

Weekly Recap

Economic Calendar

Monday, December 22

No Major Releases.

Tuesday, December 23

(Q3, delayed) GDP, (Oct. Delayed) Durable Goods Orders, Industrial Production, Consumer Confidence.

Wednesday December 24

Mortgage Activity, Jobless Claims. Christmas Eve Early Market Close 1 pm ET.

Thursday, December 25

Christmas Day Holiday, All Markets Closed.

Friday, December 26

No Major Releases.

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[Insights on Business Cycles](#)

[Consumer Sentiment Ticks Upward](#)

[Gasoline Reaches Four-Year Low](#)

[The Week Ahead Video](#)

Easing Inflation Helps Lift Stocks

Stocks Finish Mostly Higher

The S&P 500 rallied to close the week near fresh records as AI infrastructure stocks rebounded from three-straight daily losses earlier in the week. End of week gains were inspired by encouraging inflation data that notably eased beyond forecasts. The data, together with rising unemployment, stirred hopes for further Fed easing next year.

For the Week...

The S&P 500 rose 0.13%, finishing the week within 1% from its earlier record this month. The Dow Jones Industrial Average lagged, down 0.64% for the week. The tech-heavy Nasdaq Composite outperformed, gaining 0.49%. Small caps underperformed, down 0.83% last week.

Growth in Core Inflation Slows to 56-month Low

Consumer inflation slowed in November, with the headline Consumer Price Index (CPI) increasing 2.7% year-over-year, down from 3.0%. Excluding volatile food and energy items, the core CPI, notably eased to 2.6% annualized, its lowest level since March 2021, also down from 3.0%.

Weekly Sector Insights

Five of the eleven S&P 500 sectors ended positive last week, led by Consumer Discretionary (+1.02%), Materials (+0.63%) and Healthcare (+0.61%). Energy (-2.90%), Real Estate (-1.02%) and Consumer Staples (-0.90%) declined the most. In year-to-date (YTD) performance, Communication Services (+31.80%), Technology (+23.78%) and Industrials (+19.62%) remain this year's top gainers while Energy (+6.23%), Consumer Staples (+4.50%) and Real Estate (+2.05%) have gained the least. All 11 sectors remain positive on a YTD basis.

Treasury Prices Rise, Yields Weaken

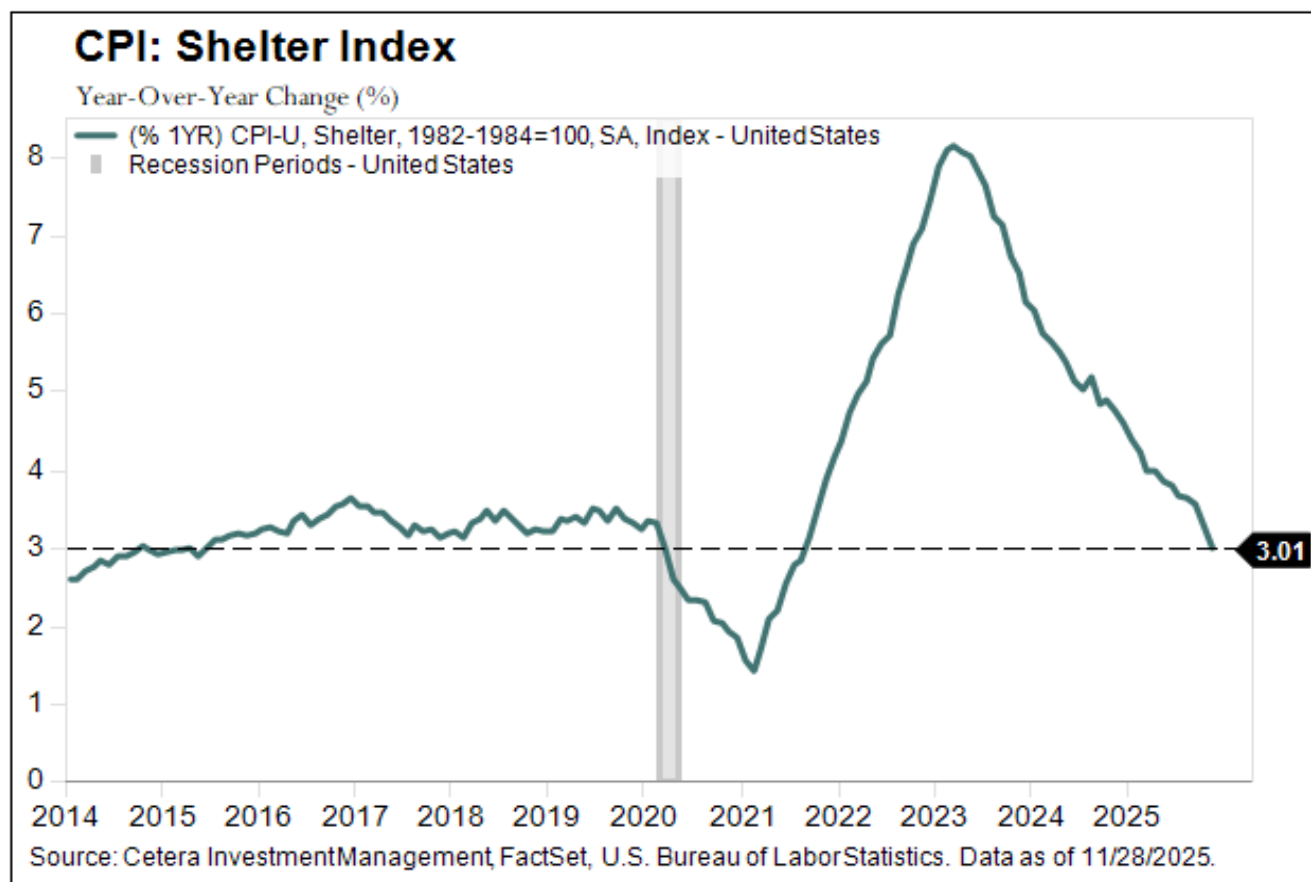
The yield on 10-year Treasury notes ended the week at 4.15%, down 0.03% week-over-week. Yields decline as prices rise. The U.S. Dollar Index strengthened 0.2% for the week, getting a boost after Japan's central bank raised rates. Gold futures extended gains by 1.36% to end Friday at \$4,387.30 per ounce. U.S. WTI crude oil futures fell 1.26% to \$56.52 per barrel, deepening its 4.63% prior week retreat amid concerns about oversupply next year.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.64%	1.07%	4.37%	15.09%	15.64%	15.86%
S&P 500	0.13%	-0.13%	2.86%	17.66%	17.99%	23.16%
NASDAQ Composite	0.49%	-0.20%	3.15%	21.46%	21.10%	31.19%
Russell 3000	0.05%	-0.03%	2.58%	17.14%	17.42%	22.51%
Russell 2000	-0.83%	1.26%	3.62%	14.89%	15.42%	14.94%
MSCI EAFE	0.20%	1.83%	4.37%	29.73%	30.59%	17.07%
MSCI Emerging Markets	-1.52%	0.31%	2.44%	30.09%	29.42%	15.38%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.34%	-0.35%	0.84%	7.09%	7.31%	4.05%
Bloomberg Municipal Bonds	0.08%	-0.08%	1.09%	4.07%	4.46%	3.56%
Bloomberg US Corp High Yield	0.22%	0.21%	0.83%	8.24%	8.53%	9.53%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.09%	-1.24%	6.68%	14.70%	17.50%	4.04%
S&P GSCI Crude Oil	-1.26%	-3.47%	-9.42%	-21.19%	-18.54%	-9.14%
S&P GSCI Gold	1.36%	3.11%	18.39%	66.12%	68.22%	34.60%

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

Chart of the Week: Shelter Costs Lead Inflation Slowdown



The slowdown in November's CPI inflation was led by a notable downshift in shelter costs, which fell to their lowest annual increase since August 2021 and now sits below pre-pandemic trends. The lagged impact of easing rents is providing a disinflationary tailwind.

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