

# WEEKLY RECAP

June 21-25, 2021 Recap

## Economic Calendar

**Monday, June 28**  
No Major Releases.

**Tuesday, June 29**  
Case-Shiller Home Prices,  
Consumer Confidence.

**Wednesday, June 30**  
ADP Employment, Chicago  
PMI, Pending Home Sales.

**Thursday, July 1**  
Jobless Claims, Markit  
Manufacturing PMI, ISM  
Manufacturing Index.

**Friday, July 2**  
Nonfarm Payrolls,  
Unemployment Rate.

## The Latest from [@CeteraIM](#)

[Cetera's Recovery  
Dashboard](#)

[Personal Incomes Slow](#)

[Jobless Claims Fall](#)

## Infrastructure Plans Boost Optimism

### *From Worst to Best*

U.S. equities rebounded last week with the S&P 500 transitioning from its worst week since January to its best week since February. Risk-on equity buying was driven by optimism surrounding President Joe Biden's endorsement over a bipartisan Congressional infrastructure spending deal that should be additive to the pace of economic recovery. Meanwhile, in testimony before Congress, Fed Chairman Powell again played down run-away inflation fears, saying he has a level of confidence that prices will eventually come down, and it would be "very, very unlikely" for a repeat of 1970s-style inflation.

### *For the Week...*

The S&P 500 rallied 2.76% last week, the Dow Industrials surged 3.44% and the tech-heavy Nasdaq Composite advanced 2.36%. The small cap-focused Russell 2000 outperformed, gaining 4.33% with small cap growth performing best, up 4.54% versus a 4.14% gain on small cap value.

### *Consumer Spending Plateaus*

Household spending was unchanged last month (+0.4% expected). April consumer spending was however upwardly revised to a 0.9% increase (from +0.5%) on a combination of increased savings and rising vaccinations, amid a reopening economy. Consumer spending has overtaken pre-pandemic levels and suggests that 2Q GDP will be very strong.

### *Broad-Based Gains*

All 11 major sector groups within the S&P 500 posted gains last week, with Energy (+6.66%) back in headliner status as best weekly performer. Financials (+5.28%) and Industrials (+3.05%) followed as next-best gainers. Consumer Staples (+1.94%), Real Estate (+1.33%) and Utilities (+0.66%) rose the least. With 2021 nearly half over, Energy (+49.44%) and Financials (+26.51%) are up the most year-to-date.

### *Treasury Prices Ease, Yields Rise*

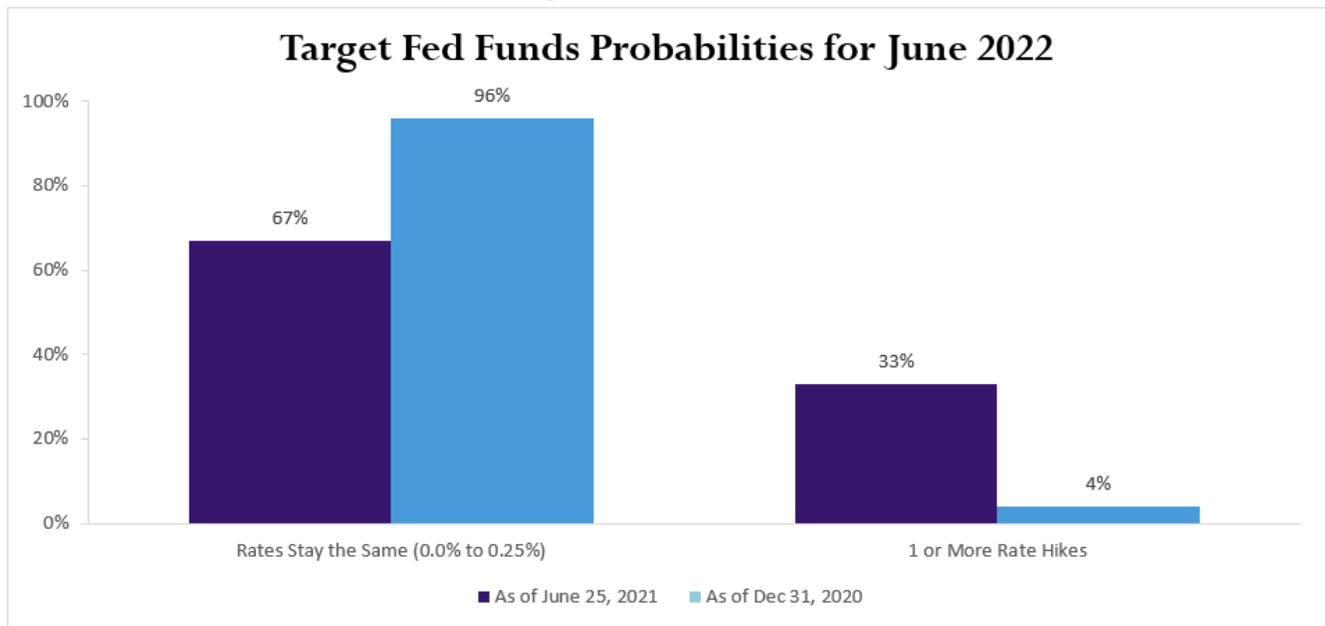
Benchmark 10-year Treasury yields rose last week to end at 1.54% on Friday as expectations continue to be range-bound within a 1.35% to 1.59% range for the next several weeks. The U.S. Dollar Index weakened by 0.41% last week and U.S. WTI crude oil futures gained 1%.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	3.44	-0.28	5.56	12.51	33.77	12.39
S&P 500	2.76	1.92	9.89	14.79	41.04	18.54
NASDAQ Composite	2.36	4.50	10.84	11.79	44.44	25.18
Russell 3000	2.97	2.26	9.81	14.88	44.89	18.64
Russell 2000	4.33	2.95	7.18	18.71	67.02	13.58
MSCI EAFE	1.50	0.44	7.76	10.55	34.54	8.95
MSCI Emerging Markets	1.41	0.45	7.67	7.75	40.11	11.36
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	-0.41	0.30	1.17	-2.00	-0.55	5.28
Barclays Municipal	-0.17	0.14	1.28	0.93	4.10	5.08
Barclays US Corp High Yield	0.37	1.07	2.82	3.34	14.29	7.20
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.65	-0.42	11.38	18.45	45.84	3.63
S&P GSCI Crude Oil	3.87	11.66	26.45	52.62	91.33	2.84
S&P GSCI Gold	0.50	-6.69	2.92	-6.19	0.41	11.89

Source: Morningstar

## Chart of the Week: Rate Hike Unlikely in Next 12 Months



Source: Cetera Investment Management, CME Group. Data as of 6/25/2021.

The Federal Reserve has a median projection of two rate hikes by 2023, but the odds are low for a rate hike over the next 12 months. There is only a 33% probability of a rate hike by the June 2022 FOMC meeting, according to the latest odds from the CME Group. With that said, the odds could increase if inflation remains elevated and the labor market recovery accelerates.

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.

### ***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. Investors cannot directly invest in unmanaged indices. 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 **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.