

WEEKLY RECAP

November 1-5, 2021 Recap

Economic Calendar

Monday, November 8
No Major Releases.

Tuesday, November 9
Small Business Optimism,
Producer Prices.

Wednesday, November 10
Mortgage Activity,
Consumer Prices, Jobless
Claims, Wholesale Trade
Sales & Inventories.

Thursday, November 11
Veteran's Day, No Major
Releases.

Friday, November 12
JOLTS Job Openings,
Consumer Sentiment.

The Latest from [@CeteraIM](#)

[Recovery Breadth Slows](#)

[Jobless Claims Drop Fifth
Week](#)

[Broad Market Steams
Forward](#)

Equities Cap Fifth Straight Weekly Gain

Melt-Up Momentum Continues

All three major U.S. equity indices rose to fresh all-time highs on Friday, capping a fifth straight weekly gain. This marks the longest winning streak for the S&P 500 since August 2020 and has been down on only two trading days since October 12. Amid continuing strong corporate earnings, the week was marked by strong October jobs data and the Fed announcing the start of stimulus tapering. The central bank will reduce its \$120B bond-buying program by \$15B per month.

For the Week...

The S&P 500 gained 2.03% last week, the Dow Jones Industrial Average added over 500 points (+1.42%) and the tech-heavy Nasdaq Composite jumped 3.08%. Quite favorably, the small cap-focused Russell 2000 surged over 6%.

Net New Jobs Soar

The U.S. economy added 531,000 new jobs in October, topping projections for 450,000. Moreover, another 235,000 were added due to upward revisions the prior two months. The unemployment rate fell to 4.6% from 4.8% in September. The October payrolls report confirmed that the labor recovery remains on track at the start of the fourth quarter.

Consumer Discretionary Leads Second Week

Nine of the 11 major S&P 500 sector groups posted gains last week, led by Consumer Discretionary (+4.99%), Technology (+3.39%) and Materials (+3.19%). Utilities (+0.48%) gained the least, while Healthcare (-0.63%) and Financials (-0.61%) declined.

Treasury Yields Decline

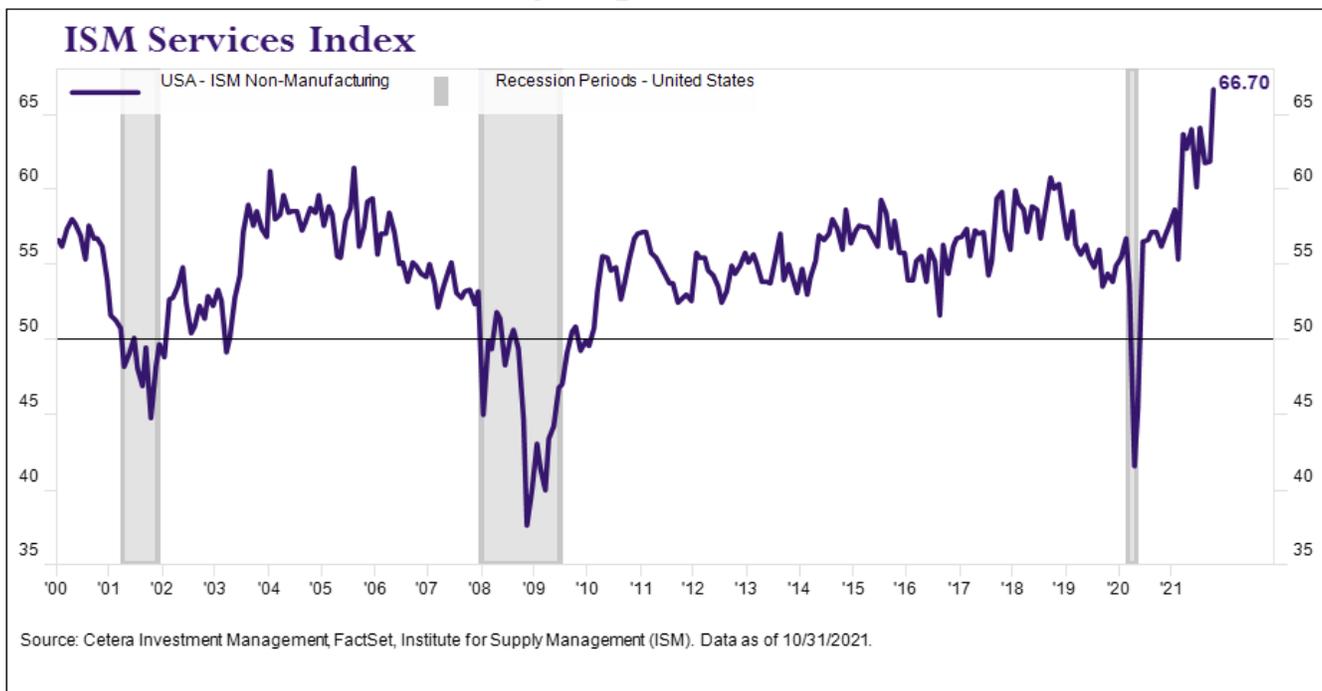
Treasury yields reversed lower a second week amid widening inflation concerns and push back from the Fed, dampening forecasts for an accelerated number of rate hikes next year. For the week, the benchmark 10-year Treasury yield weakened by another nine basis points (-0.09%) to 1.45%. The U.S. Dollar Index also strengthened, rising 0.21% last week. U.S. WTI crude oil futures declined 2.75% last week to end Friday at \$81.27/barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.42	1.42	3.60	18.69	27.98	12.57
S&P 500	2.03	2.03	6.43	26.56	35.82	21.88
NASDAQ Composite	3.08	3.08	7.41	24.59	35.26	30.84
Russell 3000	2.22	2.22	6.35	25.49	36.80	22.04
Russell 2000	6.11	6.11	9.27	24.35	48.31	17.85
MSCI EAFE	1.64	1.64	1.25	12.83	26.70	11.84
MSCI Emerging Markets	-0.04	-0.04	-2.25	-0.31	10.62	10.89
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	0.64	0.64	-0.47	-0.95	-0.52	5.91
Barclays Municipal	0.47	0.47	-0.96	0.97	2.56	5.43
Barclays US Corp High Yield	0.61	0.61	1.14	5.00	8.89	7.55
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.60	-0.60	7.81	31.67	40.47	7.90
S&P GSCI Crude Oil	-3.03	-3.03	17.30	67.03	109.03	8.70
S&P GSCI Gold	1.87	1.87	0.46	-4.11	-6.66	13.82

Source: Morningstar

Chart of the Week: Services Activity Surges in October



The U.S. economy is off to a strong start in the fourth quarter. The ISM Services PMI (purchasing managers index) jumped to a new record high of 66.7 in October. The new orders component, which is forward looking, also rose to a new high (69.7). Negatively however, the prices component index remains elevated, indicating continued inflationary pressures.

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 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.