

Economic Calendar

Monday, April 25

Chicago Fed National Activity, Dallas Fed Manufacturing.

Tuesday, April 26

Durable/Capital Goods Orders, Housing Prices, Consumer Confidence, New Home Sales.

Wednesday, April 27

Mortgage Activity, Advance Goods Trade Balance, Wholesale/Retail Inventories, Pending Home Sales.

Thursday, April 28

Jobless Claims, 1Q GDP, Personal Consumption.

Friday, April 29

Personal Incomes/Spending, Employment Costs, PCE Prices, MNI Chicago PMI, Consumer Sentiment.

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[Continuing Jobless Claims at Feb 1970 Low](#)

[Early Q1 Earnings Scorecard](#)

[Ocean Shipping Costs Ease](#)

[The Week Ahead Video](#)

WEEKLY RECAP

April 18-22, 2022 Recap

Worries Converge

Equities Falter

Investor concerns about slowing corporate earnings and prospects for rapidly rising interest rates deepened throughout Friday's trading session, undoing gains early in the week. The Dow Industrials lost over 980 points (-2.8%) on Friday, its worst single-day performance since October 2020 to cap its fourth-straight weekly loss. The S&P 500 capped a three-week slide near a one-month low. After a late March revival, the Nasdaq Composite is down almost 10% for the month, while the S&P 500 and Dow have retreated 5.7% and 2.5% respectively in April.

For the Week...

The S&P 500 fell 2.74%, extending its YTD loss to 9.99%. The Dow Jones Industrial Average lost 1.86%, and the Nasdaq Composite tumbled 3.83%. The S&P 500 is back in correction status, down 10.6% from its January high, while the Nasdaq is in a bear market, off over 20% from its November 2021 record.

Aggressive Rate Prospects

Fed Chairman Powell signaled last week that the central bank will likely hike interest rates by a ½-point at their May 3-4 FOMC meeting. He also indicated similar incremental increases may be warranted after that to bring inflation back to their 2% target. A May rate hike will mark the Fed's first set of increases at back-to-back meetings since 2006 and first ½-point increase since 2000.

Real Estate Performs Best

Just two of the 11 major sector groups posted gains last week, Real Estate (+1.24%) and Consumer Staples (+0.49%). Communication Services (-7.74%), Energy (-4.56%) and Materials (-3.72%) tumbled the most, while Industrials (-1.54%) and Consumer Discretionary (-1.77%) fell the least.

Treasury Yields Edge Higher

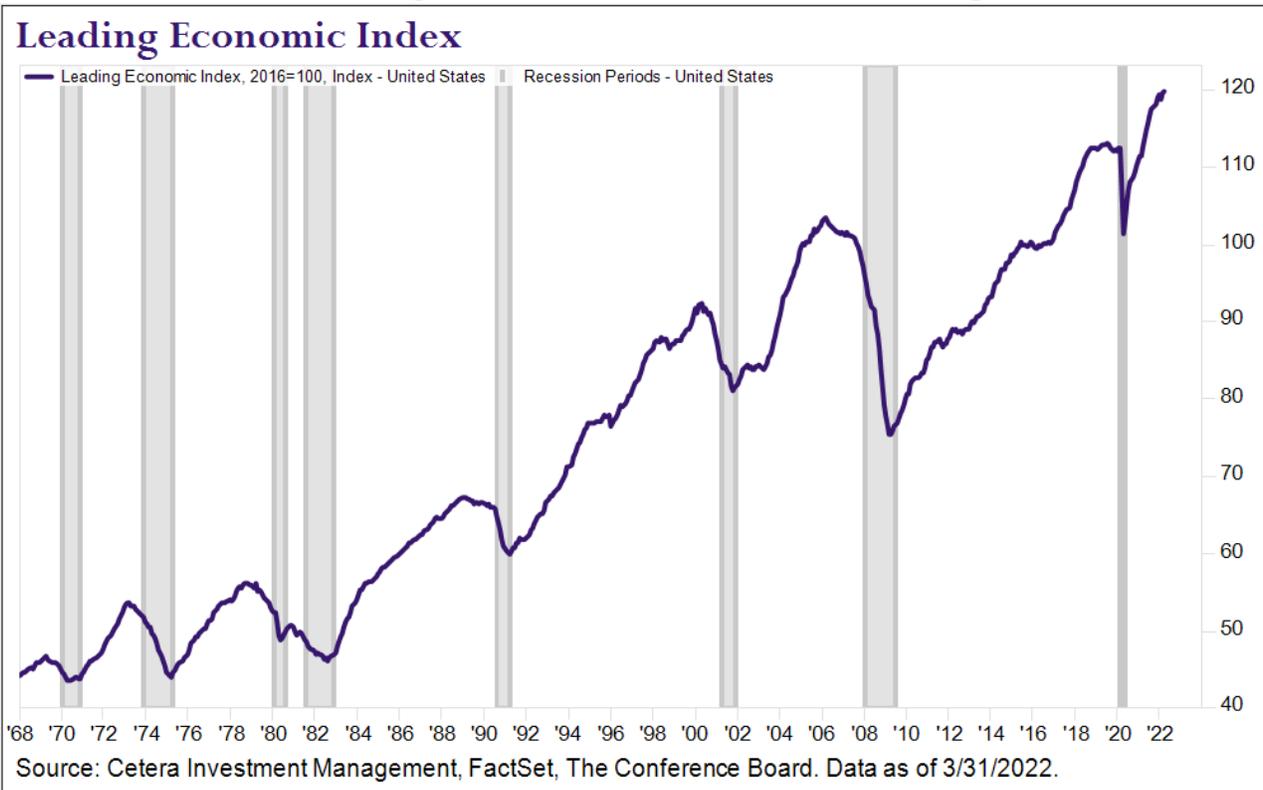
Treasury yields showed signs of stabilizing as the yield on benchmark 10-year Treasury notes ended Friday at 2.902%, down in two of the final three days last week. Its yield climbed as high as 2.94% on an intra-day/week basis as Fed Chairman Powell essentially sealed his case for a 50 basis point May rate hike. The U.S. Dollar Index strengthened for a third consecutive week, climbing 0.72% last week. U.S. WTI crude oil futures declined just over 4.5% last week, ending Friday at \$102.07/barrel.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-1.86	-2.50	-1.32	-6.95	-0.01	8.44
S&P 500	-2.74	-5.65	-2.51	-9.99	4.77	15.61
NASDAQ Composite	-3.83	-9.70	-6.58	-17.77	-6.48	17.98
Russell 3000	-2.91	-5.84	-2.64	-10.81	1.33	14.92
Russell 2000	-3.20	-6.22	-2.07	-13.28	-12.15	8.89
MSCI EAFE	-1.53	-4.37	-8.01	-10.02	-6.83	5.29
MSCI Emerging Markets	-3.33	-5.64	-13.12	-12.22	-18.01	1.92
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-1.04	-3.78	-7.86	-9.49	-8.71	0.56
Bloomberg Municipal Bonds	-1.17	-2.52	-7.31	-8.59	-7.79	0.72
Bloomberg US Corp High Yield	-0.88	-2.67	-5.93	-7.38	-4.08	3.26
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-2.55	3.76	22.61	30.27	46.93	17.08
S&P GSCI Crude Oil	-4.05	1.79	19.88	35.71	66.21	15.90
S&P GSCI Gold	-2.06	-1.01	5.46	5.78	8.55	14.82

Source: Morningstar

Chart of the Week: Leading Economic Indicators Remain Strong



The Leading Economic Index (LEI) climbed to a new record high in March. This indicator historically weakens ahead of a recession. High inflation and rising rates will likely slow growth this year, but we don't expect a recession in 2022.

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 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 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 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.