

## Economic Calendar

### Monday, March 11

No Major Releases.

### Tuesday, March 12

Small Business Optimism,  
Consumer Price Index (CPI),  
U.S. Federal Budget.

### Wednesday, March 13

Mortgage Activity.

### Thursday, March 14

Jobless Claims, Retail  
Sales, Producer Price Index  
(PPI), Business Inventories.

### Friday, March 15

Empire State Manufacturing,  
Import/Export Prices,  
Industrial Production,  
Advance Consumer  
Sentiment.

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# WEEKLY RECAP

March 4-8, 2024 Recap

## Equities Weaken Last Week

### *Small Cap Rebound Continues*

All three major U.S. equity indices finished modestly negative last week amid a 1% pullback within the Technology sector. Wall Street was also parsing through Friday's nonfarm payrolls report that revealed some conflicting signals as to the timing outlook for when Fed policymakers will begin to ease interest rates. New jobs added in February widely topped forecasts, however the unemployment rate climbed to 3.9%. There were no surprises during Fed Chairman Powell's required Congressional testimony last week. Utility sector companies were the biggest winners last week, up 3.3%.

### *For the Week...*

Despite reaching its 16<sup>th</sup> all-time high on Thursday, the S&P 500 ended the week off 0.23%, trimming its near 1% gain the week prior. The Dow Jones Industrial Average fell 0.85%, and the tech-heavy Nasdaq Composite fell 1.15%. The small cap focused Russell 2000 Index gained 0.34% to extend its 3% rebound the week prior.

### *Wage Growth Eases*

Friday's nonfarm payrolls report contained a pleasing inflation data insight. Average hourly earnings growth slowed from 5.9% Y/Y in March 2022 when the Fed began hiking rates, to 4.3% Y/Y last month. A disinflationary trend we anticipate continuing as labor market dynamics normalize. Slowing wage growth eases inflationary pressures.

### *Weekly Sector Insights*

Just three of the 11 major sector groups posted declines last week, including Consumer Discretionary (-2.53%), Technology (-1.07%), and Communication Services (-0.64%). Utilities (+3.31%), Materials (+1.63%), and Real Estate (+1.55%) led the advance in the remaining eight sectors, with Industrials (+0.66%) and Healthcare (+0.08%) gaining the least. Year-to-date, leadership remains intact with Technology (+11.27%) and Communication Services (+10.86%) continuing to top the 2024 leaderboard.

### *Treasury Yields Ease*

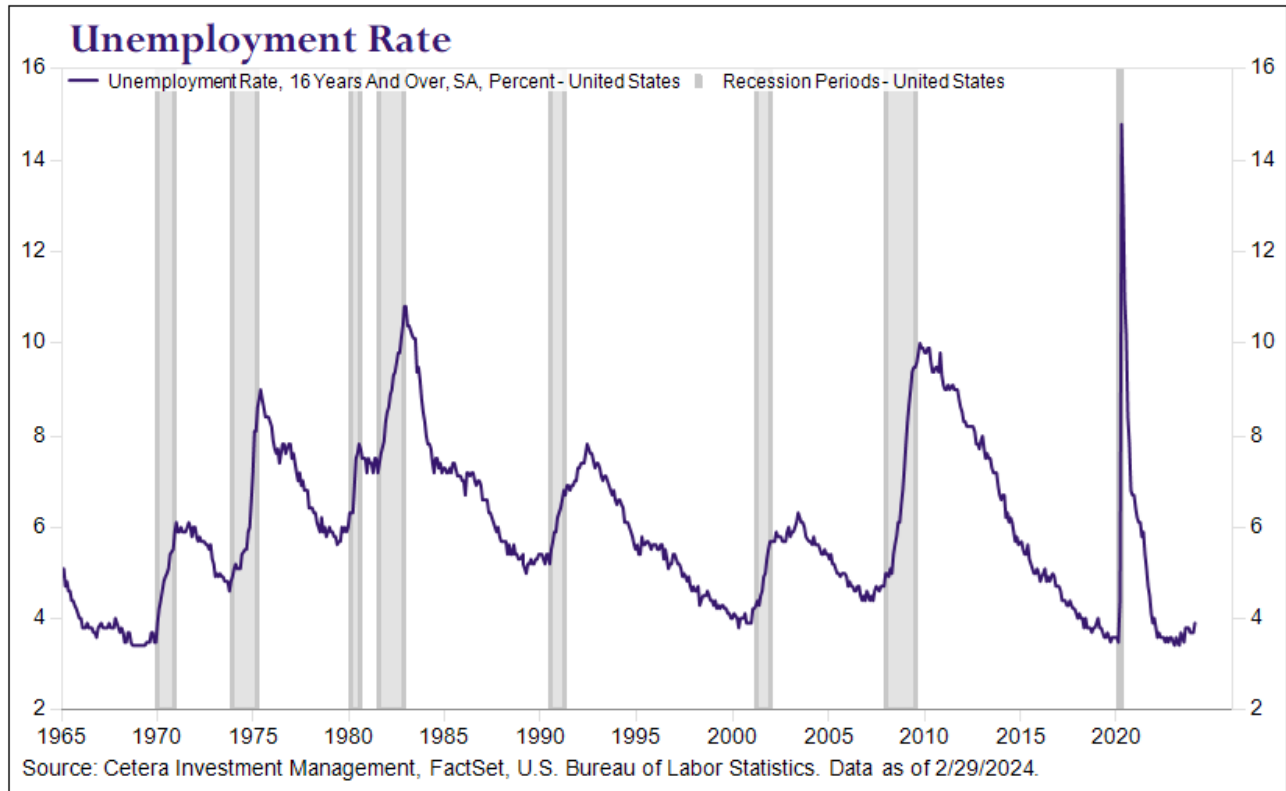
The yield on 10-year Treasury notes continued to trend lower, ending Friday at 4.083%, down 0.10% from the week prior. The yield on policy-sensitive 2-year Treasury notes shed just 0.03% on the week, finishing at a fresh three-week low of 4.480%. For the week, the U.S. Dollar Index weakened over 1% while gold futures surged 4.2% to a new all-time high above \$2,185/oz.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.85%	-0.61%	7.33%	3.21%	20.64%	8.99%
S&P 500	-0.23%	0.58%	11.69%	7.73%	30.43%	12.00%
NASDAQ Composite	-1.15%	-0.02%	11.88%	7.31%	40.09%	9.30%
Russell 3000	-0.18%	0.60%	11.63%	7.22%	28.81%	10.17%
Russell 2000	0.34%	1.40%	11.11%	2.97%	12.59%	-0.51%
MSCI EAFE	2.47%	3.28%	10.68%	5.78%	17.85%	5.47%
MSCI Emerging Markets	1.24%	1.62%	6.76%	1.51%	8.88%	-5.07%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.81%	1.21%	2.28%	-0.50%	5.11%	-2.41%
Bloomberg Municipal Bonds	0.40%	0.41%	1.62%	0.03%	5.70%	-0.18%
Bloomberg US Corp High Yield	0.55%	0.73%	4.06%	1.02%	11.98%	2.20%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.91%	1.47%	1.49%	0.37%	-1.61%	7.63%
S&P GSCI Crude Oil	-2.71%	-0.58%	9.10%	8.59%	1.42%	6.17%
S&P GSCI Gold	4.68%	6.77%	8.90%	5.89%	20.18%	9.31%

Source: Cetera Investment Management, FactSet. Total returns used, which includes dividends and interest.

## Chart of the Week: Unemployment Rates Remain Below 4%



The labor market expanded more than expected last month. Nonfarm payrolls increased by 275,000, outpacing expectations for a 200,000 increase. Although the unemployment rate increased from 3.7% to 3.9%, it extended the streak of monthly readings below 4.0% to 25 months. It's the longest since the late 1960s, which saw 27 straight months below 4.0%.

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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 USDIX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000.