

## Economic Calendar

**Monday, October 11**  
No Major Releases,  
Columbus Day Holiday.

**Tuesday, October 12**  
Small Business Optimism,  
JOLTS Job Openings.

**Wednesday, October 13**  
Mortgage Activity,  
Consumer Prices, Real  
Hourly Earnings, FOMC  
Meeting Minutes.

**Thursday, October 14**  
Jobless Claims, Producer  
Prices.

**Friday, October 15**  
Empire State  
Manufacturing, Retail  
Sales, Import/Export Prices,  
Business Inventories,  
Consumer Sentiment.

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Week](#)

[Jobs Gains Miss a Second  
Month](#)

[Outsized P/E Premium on  
Large Caps](#)

# WEEKLY RECAP

October 4-8, 2021 Recap

## Dow Has Best Week Since Late June

### **Stocks Pare Late September Losses**

U.S. stocks rebounded from sharp prior week losses on relief that Congress approved a short-term deal to extend the debt ceiling. Gains were capped however after Friday's weak payrolls report sapped labor optimism and widening inflation concerns stemming from the global energy crunch were exacerbated by supply shortages in Asia and China. Crude oil and natural gas prices have spiked worldwide, slowing overseas factory activity in the process.

### **For the Week...**

The S&P 500 gained 0.83% after falling 2.2% the week prior, the Dow Jones Industrial Average rallied 1.2% for its best week since June 25, and the tech-heavy Nasdaq Composite crept fractionally higher, up 0.10%. After a September loss of 4.8%, the S&P 500 is up 2% month-to-date and is approximately 3% below its all-time high.

### **Revisiting September Payrolls**

While September job gains were soft at 194K and missing projections for a half million, the three-month average is still a respectable 550K. Moreover, with upward revisions for the prior two months, payrolls rose by 424K and the unemployment rate fell by 0.4% to 4.8%.

### **Broad Based Selling**

Nine of the 11 major sector groups posted gains last week, led by Energy (+5.02%), Financials (+2.35%) and Industrials (+1.78%). Technology (+0.29%) and Communication Services (+0.05%) gained the least while Real Estate (-0.72%) and Healthcare (-0.33%) ended negative.

### **Treasury Yields Extend Gains**

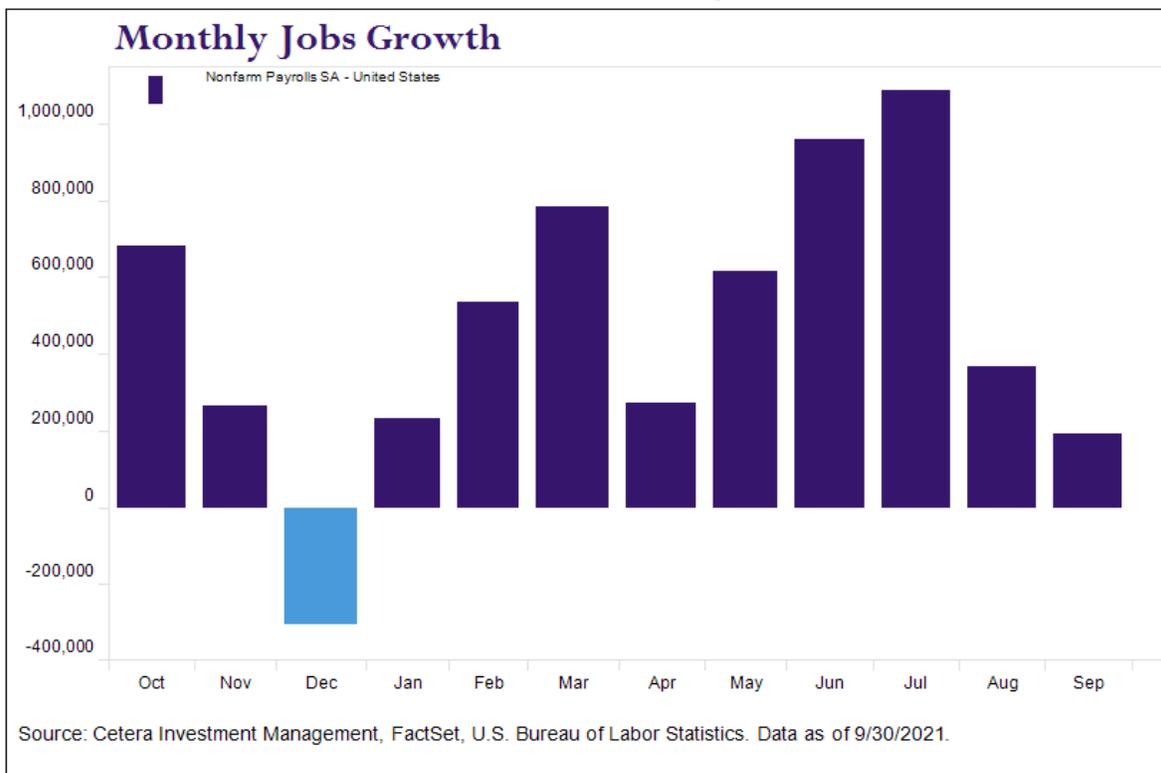
Treasury prices slackened another week, lifting intermediate- and longer-term yields. The benchmark 10-year Treasury yield advanced over thirteen basis points to end the week at 1.606%. The U.S. Dollar Index climbed just 0.03% last week to extend its strengthening trend to a fifth straight week. For the week, U.S. West Texas Intermediate (WTI) crude oil futures rallied 4.3% to end Friday at \$79.35/barrel. Natural gas inventories in Europe are at their lowest level in over a decade, and prices are up fourfold since the start of the year.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.22	2.67	0.94	13.53	22.25	9.47
S&P 500	0.83	1.99	1.98	18.23	29.31	17.14
NASDAQ Composite	0.10	0.92	0.29	13.70	28.54	24.65
Russell 3000	0.70	1.89	1.68	17.17	30.23	17.29
Russell 2000	-0.37	1.32	0.31	13.89	38.52	12.52
MSCI EAFE	0.29	-0.47	-0.61	7.84	22.40	8.62
MSCI Emerging Markets	0.85	0.33	-3.85	-0.92	14.80	10.57
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	-0.78	-0.50	-1.23	-2.05	-1.19	5.51
Barclays Municipal	-0.15	-0.16	-1.08	0.63	2.89	5.21
Barclays US Corp High Yield	-0.33	-0.33	0.20	4.19	9.60	6.95
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.68	1.85	10.86	31.52	42.33	6.78
S&P GSCI Crude Oil	4.26	5.44	8.68	63.05	91.64	2.14
S&P GSCI Gold	-0.06	0.02	-2.42	-7.27	-7.27	13.92

Source: Morningstar

## Chart of the Week: Pace of Jobs Growth Slows in September



The pace of the labor market recovery slowed in September. Nonfarm payrolls expanded by 194,000, badly missing expectations of 479,000. It was the second straight month jobs growth missed expectations by a large margin. While private sector employment growth increased by 317,000, government employment fell by 123,000. Total employment is 4.97 million below the pre-pandemic level in February 2020.

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.