

Weekly Recap

Economic Calendar

Monday, October 5

ISM Services PMI.

Tuesday, October 6

Import-Export Balance.

Wednesday, October 7

Mortgage Applications, FOMC September Meeting Minutes.

Thursday, October 8

Jobless Claims.

Friday, October 9

Michigan Consumer Sentiment.

The Latest from @CeteraIM

[Layoffs Decline in September](#)

[Consumer Confidence Drops in September](#)

[Small Caps Underperform in Q3](#)

[The Week Ahead Video](#)

Did You know?

Q3 2026 S&P 500 earnings are expected to grow 29.5%, marking the third straight quarter above 25% and the eighth consecutive quarter of double-digit growth.

Markets Near Record Highs as Yields Rise

Economic Data Offers Bonds Little Relief

Yields continued to move higher, with the 10-year U.S. Treasury yield reaching levels last seen in 2002, as the prolonged conflict in the Middle East kept oil prices and inflation concerns elevated. On the economic front, nonfarm payrolls came in well below an already elevated consensus estimate. The Fed's preferred inflation gauge, headline PCE, held at 3.4% year over year in August, unchanged from July. However, a new methodology is estimated to have lowered the reading by 0.2 to 0.3 percentage points compared with the previous approach.

For the Week

The Nasdaq Composite reached a new high on Friday but failed to hold on until the closing bell, ending the week 0.5% higher. In contrast, the S&P 500 and Dow Jones Industrial Average fell 0.3% and 1.3%, respectively. The Russell 2000 index of small-cap stocks finished 0.1% lower. Internationally, developed and emerging markets lost 1.5% and 1.2%, respectively.

Core PCE Shows Signs of Stabilization

Core PCE inflation (Fed's preferred gauge) rose 0.25% month-over-month in August, below expectations (+0.3%), and the annual rate held at +3.0%. Over the past 3 months, core PCE inflation has risen at an annualized pace of just 2.0%, in line with the Fed's target.

Weekly Sector Insights

Three of the 11 sectors were up this week. Information Technology (+1.5%) and Energy (+1.4%) ended the week higher. Healthcare (2.7%) and Financials (-2.5%) were this week's biggest draggers.

Treasury Yields Rise

The yield on the 10-year Treasury notes continued its upward momentum, closing the week at 5.28%. U.S. WTI crude oil fell 1.4%. Gold was down 3.7%.

The Week Ahead

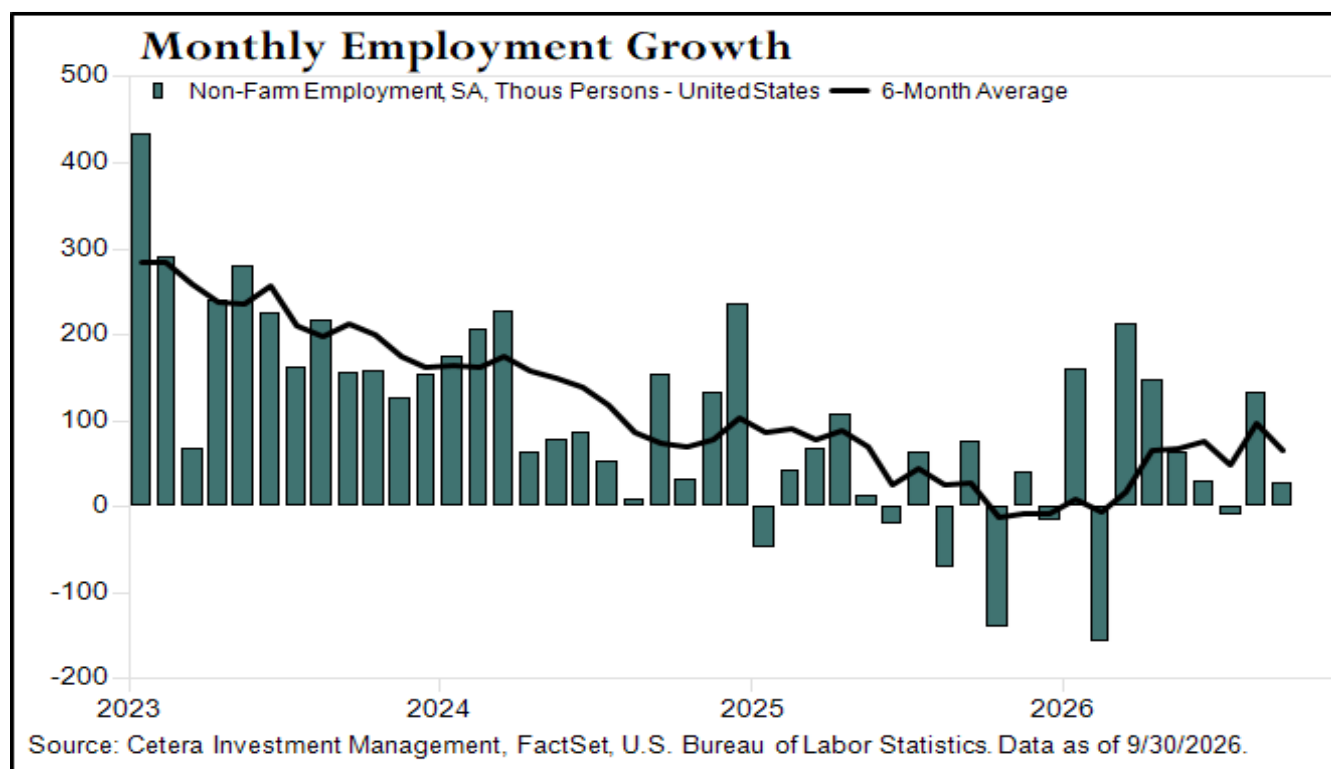
Yields and Middle East negotiations will remain in focus. While earnings season officially begins next week, a major consumer staples and an airline company will report late this week. Revenue and guidance will be closely watched to gauge how consumers are navigating inflation.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-1.25%	0.54%	-2.91%	7.76%	11.81%	17.28%
S&P 500	-0.25%	0.94%	3.48%	13.81%	16.35%	23.24%
NASDAQ Composite	0.46%	1.23%	5.41%	17.52%	19.74%	27.72%
Russell 3000	-0.21%	1.03%	2.71%	13.58%	15.78%	22.72%
Russell 2000	-0.11%	1.30%	-5.15%	15.18%	16.65%	18.84%
MSCI EAFE	-1.51%	-0.96%	-1.04%	9.27%	13.71%	18.61%
MSCI Emerging Markets	-1.23%	0.24%	2.07%	23.68%	27.47%	24.24%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg U.S. Agg Bonds	-0.60%	0.05%	-3.33%	-2.86%	-2.16%	4.31%
Bloomberg Municipal Bonds	0.45%	1.02%	-5.31%	-3.20%	-1.87%	3.27%
Bloomberg U.S. Corp High Yield	-0.65%	0.04%	-1.86%	0.14%	1.34%	8.22%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.87%	-0.17%	16.06%	32.64%	40.07%	15.93%
S&P GSCI Crude Oil	-1.41%	0.76%	32.64%	58.67%	50.64%	0.85%
S&P GSCI Gold	-3.68%	-0.58%	0.89%	-4.12%	7.61%	31.07%

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

Chart of the Week: September Hiring Loses Momentum



September payrolls rose by +29,000, missing expectations of +90,000. The prior two months were revised downward by 60,000, pushing July's reading to -10,000. The unemployment rate edged up higher from 4.1% to 4.2% while participation rate inched higher from 61.6 to 61.8%, partly reflecting a growing workforce. Jobs in healthcare (+17,000) rose the most while government employment fell by 17,000.

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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.