

# WEEKLY RECAP

March 22-26, 2021 Recap

## Economic Calendar

**Monday, March 29**  
Dallas Fed Manufacturing.

**Tuesday, March 30**  
Case-Shiller Home Prices,  
Consumer Confidence.

**Wednesday, March 31**  
Mortgage Activity, ADP  
Private Sector Jobs, MNI  
Chicago PMI, Pending  
Home Sales.

**Thursday, April 1**  
Jobless Claims, Markit &  
ISM Manufacturing,  
Construction Spending.

**Friday, April 2**  
Nonfarm Payrolls,  
Unemployment Rate,  
Average Hourly Earnings.

## What We're Reading

[U.S. Hedge Fund Angst](#)

[COVID-19 Cases Rising  
Again?](#)

[Oil Slips as Suez Canal  
Reopens](#)

*These links to outside web sites are provided as a courtesy and are not under the control of Cetera Investment Management LLC. For more details, please see the "Disclosures" section.*

## Equity Indices Finish at All-Time Highs

### **Stocks Rebound**

U.S. stocks posted solid gains last week with the Dow Industrials and S&P 500 finishing at new record highs on renewed optimism over widening vaccinations and business reopenings. Investors welcomed a decision by the Federal Reserve to end its buyback and dividend restrictions on banks. Meanwhile, the global shortage of semiconductors worsened, and President Biden doubled his goal for vaccinations in his first 100 days in office to 200 million.

### **Solid Gains for Big Board Stocks**

For the week, the S&P 500 advanced 1.58%, the Dow Industrials added nearly 445 points (+1.36%) and the tech-concentrated Nasdaq Composite fell 0.57% for a second week of small losses. The small cap-focused Russell 2000 declined 2.88%, while Small Cap Value fell 2.45%, trimming its leader-board year-to-date gain to 21.93%.

### **Jobless Claims at Pandemic-Era Low**

684,000 initial jobless claims were filed last week, a drop of 97,000 from the week prior. It was the first time that initial claims were below 700,000 in more than a year. [See our trend chart.](#) Continuing claims for state-based jobless benefits fell 264,000 to 3.87 million, while overall jobless claims including federal-based benefits rose to 18.9 million from 18.2 million the previous week.

### **Real Estate Performs Best**

Nine of the 11 major sector groups posted gains last week, led by Real Estate (+4.26%), Consumer Staples (+3.98%) and a healthy rebound in Energy (+2.99%) after falling 7.65% the prior week. Financials (+0.96%) rose the least, while Communication Services (-1.88%) and Consumer Discretionary (-0.21%) lagged.

### **Treasury Yields Retreat from 14-Month High**

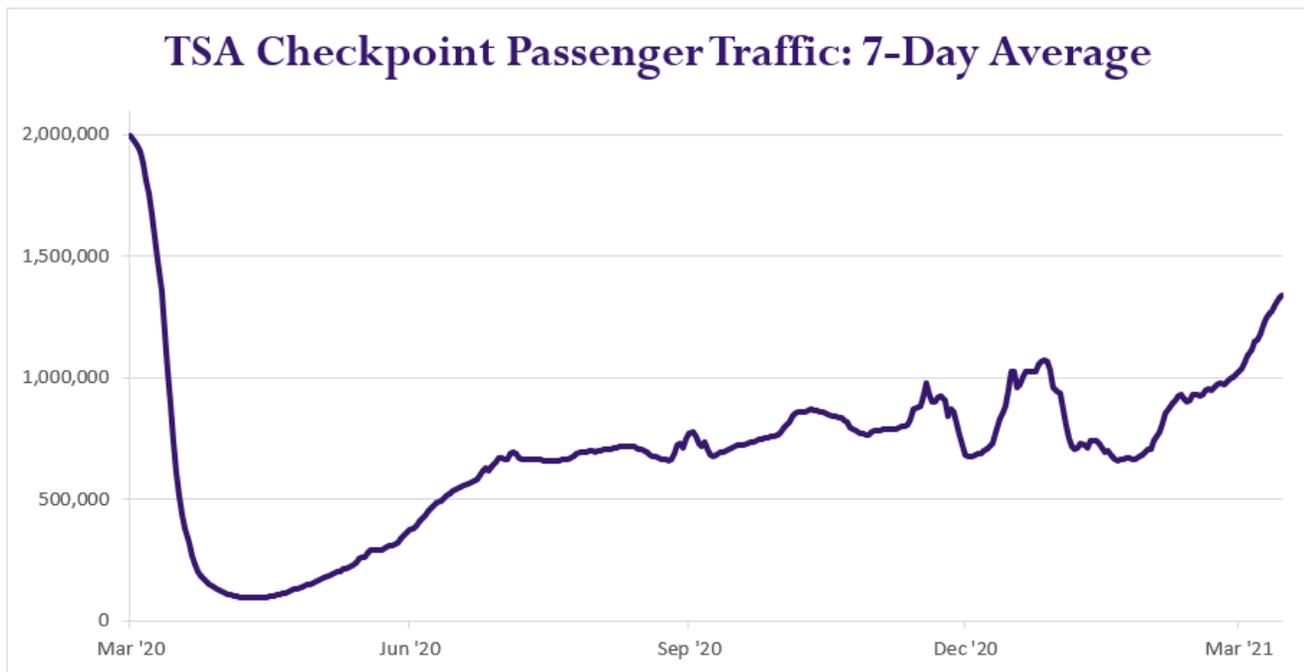
Treasury prices rebounded last week, sending the yield on 10-year benchmark Treasury notes down almost seven basis points to 1.67%. The U.S. Dollar Index strengthened further, rising 0.92%, while U.S. WTI crude oil futures slackened fractionally to \$60.97/barrel – even amid the six-day closure of the Suez Canal, blocked by the now-freed Ever Given container ship.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.36	6.92	9.51	8.06	46.69	10.97
S&P 500	1.58	4.40	7.74	6.20	53.77	16.53
NASDAQ Composite	-0.57	-0.35	2.78	2.11	69.91	23.29
Russell 3000	0.98	3.58	7.32	6.35	59.64	16.85
Russell 2000	-2.88	1.01	11.11	12.71	90.58	14.43
MSCI EAFE	-0.55	2.54	5.17	3.72	45.19	6.47
MSCI Emerging Markets	-2.16	-2.22	4.59	1.55	56.89	5.90
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	0.35	-1.15	-3.06	-3.28	1.72	4.88
Barclays Municipal	0.41	0.61	-0.29	-0.35	5.70	5.00
Barclays US Corp High Yield	0.63	-0.12	1.08	0.58	27.24	6.78
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.46	-1.34	9.24	7.80	33.02	0.16
S&P GSCI Crude Oil	-0.76	-0.86	26.42	25.66	169.96	-2.38
S&P GSCI Gold	-0.53	0.34	-7.89	-8.46	4.48	8.42

Source: Morningstar

## Chart of the Week: Air Travel Flying Higher



Source: Cetera Investment Management, Transportation Security Administration (TSA). Data as of 3/22/2021.

Air travel figures are flying higher. The seven-day average of flight passenger traffic, as screened by the TSA, climbed to the highest level of the pandemic at more than 1.3 million. For perspective, only 95,000 people were flying daily during the low of the pandemic last April. Rising air traffic is another sign the economy is warming up in the early days of spring.

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

### ***About Cetera® Investment Management***

Cetera Investment Management LLC is an SEC registered investment adviser owned by Cetera Financial Group®. Cetera Investment Management provides market perspectives, portfolio guidance, model management, and other investment advice to its affiliated broker-dealers, dually registered broker-dealers and registered investment advisers.

### ***About Cetera Financial Group***

“Cetera Financial Group” refers to the network of independent retail firms encompassing, among others, Cetera Advisors LLC, Cetera Advisor Networks LLC, Cetera Investment Services LLC (marketed as Cetera Financial Institutions or Cetera Investors), Cetera Financial Specialists LLC, and First Allied Securities, Inc. All firms are members FINRA / SIPC. Located at 200 N. Pacific Coast Highway, Suite 1200 El Segundo, CA 90245-5670

### ***Disclosures***

Individuals affiliated with Cetera firms are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.

The material contained in this document was authored by and is the property of Cetera Investment Management LLC. Cetera Investment Management provides investment management and advisory services to a number of programs sponsored by affiliated and non-affiliated registered investment advisers. Your registered representative or investment adviser representative is not registered with Cetera Investment Management and did not take part in the creation of this material. He or she may not be able to offer Cetera Investment Management portfolio management services.

Nothing in this presentation should be construed as offering or disseminating specific investment, tax, or legal advice to any individual without the benefit of direct and specific consultation with an investment adviser representative authorized to offer Cetera Investment Management services. Information contained herein shall not constitute an offer or a solicitation of any services. Past performance is not a guarantee of future results.

For more information about Cetera Investment Management, please reference the Cetera Investment Management LLC Form ADV disclosure brochure and the disclosure brochure for the registered investment adviser your adviser is registered with. Please consult with your adviser for his or her specific firm registrations and programs available.

No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The opinions expressed are as of the date published and may change without notice. Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision.

All economic and performance information is historical and not indicative of future results. The market indices discussed are not actively managed. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information.

Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards.

### ***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 **S&P MidCap 400** provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

The **S&P SmallCap 600** seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

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 Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

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 has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly

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. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly.

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. Many of the subindices of the Municipal Index have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980, but no later than July 1, 1993. 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, but in practice the index holdings has a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly

The **MSCI All-Country World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed country indexes include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

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 **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** captures large and mid-cap representation across five Developed Markets (DM) countries in the Pacific region. With 470 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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. However, between rebalancings, group weightings may fluctuate to levels outside the limits. The index rebalances annually, weighted 2/3 by trading volume and 1/3 by world production.

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.

**West Texas Intermediate (WTI)** is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts

The **Cboe Volatility Index® (VIX®)** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

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. It has since reached a February 1985 high of 164.720 and has been as low as 70.698 in March 2008.