

Weekly Recap

Economic Calendar

Monday, October 12

No Major Release.

Tuesday, October 13

Existing Home Sales, NFIB
Small Business Optimism.

Wednesday, October 14

Mortgage Applications,
Consumer Price Index (CPI).

Thursday, October 15

Jobless Claims, Producer
Price Index (PPI), Retail
Sales, Business Inventories.

Friday, October 16

Export-Import Prices,
Industrial Production,
Capacity Utilization.

The Latest from [@CeteraIM](#)

[Services PMI Signals Rising
Price Pressure](#)

[Rising Borrowing Cost Impacts
Housing Activity](#)

[Jobless Claims Continue to
Remain Low](#)

[The Week Ahead Video](#)

Did You know?

This week in 1973, Arab oil producers announced production cuts and an oil embargo. By the following January, crude had nearly quadrupled, from \$2.90 to \$11.65 a barrel.

Markets Trade at All-Time High as Yields Stabilize

Fed's Patience Calms Bond Market

With few major economic releases or corporate earnings reports, Middle East tensions returned to the spotlight. Reports that Middle East oil exports, excluding Iran, had recovered to prewar levels helped ease pressure on crude prices. Meanwhile, September's Fed FOMC minutes pointed to another rate hike this year, though officials gave no indication of timing. As a result, yields stabilized, with the 10-year U.S. Treasury yield ending the week lower after six consecutive weekly gains.

For the Week

Both the S&P 500 (+1.2%) and the tech-heavy Nasdaq Composite (+0.7%) reached new highs this week. The Dow Jones Industrial Average gained 1.0% but remained 4.6% below its all-time high. The small-cap Russell 2000 fell 0.9%. Internationally, developed markets were down 0.5% while emerging markets ended the week flat.

Economic Indicators Signal Continued Expansion

Five of the six indicators used by the NBER for business cycle dating are higher than a year ago, signaling continued economic expansion. Growth is modest across most of these indicators, with inflation-adjusted consumer spending up 2.6%.

Weekly Sector Insights

Nine of the 11 sectors were up this week signaling a broad-based rally. Both Consumer Staples and Utilities were up 4.0% for the week. Industrials (-0.4%) and Information Technology (-0.3%) were marginally down this week.

Treasury Yields Rise

The yield on the 10-year Treasury notes fell from 5.28% to 5.24%. U.S. WTI crude oil rose 0.3%. Gold was up 1.3%.

The Week Ahead

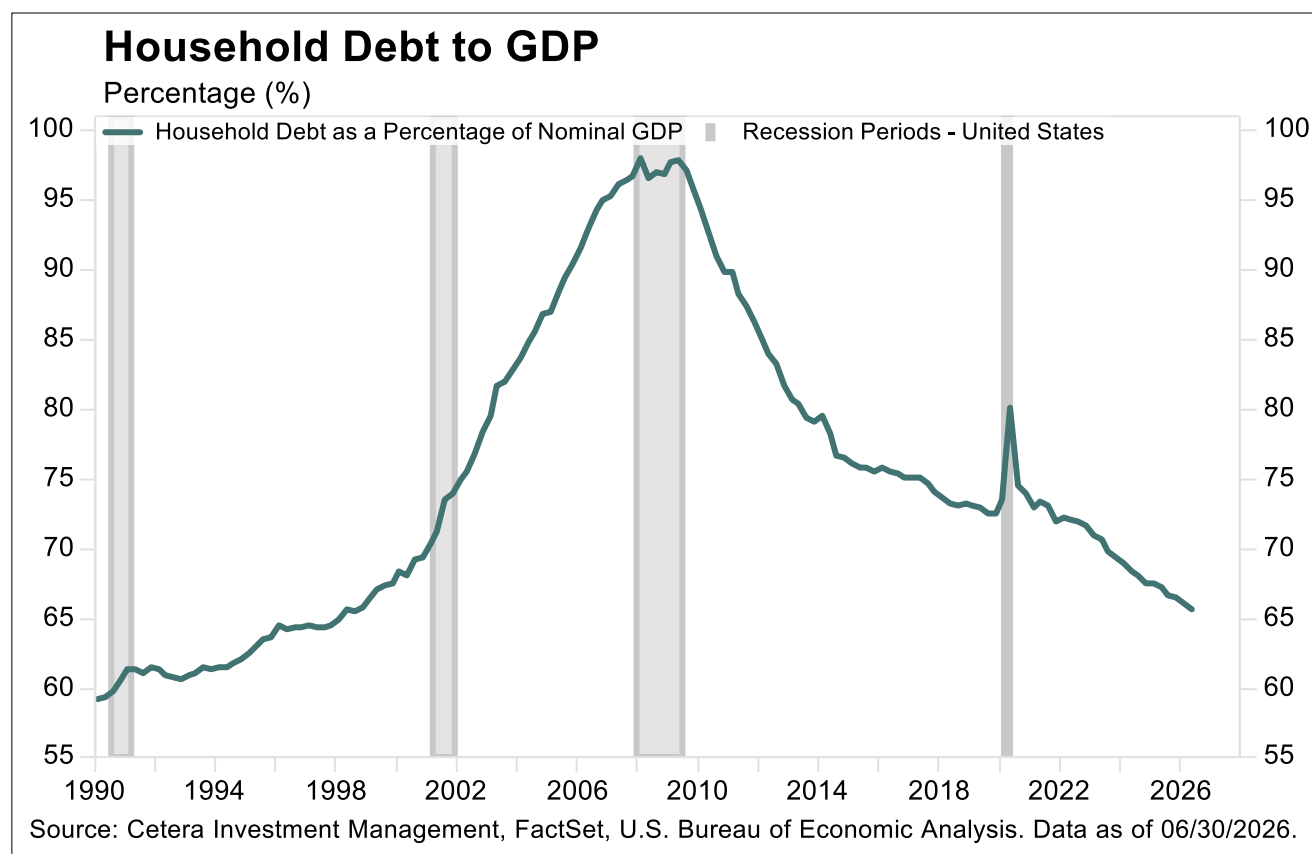
Markets will closely watch CPI and PPI data, as softer inflation could further reduce the odds of an October rate hike. Retail sales will offer insight into consumer resilience amid elevated energy prices. Earnings season begins this week with major banks announcing results on Tuesday, followed by two key AI supply-chain companies whose results could provide insight into future semiconductor demand.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.96%	1.51%	-1.22%	8.80%	13.25%	17.44%
S&P 500	1.17%	2.13%	3.84%	15.14%	17.35%	23.26%
NASDAQ Composite	0.65%	1.89%	4.57%	18.28%	19.56%	27.43%
Russell 3000	1.12%	2.16%	3.18%	14.85%	16.76%	22.75%
Russell 2000	-0.90%	0.38%	-5.90%	14.14%	15.10%	18.49%
MSCI EAFE	-0.54%	-1.49%	-0.77%	8.69%	12.93%	18.54%
MSCI Emerging Markets	0.03%	0.27%	2.56%	23.71%	26.73%	24.96%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg U.S. Agg Bonds	0.39%	0.44%	-2.61%	-2.48%	-1.56%	4.61%
Bloomberg Municipal Bonds	-0.32%	0.70%	-5.32%	-3.51%	-2.34%	3.34%
Bloomberg U.S. Corp High Yield	0.20%	0.24%	-1.73%	0.34%	1.91%	8.54%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.79%	1.61%	14.08%	35.01%	41.33%	16.57%
S&P GSCI Crude Oil	0.26%	1.02%	26.86%	59.08%	49.20%	2.16%
S&P GSCI Gold	1.30%	0.71%	1.23%	-2.87%	6.13%	31.23%

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

Chart of the Week: Consumers on Firmer Financial Footing



U.S. government debt is now above \$40 trillion, but household balance sheets are in far better shape. Consumers have steadily deleveraged since the Great Financial Crisis, with household debt-to-GDP falling from a peak of 98% in 2008 to just 65% today.

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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.