

Economic Calendar

Monday, November 14
NY Fed Inflation Outlook.

Tuesday, November 15
Producer Prices, NY Empire
State Manufacturing Activity.

Wednesday, November 16
Mortgage Activity, Retail
Sales, Import/Export Prices,
Industrial Production,
Business Inventories,
Homebuilder Confidence.

Thursday, November 17
Jobless Claims, Housing
Starts/Building Permits,
Philadelphia Fed
Manufacturing Activity.

Friday, November 18
Existing Home Sales,
Leading Economic
Indicators.

[The Latest from
@CeteraIM](#)

[Consumer Inflation Growth
Slows](#)

[Misery Index at 2022 Low](#)

[Historical Gridlock Returns](#)

[The Week Ahead Video](#)

WEEKLY RECAP

November 7-11, 2022 Recap

Stocks Surge as Consumer Price Gains Slow

Best Week Since June

U.S. stocks surged last week, more than fully rebounding from prior week losses after the October consumer price index (CPI) came in softer-than-expected. The annualized CPI increase came down to 7.7% Y/Y from 8.2% in September. The easing in inflation growth ignited a massive rally in equities, particularly growth stocks, and stirred a pullback on the expected terminal (peak) rate of the Federal Reserve back below 5%.

For the Week...

The S&P 500 advanced 5.93%, its strongest weekly performance in almost five months. The Dow Jones Industrial Average gained 4.15% while the tech-heavy Nasdaq Composite surged 8.11% for its best week since March.

Consumer Sentiment Weakens

Despite a slower pace of inflation, the University of Michigan's consumer sentiment index declined 8.7% in November to 54.7 from 59.9 the month prior (59.5 expected). The pullback in sentiment, which erased about half of overall gains in recent months, was led by a sharp drop in spending on big ticket durable goods items. That part of the index fell 21%.

Technology Surges

All 11 major S&P 500 sector groups posted gains last week, led by Technology (+10.07%), climbing by a double-digit percentage. Tech gains were followed closely by Communication Services (+9.24%) and Materials (+7.73%). Energy (+2.00%), Healthcare (+1.78%) and Utilities (+1.19%) gained the least.

Treasury Yields Plunge

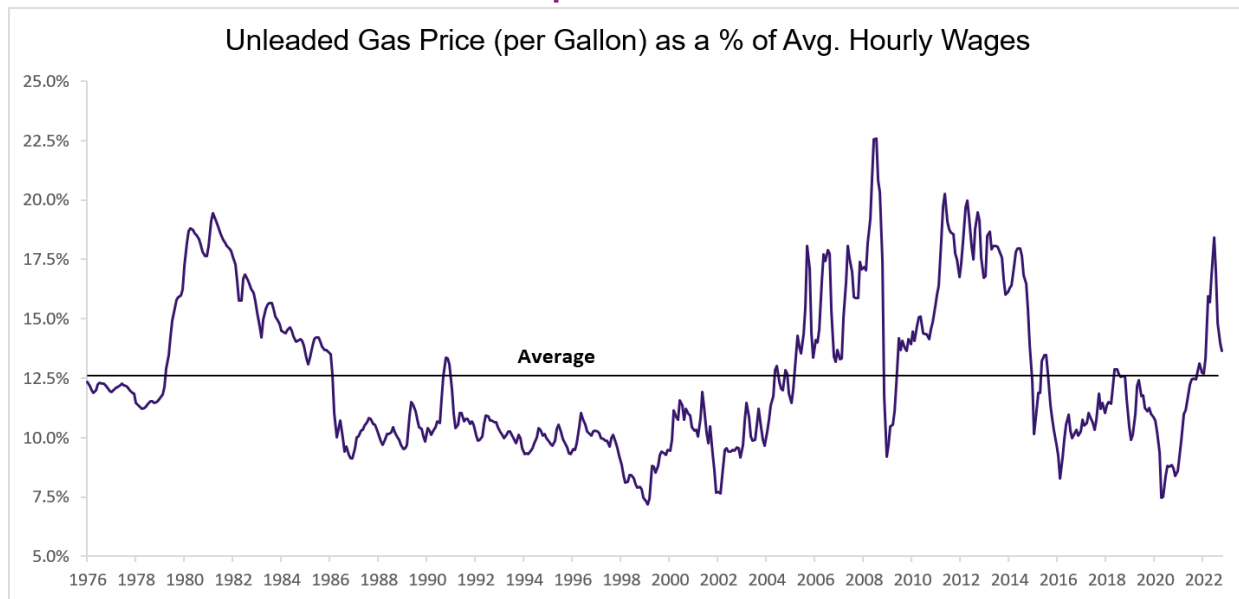
The yield on benchmark 10-year U.S. Treasury notes skidded lower last week after the pace of rising consumer inflation slowed in October. The 10-year yield fell to 3.817% last week, down 34 basis points (-0.34%) after climbing to 4.157% the week prior.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	4.15	3.10	1.23	-7.13	-6.05	6.81
S&P 500	5.93	3.19	-4.69	-15.08	-12.77	10.75
NASDAQ Composite	8.11	3.10	-11.21	-27.13	-27.35	11.06
Russell 3000	6.01	3.16	-4.84	-15.86	-14.91	10.28
Russell 2000	4.64	2.00	-4.33	-15.19	-20.82	7.01
MSCI EAFE	8.42	9.69	-1.97	-15.73	-16.28	1.44
MSCI Emerging Markets	5.74	10.35	-7.22	-22.11	-24.91	-1.57
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	2.29	1.91	-5.38	-14.10	-14.12	-2.83
Bloomberg Municipal Bonds	1.40	1.73	-4.99	-11.35	-11.03	-1.44
Bloomberg US Corp High Yield	1.20	0.38	-4.81	-12.20	-11.88	0.38
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	-0.44	3.24	-4.66	19.59	14.79	14.73
S&P GSCI Crude Oil	-4.81	1.88	-5.74	17.22	9.63	15.72
S&P GSCI Gold	6.38	8.70	-1.31	-2.47	-4.44	6.87

Source: Morningstar

Chart of the Week: Relief at the Pump



Source: Cetera Investment Management, Federal Reserve Bank of St. Louis, U.S. Bureau of Labor Statistics, AAA. Unleaded Gas Price is the national average (\$/gallon) of unleaded regular gas. The average hourly wage is represented by the average hourly earnings of production and nonsupervisory employees. Data as of 11/8/2022.

Gas prices have come down since peaking above \$5/gallon in June. The national average is currently \$3.80/gallon, which is 13.7% of the average hourly wage. That is still above the average of 12.6% since 1976. The peak this year was 18.4%.

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.