

## Economic Calendar

### Monday, May 22

No Major Releases.

### Tuesday, May 23

S&P Global US  
Manufacturing/Services  
PMIs, New Home Sales.

### Wednesday, May 24

Mortgage Activity, FOMC  
Meeting Minutes.

### Thursday, May 25

Jobless Claims, Chicago  
Fed National Activity, Q1  
GDP Revision, PCE Prices,  
Pending Home Sales.

### Friday, May 26

Personal Incomes/Outlays,  
PCE Deflator, Advance  
Goods Trade Balance,  
Durable Goods Orders,  
Consumer Sentiment.

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# WEEKLY RECAP

May 15-19, 2023 Recap

## Best Week Since March

### *Small Caps Outperform*

Equities slipped on Friday amidst an abrupt but temporary halt to debt-ceiling negotiations. Markets were still driven higher by dovish comments from the Federal Reserve. Fed Chairman Powell commented that interest rates may not have to rise as much as earlier thought to quell inflation. The S&P 500 and Nasdaq ended the week with their strongest gains since early March as investors welcomed pledges from President Biden and Congressional leaders that a U.S. debt default is out of the question.

### *For the Week...*

The S&P 500 jumped 1.71%, the Dow Jones Industrial Average rose just 0.38% and the tech-heavy Nasdaq Composite surged 3.08%. The small cap focused Russell 2000 (+1.93%) outperformed last week, while mid-caps trailed, up 1.06%.

### *e-Commerce Rebounds*

U.S. commerce data showed online retailing rose a sharp 3.0% during the first quarter 2023, following a 0.1% decline during the final quarter of 2022. Comparably, Q1 2023 e-commerce sales are up 7.8% from Q1 2022. Overall Q1 2023 retail sales, including online sales, are estimated at an increase of 0.9% from the fourth quarter of 2022.

### *Technology Resumes Weekly Leadership*

Seven of the 11 major sectors ended positive last week, with gains led by Technology (+4.25%), Communication Services (+3.06%) and Consumer Discretionary (+2.64%). Mostly defensive sectors led decliners, including Utilities (-4.27%), Real Estate (-2.37%) and Consumer Staples (-1.63%).

### *Treasury Yields Rallied*

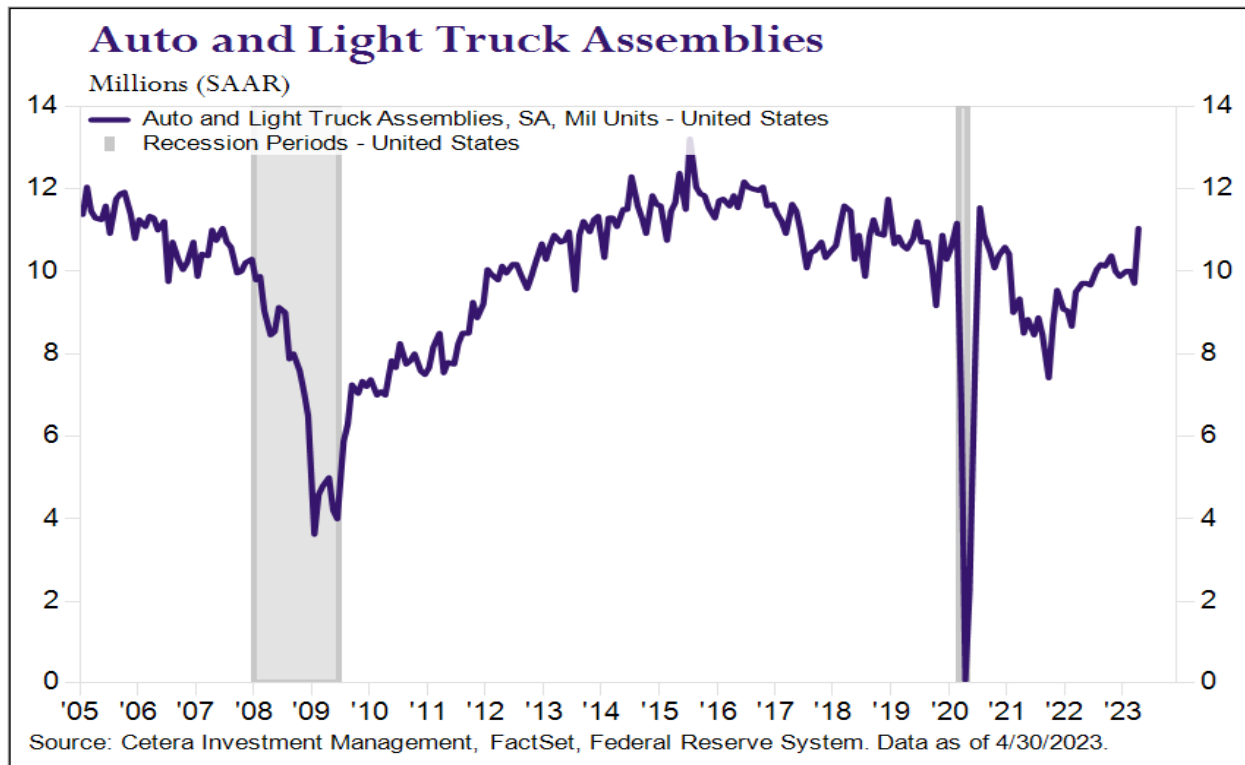
The yield on benchmark 10-year Treasury notes ended the week at 3.689%, up 0.22% week over week. As a reminder yields and prices move in opposite directions, so bond prices fell.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.38	-1.97	-1.18	0.84	6.96	11.37
S&P 500	1.71	0.67	3.21	9.91	9.34	14.59
NASDAQ Composite	3.08	3.63	7.64	21.37	12.16	12.17
Russell 3000	1.72	0.68	1.72	9.05	8.27	14.06
Russell 2000	1.93	0.38	-8.47	1.27	1.40	12.10
MSCI EAFE	0.36	-0.16	3.61	11.35	11.94	11.62
MSCI Emerging Markets	0.51	0.16	-1.57	2.94	-0.79	4.35
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-1.37	-1.65	0.80	1.88	-2.10	-3.62
Bloomberg Municipal Bonds	-1.18	-0.78	0.78	1.75	3.92	-0.28
Bloomberg US Corp High Yield	-0.42	-0.85	1.50	3.71	3.63	3.97
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.01	-2.81	-3.94	-8.71	-20.00	18.51
S&P GSCI Crude Oil	2.39	-6.63	-6.35	-10.68	-34.78	30.24
S&P GSCI Gold	-1.90	0.06	8.11	9.53	8.26	4.40

Source: Morningstar

## Chart of the Week: Auto Assemblies Normalizing



Auto assemblies surged 14% to a 33-month high of 11.1 million (annualized) in April. Supply issues have plagued the auto industry for the last three years. Normalization of auto assemblies will increase the supply of cars and help cool price pressures for new and used cars.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@CeteraIM](https://twitter.com/CeteraIM) on Twitter.

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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.