

# Weekly Recap

## Economic Calendar

### Monday, September 16

Empire State Manufacturing Activity.

### Tuesday, September 17

Retail Sales, Industrial Production, Business Inventories, Homebuilder Confidence.

### Wednesday, September 18

Mortgage Activity, Housing Starts, FOMC Meeting Rate and Policy Decisions, FOMC Press Conference

### Thursday, September 19

Jobless Claims, Philadelphia Fed Manufacturing, Existing Home Sales, U.S. Leading Economic Indicators.

### Friday, September 20

No Major Releases.

[The Latest from @CeteraIM](#)

[Larger Rate Cut Odds Gather Steam](#)

[Household Balance Sheets Improve](#)

[Gas Pump Prices Ease Further](#)

[The Week Ahead Video](#)

## S&P 500 Posts Best Week of the Year

### Gains Broaden

U.S. stocks rebounded sharply with the S&P 500 posting daily gains all week, capping its strongest weekly performance this year. Notable sector gainers were headlined by Technology while Real Estate, Utilities, and Consumer Staples finished at new 52-week highs. Investor sentiment rallied following a backdrop of oversold conditions from steep prior week losses coupled with favorable “soft landing” economic data showing continued easing in consumer inflation. Essentially, Wall Street is solidly convinced that the Federal Reserve will begin cutting interest rates later this week, their first reduction in four years.

### For the Week...

The S&P 500 advanced 4.06%, putting the broad index less than 1% below its July 16 all-time high. The tech-heavy Nasdaq Composite surged 5.98%, more than fully erasing its 5.76% prior week loss. The Dow Jones Industrial Average rose 2.62%.

### Consumer Sentiment Brightens

The University of Michigan’s Consumer Sentiment Index rose to 69.0 in September, its highest reading since May. Consensus expectations called for a smaller increase to 68.3 from 67.9 in August. Year-ahead inflation expectations ticked down for a fourth straight month to 2.7% from 2.8% in the previous month.

### Weekly Sector Insights

Ten of the 11 sector groups ended positive last week, with only Energy (-0.68%) finishing fractionally lower. Technology (+7.34%) powered higher to lead gainers, more than fully erasing a 7.05% prior week pullback. Consumer Discretionary (+6.15%) and Communication Services (+4.33%) were the next best performers while Consumer Staples (+1.17%) and Financials (+0.52%) gained the least. While all 11 sectors are still displaying positive year-to-date performance, Technology (+26.84%) reasserted its 2024 leadership, followed by Utilities (+26.15%) and Communication Services (+21.96%).

### Treasury Yields Ease

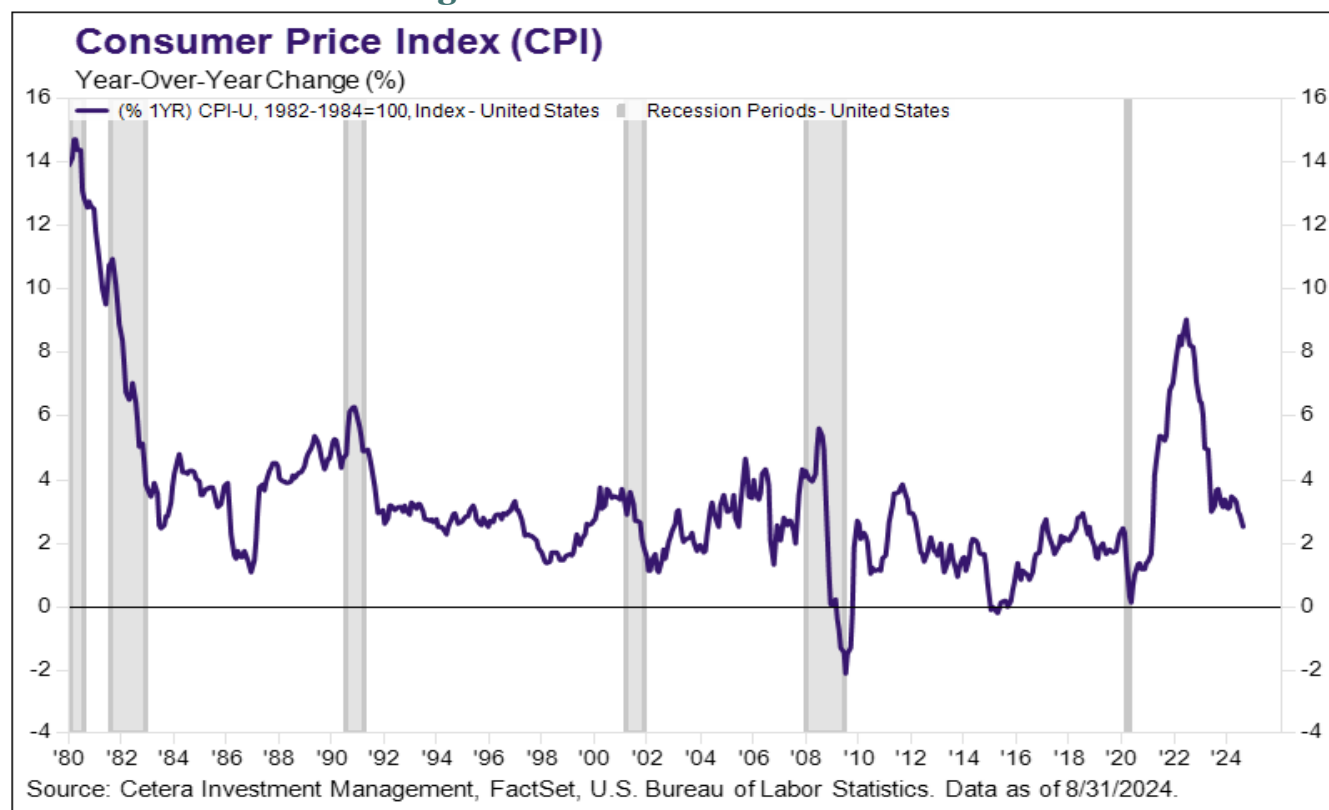
The yield on 10-year Treasury notes ended the week at 3.658%, down 0.06% from the week prior. Gold futures advanced 3.4% to finish at a new record high of \$2,610.70/ounce. U.S. crude oil rose 1.2% to \$68.65/barrel, partially retracing a steep 8% slump the week prior.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	2.62%	-0.35%	7.62%	11.35%	22.07%	8.05%
S&P 500	4.06%	-0.33%	3.90%	19.13%	27.80%	9.67%
NASDAQ Composite	5.98%	-0.12%	0.28%	18.43%	29.00%	6.23%
Russell 3000	4.08%	-0.44%	4.22%	17.67%	26.85%	8.13%
Russell 2000	4.39%	-1.52%	7.43%	8.71%	20.35%	0.57%
MSCI EAFE	1.21%	-1.65%	3.70%	10.11%	19.01%	3.13%
MSCI Emerging Markets	0.79%	-1.47%	1.61%	7.94%	13.94%	-3.38%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.51%	1.81%	4.96%	4.93%	10.00%	-1.55%
Bloomberg Municipal Bonds	0.17%	0.68%	2.36%	1.99%	7.08%	-0.25%
Bloomberg US Corp High Yield	0.40%	0.64%	4.27%	6.97%	13.41%	2.63%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	2.73%	0.30%	-5.17%	1.25%	-5.12%	3.20%
S&P GSCI Crude Oil	0.12%	-7.89%	-13.43%	-5.44%	-23.02%	-1.20%
S&P GSCI Gold	3.41%	3.29%	12.63%	26.01%	35.09%	13.30%

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

## Chart of the Week: Slowing Inflation



Inflationary pressures continue to ease. Headline CPI rose 0.2% in August, with the annual rate slowing to a 4.5-year low of 2.5%. Over the past six months, CPI has risen at an annualized pace of 1.98%, below the Fed's 2% target. However, core CPI (excluding food and energy) remained steady at 3.2% year-over-year in August, while the six-month annualized rate is a more moderate 2.7%.

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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.