

Economic Calendar

Monday, September 19
NAHB Housing Market Index.

Tuesday, September 20
Housing Starts, Building Permits.

Wednesday, September 21
Mortgage Activity, Existing Home Sales, FOMC Rate & Policy Decisions.

Thursday, September 22
Jobless Claims, Leading Indicators.

Friday, September 23
S&P Global US Manufacturing & Services PMIs.

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[Largest Growth Sectors](#)

[Retail Sales Climb 0.3%](#)

[CPI Inflation Still Hot](#)

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WEEKLY RECAP

September 12 – 16, 2022 Recap

Fourth Weekly Loss in Five Weeks

Equities Retreat

U.S. stocks fell sharply last week, with the S&P 500 posting its worst weekly performance since reaching its 2022 low in June. The S&P 500 is now down nearly 10% from its most recent peak on August 16. Equities turned abruptly lower on Tuesday after a hotter-than-expected inflation report ignited fears for further aggressive Fed rate hikes. The Federal Reserve will announce their rate and policy decisions on September 21 (a 0.75% rate hike is widely expected).

For the Week...

The S&P 500 slumped 4.73%, the Dow Jones Industrial Average fell 1,329 points (-4.13%) and the tech-heavy Nasdaq Composite lost 5.46%. The S&P 500 fell 4.32% on Tuesday, its worst single-day loss in two years.

Consumer Sentiment Improves

The University of Michigan's preliminary September consumer sentiment index climbed to a five-month high of 59.5 from 58.2 in August. The improvement was led by falling gasoline prices, but the headline index missed forecasts for a slightly larger increase to 60.0. A separate measure of consumers' current conditions rose to 58.9 from 58.6 last month yet is still far lower than 80.1 a year ago.

Materials Fall Most

All 11 S&P 500 sector groups posted negative returns last week, with Materials (-6.63%), Communication Services (-6.42%) and Industrials (-6.37%) down the most. Healthcare (-2.32%) Energy (-2.54%) and Consumer Staples (-3.48%) declined the least. Year-to-date, Energy (+45.43%) and Utilities (+5.66%) are still this year's best performers and only gainers.

Treasury Yields Rise More

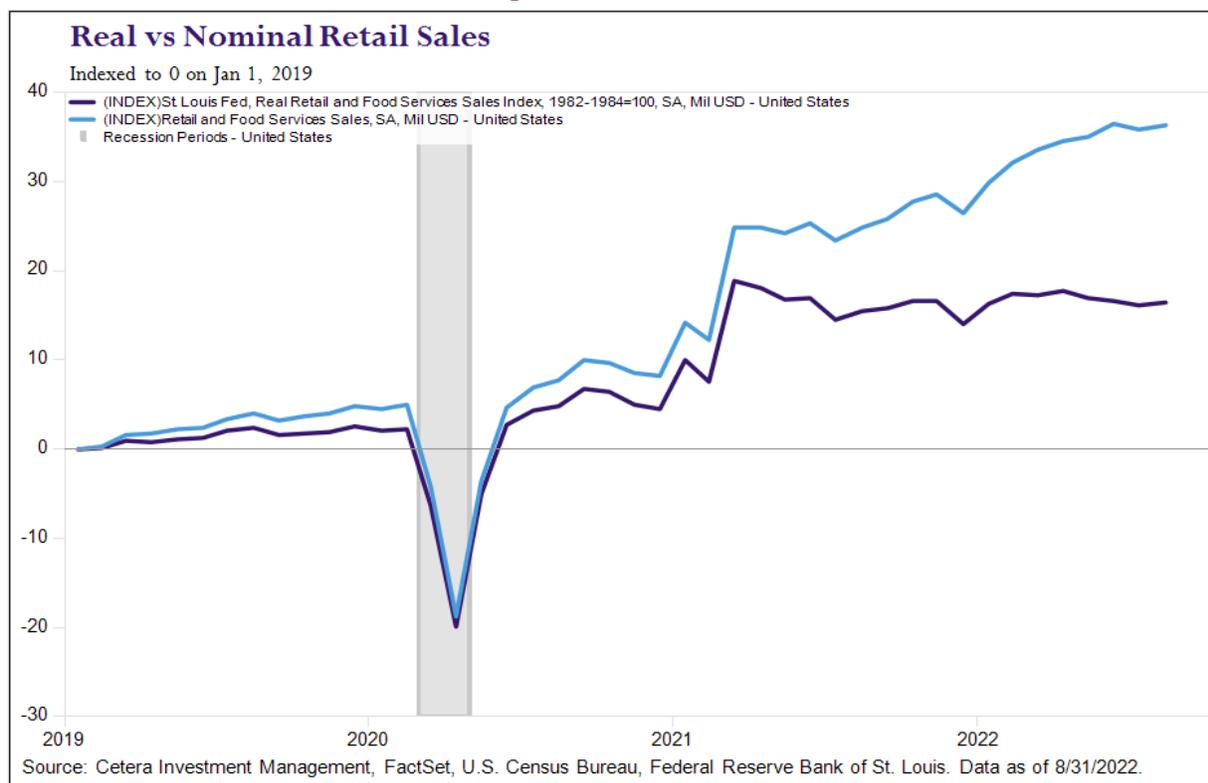
Treasury yields advanced another week with the 10-year benchmark Treasury yield climbing 0.13% to end Friday at 3.449%. The yield on two-year Treasury notes finished at 3.85% up 0.29%. The U.S. Dollar Index strengthened by 0.70% last week.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-4.13	-2.18	2.99	-15.18	-11.31	4.41
S&P 500	-4.73	-1.97	6.07	-17.80	-12.10	10.71
NASDAQ Composite	-5.46	-3.07	7.75	-26.40	-24.04	12.87
Russell 3000	-4.77	-1.97	6.68	-18.56	-14.14	10.15
Russell 2000	-4.46	-2.41	9.37	-19.16	-18.45	5.61
MSCI EAFE	-2.72	-2.66	-2.64	-21.71	-22.36	0.38
MSCI Emerging Markets	-2.64	-4.92	-5.10	-21.54	-23.91	-0.43
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	-0.93	-1.82	-1.00	-12.38	-13.20	-2.11
Bloomberg Municipal Bonds	-0.69	-1.58	0.03	-10.07	-10.10	-0.92
Bloomberg US Corp High Yield	-2.02	-0.91	1.44	-12.03	-11.82	0.49
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-1.44	-3.90	-9.87	18.78	19.51	13.45
S&P GSCI Crude Oil	-2.15	-5.35	-26.46	12.70	17.13	10.59
S&P GSCI Gold	-2.61	-2.47	-9.00	-7.94	-4.17	3.66

Source: Morningstar

Chart of the Week: Inflation Taking a Bite out of Retail Sales



Nominal retail sales have been very strong during the pandemic and continue to climb higher. However, real retail sales (inflation-adjusted) have trended slightly lower since March 2021. Retail sales have not been able to keep up with the pace of inflation over that stretch. Positively, real retail sales edged higher by 0.2% in August. We'll see more positive readings if inflation cools off.

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 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.