

Economic Calendar

Monday, September 18
Homebuilder Confidence.

Tuesday, September 19
Housing Starts/Building Permits, FOMC Meeting Begins.

Wednesday, September 20
Mortgage Activity, FOMC Rate & Policy Decisions.

Thursday, September 21
Jobless Claims, Current Account Deficit, Philadelphia Fed Mfg, Leading Indicators, Existing Home Sales.

Friday, September 22
S&P flash U.S. Services/Manufacturing PMIs.

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[NY Manufacturing Improving](#)

[Money Market Assets Surge as Bank Deposits Fall](#)

[Oil Up 31% Since Late June](#)

[The Week Ahead Video](#)

WEEKLY RECAP

September 11-15, 2023 Recap

Equities End the Week Mixed

Stocks Flat Ahead of Fed Meeting

Investors had a lot to digest last week while Fed officials remain in their quiet period ahead of the September FOMC meeting this week. New economic data showed the initial impact of rising oil prices on the economy. Consumer inflation data that includes energy prices rose, as did underlying producer prices. The University of Michigan's preliminary September Consumer Sentiment Survey fell, as it can be highly correlated to gasoline prices. Consumers don't like rising gas prices. The higher inflation data also pushed up bond yields.

For the Week...

The S&P 500 fell 0.12%, the Dow Jones Industrial Average rose by 0.14% and the Nasdaq Composite retreated 0.37%. Value stocks widely outperformed growth stocks as the Russell 1000 Growth index was down 0.69%, while the Russell 1000 Value index was up 0.47%.

Inflation Rises

The headline Consumer Price Index (CPI), which measures broad based inflation in the economy, rose 0.6% in August and 3.7% year-over-year. It was the largest monthly increase in 14 months, mostly due to a 5.6% month-over-month increase in energy prices. Core CPI inflation, which excludes food and energy, rose slightly more than expected for the month, and increased 4.3% year-over-year.

Weekly Sector Insights

All but three of the 11 S&P 500 sectors ended positive last week. Technology (-2.23%), Industrials (-0.59%), and Materials (-0.11%) were the sectors posting losses, while Utilities (+2.74%), Consumer Discretionary (+1.72%) and Financials (+1.48) led the positive sectors.

Treasury Yields Inch Higher

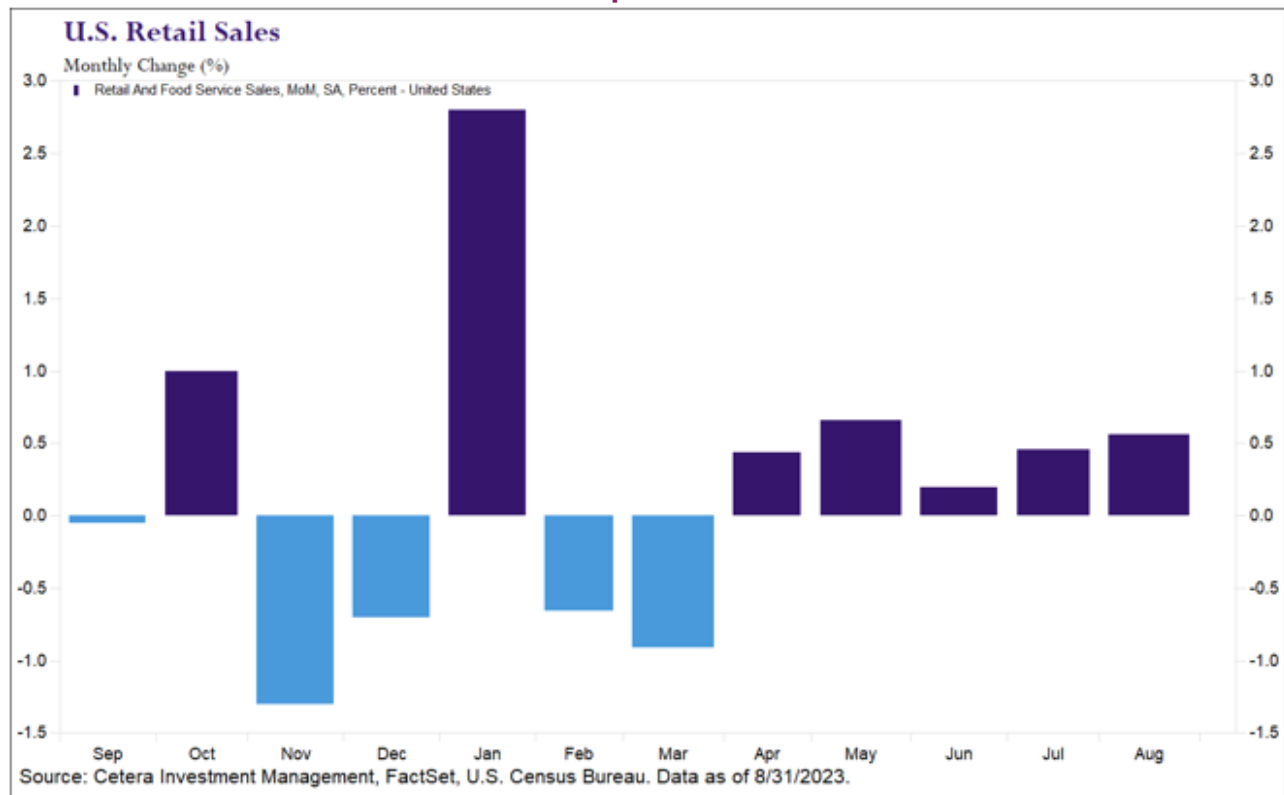
The yield on 10-year Treasury notes climbed higher last week, ending Friday at 4.33%, up 0.07% for the week. Yields advanced on the higher-than-expected inflation data and the anticipation that the Fed could keep interest rates higher for longer. The yield curve remains inverted with 2-year Treasury notes yielding 5.02% and more than longer-dated Treasury notes.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.14%	-0.21%	1.15%	6.14%	14.24%	9.51%
S&P 500	-0.12%	-1.20%	0.94%	17.30%	16.03%	11.11%
NASDAQ Composite	-0.37%	-2.30%	-0.35%	31.78%	19.74%	7.83%
Russell 3000	-0.15%	-1.28%	0.83%	16.50%	14.53%	10.34%
Russell 2000	-0.20%	-2.70%	-1.87%	6.01%	2.80%	7.67%
MSCI EAFE	1.67%	0.03%	-2.00%	10.90%	20.03%	5.95%
MSCI Emerging Markets	1.24%	0.61%	-2.75%	5.19%	5.53%	-1.53%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.33%	-1.09%	-2.12%	0.26%	-0.53%	-4.81%
Bloomberg Municipal Bonds	-0.10%	-0.36%	-1.10%	1.23%	2.84%	-1.44%
Bloomberg US Corp High Yield	0.19%	-0.11%	1.63%	7.01%	7.46%	1.86%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.41%	1.59%	5.24%	-1.23%	-4.28%	16.61%
S&P GSCI Crude Oil	3.03%	7.64%	27.13%	12.16%	6.35%	32.70%
S&P GSCI Gold	0.18%	-1.00%	-1.24%	6.57%	16.04%	-0.34%

Source: Cetera Investment Management, FactSet. Total returns used, which includes dividends and interest. Data as of 9/15/2023.

Chart of the Week: Retail Sales Beat Expectations



Consumer spending was stronger than expected in August. Retail sales rose 0.6% last month, easily beating expectations of a 0.1% increase. Higher gas prices drove gasoline sales 5.2% higher in August. However, retail sales excluding gasoline and autos increased 0.2% month-over-month vs -0.1% expected. Retail sales have risen five straight months.

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.