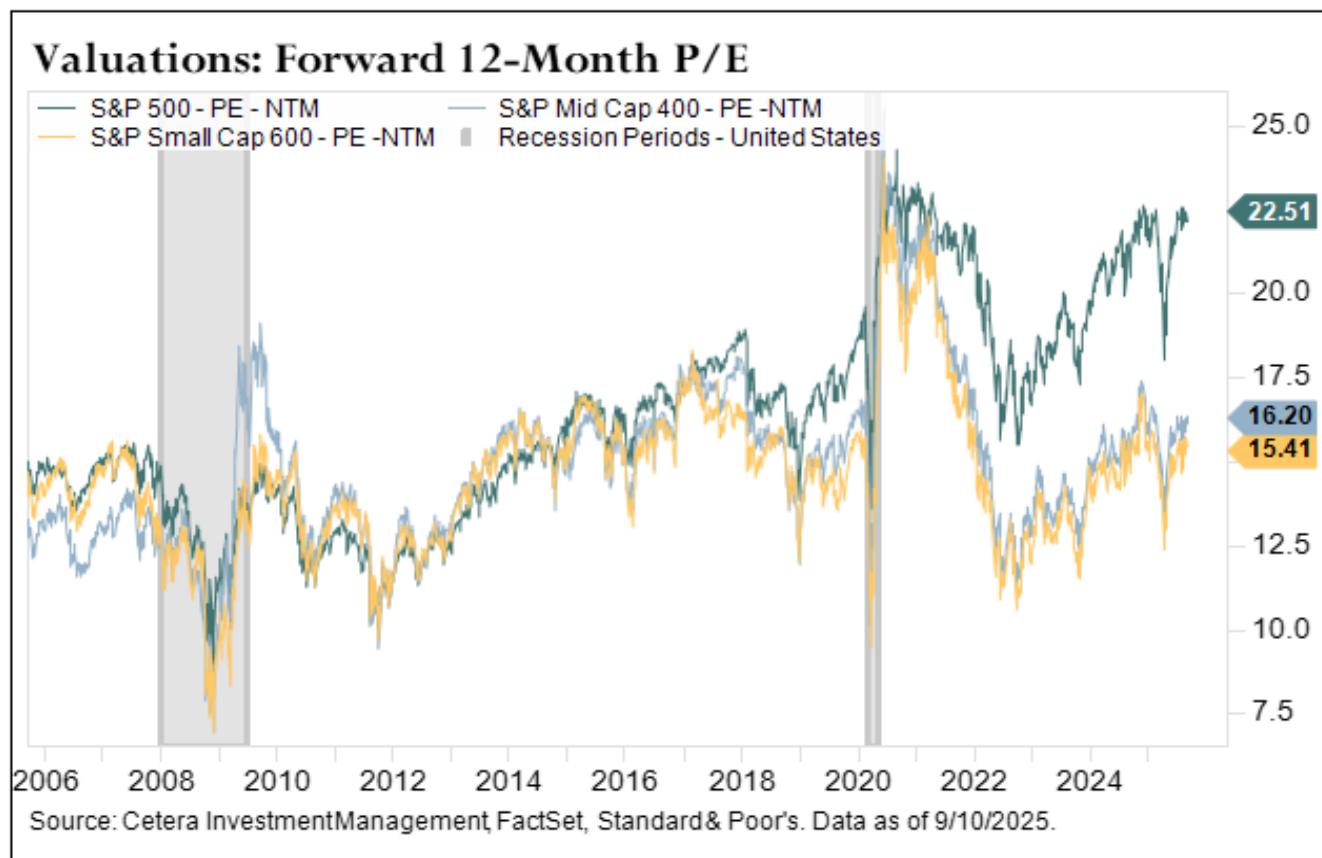
The yield on 10-year Treasury notes slipped 0.03% to 4.061% last week, its lowest level since early April. The U.S. Dollar Index slipped 0.2%, while gold futures rose 0.91% to a new record of \$3,686 per ounce. U.S. WTI crude oil futures rebounded 0.89% to \$62.69 per barrel after slumping 3.34% the week prior.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.97%	0.71%	7.14%	9.07%	13.46%	14.46%
S&P 500	1.60%	1.98%	9.27%	12.98%	19.23%	18.75%
NASDAQ Composite	2.05%	3.23%	12.78%	15.20%	26.88%	22.68%
Russell 3000	1.48%	1.95%	9.45%	12.73%	19.47%	17.98%
Russell 2000	0.27%	1.34%	12.39%	8.50%	14.11%	9.53%
MSCI EAFE	1.15%	1.41%	4.76%	24.52%	18.53%	16.77%
MSCI Emerging Markets	3.96%	5.44%	10.84%	25.49%	25.78%	13.34%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.41%	1.34%	3.23%	6.40%	2.87%	3.83%
Bloomberg Municipal Bonds	1.48%	2.38%	3.54%	2.70%	1.78%	3.69%
Bloomberg US Corp High Yield	0.27%	0.59%	3.58%	6.98%	8.43%	8.99%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.41%	1.13%	1.60%	8.29%	13.34%	-0.23%
S&P GSCI Crude Oil	0.89%	-2.48%	-6.33%	-12.97%	-8.63%	-10.66%
S&P GSCI Gold	0.91%	4.84%	8.35%	39.58%	42.85%	28.39%

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

Chart of the Week: Diverging Valuations



Large cap valuations diverged from mid and small caps after the pandemic and now trade at a sizable premium. The S&P 500's forward P/E ratio is 22.5 versus 16.2 for the S&P Mid Cap 400 and 15.4 for the S&P Small Cap 600.

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 USDXY or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000.