

Economic Calendar

Monday, July 5

Independence Day, All
Markets Closed.

Tuesday, July 6

ISM & IHS Markit Services
Activity PMIs.

Wednesday, July 7

Mortgage Activity, JOLTS
Job Openings, FOMC
Meeting Minutes.

Thursday, July 8

Jobless Claims, Consumer
Credit.

Friday, July 9

Wholesale Trade Sales &
Inventories.

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WEEKLY RECAP

June 28-July 2, 2021 Recap

Jobs Data Soothes Fed Fears

Equities Extend Record-Setting Gains

U.S. stocks wrapped up another bountiful week with the S&P 500 closing Friday at its seventh consecutive all-time high, a double feat not seen since 1997. Wall Street participants heralded a Goldilocks job report that topped consensus forecasts, but the unemployment rate edged 0.1% higher to 5.9%. The data boosted investor confidence that the Federal Reserve will not rush to raise rates or taper monthly asset purchases anytime soon.

For the Week...

The S&P 500 rallied 1.71% last week, the Dow Industrials added 1.02% and the tech-heavy Nasdaq Composite climbed 1.96%. Large cap equities outperformed relative to small caps with the Russell 2000 retreating nearly 1.2%. Large cap growth performed best, up 2.41%.

Hiring Accelerates

U.S. nonfarm payrolls increased by 850,000 in June, the largest monthly gain since last August and topping expectation for 653,000. Moreover, the U-6 underemployment rate fell to 9.8% from 10.2%, yet the headline U-3 unemployment rate edged 0.1% higher to 5.9%, a sign investors speculate will likely keep the Fed sidelined on stimulus hold.

Top Weekly Gainer: Technology

Eight of the 11 major S&P 500 sector groups posted gains last week, led by Technology (+3.26%), Consumer Discretionary (+2.07%) and Healthcare (+2.03%). Utilities (+0.01%) rose the least, while Energy (-1.07%) and Financials (-0.01%) lagged. Energy remains this year's best performer, up 47.84% YTD.

Treasury Yields Drop

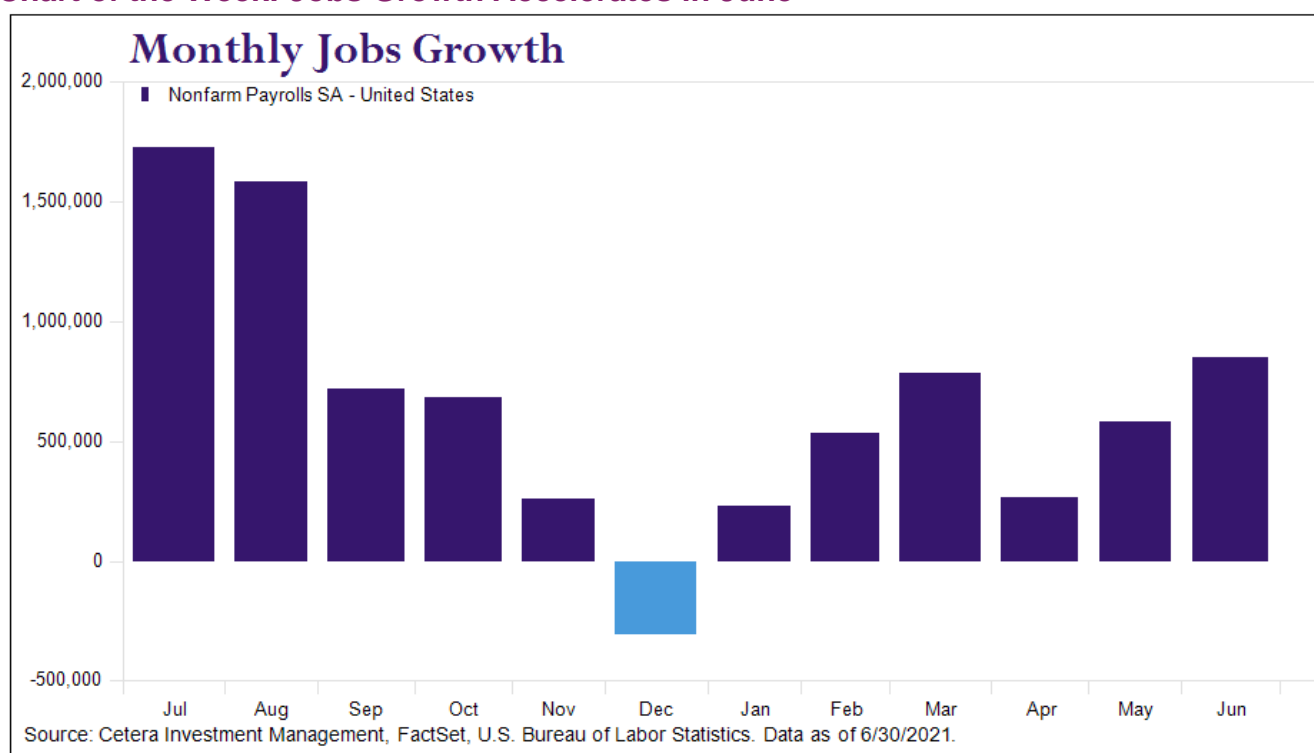
Benchmark 10-year Treasury yields fell nearly 11 basis points last week to close Friday at 1.435%. The U.S. Dollar Index rose 0.41% last week, entirely reversing a 0.41% prior week decline. U.S. WTI crude oil futures rallied to a fresh multi-year high of \$75.16/barrel, pushing regular 87-octane gas pump prices to top \$3/gallon across the nation.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.02	0.82	4.93	13.66	34.72	12.69
S&P 500	1.71	1.30	8.67	16.75	41.26	19.05
NASDAQ Composite	1.96	0.94	8.79	13.98	44.48	25.78
Russell 3000	1.27	1.07	8.02	16.34	44.38	19.01
Russell 2000	-1.18	-0.20	2.54	17.30	62.81	13.16
MSCI EAFE	-1.10	0.47	4.91	9.34	30.96	8.97
MSCI Emerging Markets	-1.65	-1.38	1.91	5.97	34.94	11.11
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	0.54	0.13	1.86	-1.48	-0.33	5.42
Barclays Municipal	0.21	0.08	1.42	1.14	4.25	5.12
Barclays US Corp High Yield	0.46	0.20	2.76	3.82	14.77	7.60
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	2.75	0.46	13.30	21.70	44.85	4.73
S&P GSCI Crude Oil	1.50	2.30	22.31	54.91	84.97	0.55
S&P GSCI Gold	0.31	0.66	3.18	-5.90	-0.37	12.82

Source: Morningstar

Chart of the Week: Jobs Growth Accelerates in June



Labor market growth accelerated to a 10-month high in June. The U.S. economy added 850,000 jobs last month, an increase of 267,000 versus May. Leisure and hospitality added 343,000 new jobs to lead all sectors in employment growth. 70% of the jobs lost in last year's recession have been recovered and the shortfall from the pre-pandemic employment peak is approximately 6.8 million jobs.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@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 Barclays 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 Barclays 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 Barclays 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.