

Economic Calendar

Monday, September 11

No Major Releases.

Tuesday, September 12

Small Business Optimism.

Wednesday, September 13

Mortgage Activity, Consumer Price Index (CPI).

Thursday, September 14

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

Friday, September 15

Import/Export Prices, NY Empire State Manufacturing, Industrial Production, Consumer Sentiment.

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[Jobless Claims at 7-Month Low](#)

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WEEKLY RECAP

September 4-8, 2023 Recap

Stocks Decline

Good News is Bad News for Rates

Equities declined last week, with the S&P 500 and Nasdaq Composite ending below their 50-day moving averages. Investors turned skittish, as stronger-than-expected economic data stirred concerns that interest rates could stay higher for longer. Technology weakened amid the Chinese ban on iPhone use at government agencies.

For the Week...

The S&P 500 declined by 1.26%, the Dow Jones Industrial Average fell 0.70% and the Nasdaq Composite backpedaled 1.92%. The small cap focused Russell 2000 Index (-3.58%) gave back nearly all of its 3.67% prior week gain.

Greenback Strengthens

The U.S. Dollar (+0.8%) advanced an eighth straight week, its longest winning streak since 2014 on a backdrop of better-than-expected economic data. While the dollar is reflecting continued health in the labor market and resilient consumer spending, the downside is that those same reports will likely keep interest rates higher for longer. Despite recent strength, the dollar index is still down 8% since last September's peak.

Weekly Sector Insights

All but two of the 11 S&P 500 sectors ended negative last week. Industrials (-2.88%), Materials (-2.38%), and Technology (-2.34%) were the downside leaders while Energy (+1.48%) and Utilities (+0.91%) posted gains. Communication Services (-0.04%) fell the least, slightly trimming its 2023 YTD gain to 44.32%. Technology (+41.60%) is this year's second-best YTD gainer.

Treasury Yields Rise

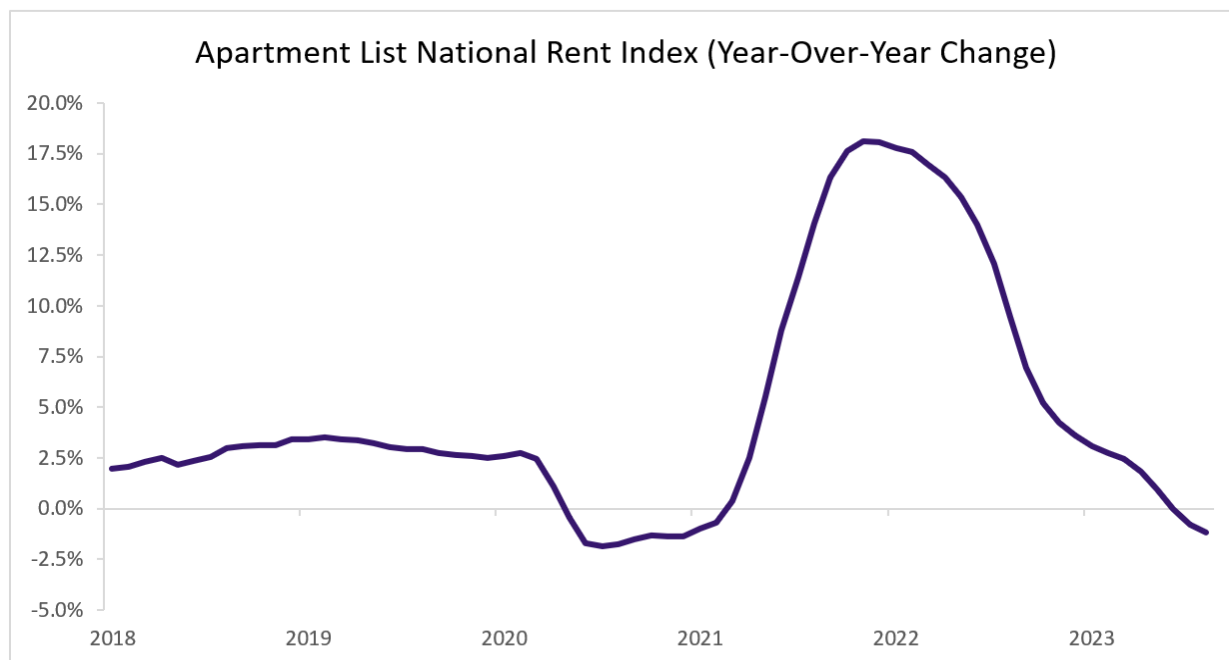
The yield on benchmark 10-year Treasury notes rebounded last week, ending Friday at 4.261%, up 0.075% for the week. In late August, the yield on 10-year Treasuries had reached 4.34%, its highest since 2007.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.70%	-0.36%	2.78%	5.99%	11.22%	10.14%
S&P 500	-1.26%	-1.08%	4.22%	17.45%	13.18%	11.92%
NASDAQ Composite	-1.92%	-1.94%	4.15%	32.27%	17.05%	9.09%
Russell 3000	-1.43%	-1.14%	3.97%	16.67%	12.03%	11.29%
Russell 2000	-3.58%	-2.51%	-1.17%	6.22%	1.84%	8.54%
MSCI EAFE	-1.38%	-1.61%	-1.09%	9.08%	18.42%	6.05%
MSCI Emerging Markets	-1.17%	-0.63%	-0.94%	3.90%	4.45%	-1.18%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.30%	-0.77%	-1.60%	0.59%	-1.11%	-4.67%
Bloomberg Municipal Bonds	-0.23%	-0.25%	-0.77%	1.34%	2.36%	-1.40%
Bloomberg US Corp High Yield	-0.31%	-0.30%	2.03%	6.81%	6.37%	1.82%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.50%	0.17%	6.05%	-2.60%	-4.27%	16.25%
S&P GSCI Crude Oil	2.13%	4.47%	22.45%	8.86%	4.70%	33.31%
S&P GSCI Gold	-1.24%	-1.18%	-1.81%	6.38%	12.93%	-0.01%

Source: Cetera Investment Management, FactSet, YCharts. Data as of 9/08/2023

Chart of the Week: Rent Relief



Source: Cetera Investment Management, Apartment List Rent Estimates. Data as of 8/31/2023.

The rental market is getting some much-needed rent relief. According to data from ApartmentList, asking rents for new listings fell 1.2% year-over-year in August. Rent prices surged after the pandemic, peaking at +18% year-over-year in 2021. Vacancy rates increased each of the last 22 months, softening rent price pressures. This will feed into CPI inflation data, but with a lag. As of July, the consumer price index (CPI) rent component was up 8% year-over-year.

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.