

# Weekly Recap

## Economic Calendar

### Monday, October 21

Leading Economic Indicators.

### Tuesday, October 22

Richmond Fed Manufacturing Activity.

### Wednesday, October 23

Mortgage Activity, Existing Home Sales, Fed Beige Book.

### Thursday, October 24

Jobless Claims, S&P/ISM U.S. Services & Manufacturing PMIs, New Home Sales.

### Friday, October 25

Durable Goods Orders, Consumer Sentiment.

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## Stock Market Momentum Continues

### Quiet Economic Week

Last week there was not a lot of major economic releases for investors to scrutinize. Corporate earnings season began, but only around 15% have reported thus far and the Fed members did not have any speeches that were market moving. Looking at Fed Fund Futures probabilities, investors expect two 0.25% rate cuts by year end, one in November and one in December. This probability did not change much throughout the week and is currently over 75%. This coming week will also be light in economic data, but earnings season gets into full swing.

### For the Week...

All three major U.S. equity indices climbed a sixth straight week. The S&P 500 rose 0.87%. The Dow Jones Industrial Average gained 0.98%. The tech-heavy Nasdaq Composite rose 0.80%.

### Retail Sales Advance

Consumer spending remains healthy. U.S. retail sales rose 0.4% in September, beating expectations of 0.2%. Control group sales, excluding auto and gas, grew by a robust 0.7%. Additionally, spending at bars and restaurants surged 1.0% last month. This is good considering Hurricane Helene impacted the last week of the month. Hurricane Milton will disrupt October sales, but the cleanup effort will eventually be additive to retail sales figures.

### Weekly Sector Insights

Nine of the 11 sector groups ended positive last week, led by Utilities (+3.42%), Real Estate (+3.02%), and Financials (+2.44%). The three worst performing sectors were Energy (-2.60%), Health Care (-0.50%), and Consumer Services (+0.35%). On a year-to-date basis, Technology (+33.98%) is the top performing sector, followed closely by Utilities (+32.54%) and Communication Services (+29.42%).

### Treasury Yields Little Changed

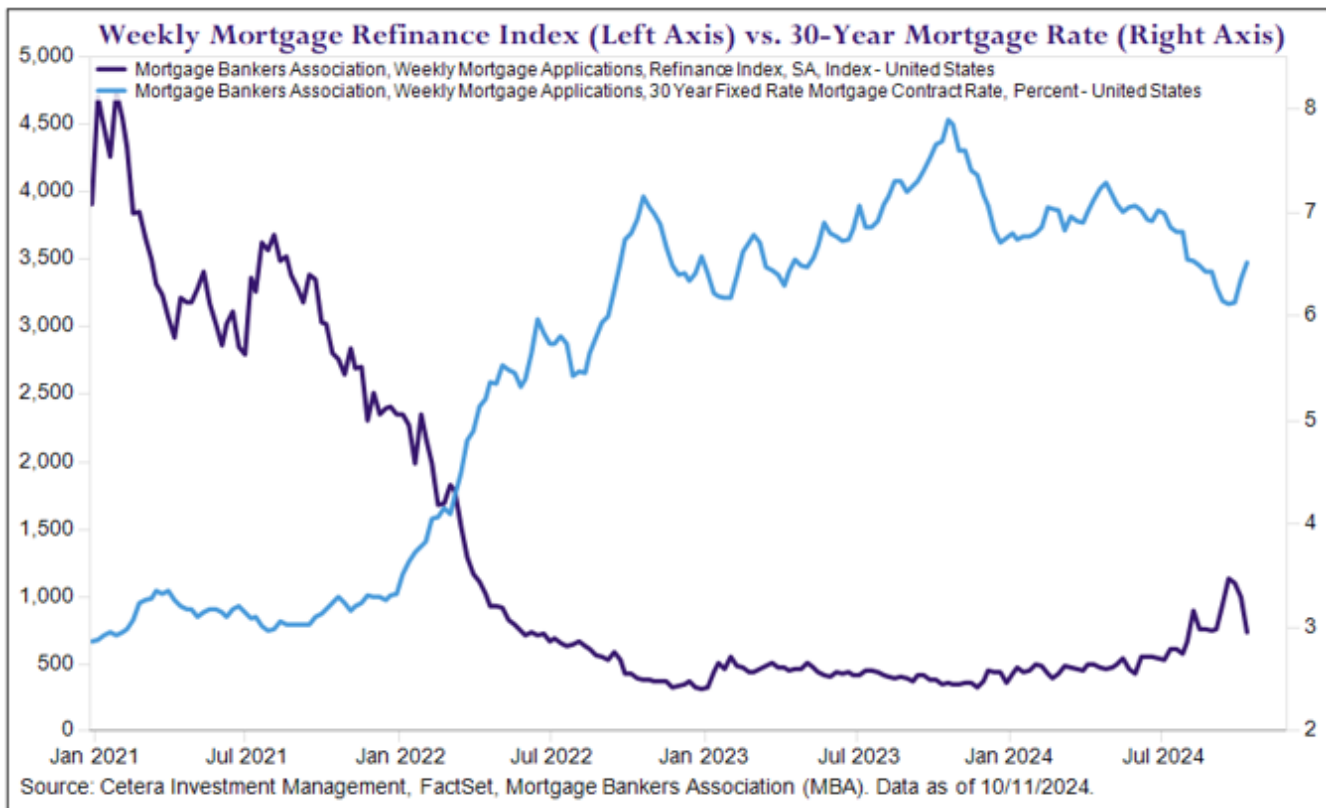
The yield on 10-year Treasury notes ended Friday at 4.08% and unchanged for the previous week. The yield on 2-year Treasury bills was also unchanged at 3.95%. Across the rest of the yield curve, Treasuries bonds were very little changed as well.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.98%	2.30%	6.93%	16.55%	31.12%	9.28%
S&P 500	0.87%	1.84%	6.14%	24.33%	37.92%	11.05%
NASDAQ Composite	0.80%	1.67%	3.65%	23.87%	39.92%	8.02%
Russell 3000	0.97%	1.99%	6.31%	23.03%	37.50%	9.47%
Russell 2000	1.87%	2.10%	3.89%	13.50%	33.59%	1.58%
MSCI EAFE	-0.38%	-2.37%	1.71%	10.31%	23.53%	4.12%
MSCI Emerging Markets	-0.37%	-1.31%	4.99%	15.33%	25.63%	-0.83%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.05%	-1.41%	2.23%	2.98%	12.08%	-1.79%
Bloomberg Municipal Bonds	0.23%	-0.34%	1.58%	1.95%	10.53%	0.01%
Bloomberg US Corp High Yield	0.34%	-0.13%	3.61%	7.86%	17.36%	3.13%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-2.46%	-1.87%	0.51%	3.87%	-2.20%	2.05%
S&P GSCI Crude Oil	-8.23%	0.76%	-15.51%	-4.13%	-21.29%	-5.61%
S&P GSCI Gold	2.01%	2.65%	8.96%	31.77%	38.70%	15.62%

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

## Chart of the Week: Mortgage Activity Decline



The average 30-year mortgage rate increased from 6.13% to 6.52% over the last 3 weeks, leading to a sharp 35.2% decline in mortgage refinance activity over that span, and a 6.6% decline in purchase applications. The housing market needs lower rates to spark a durable recovery.

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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.