

Economic Calendar

Monday, April 1

S&P U.S. Manufacturing PMI (final March), Construction Spending, ISM Manufacturing Activity.

Tuesday, April 2

Factory Orders, JOLTS Job Openings, U.S. Auto Sales.

Wednesday, April 3

Mortgage Activity, ADP Private Payrolls, S&P U.S. Services PMI (final March), ISM Services Activity.

Thursday, April 4

Challenger Job Cuts, Jobless Claims, U.S. Trade Deficit.

Friday, April 5

Nonfarm Payrolls, Unemployment Rate, Hourly Wages, Consumer Credit.

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[Fourth Anniversary of Pandemic Market Low](#)

[Misery Index Still Above Pre-Pandemic Levels](#)

[The Week Ahead Video](#)

WEEKLY RECAP

March 25-29, 2024 Recap

S&P 500 Finishes at New Record High

Friday's Core Prices in Focus

The S&P 500 extended March gains during the shortened trading week. Nasdaq stocks saw minor slippage amid weakness in a pair of Magnificent Seven big tech stocks. U.S. markets were closed on Good Friday but the week's main economic highlight, the Personal Consumption Expenditures (PCE) price index, was released that day and its core results served to boost hopes of rate cuts later this year. Core PCE prices (the Fed's preferred inflation measure) increased 2.8% on a 12-month basis in February, matching forecasts and down from 2.9% in January. For the month, core PCE prices rose 0.3%, also in line with forecasts and down from +0.5% in January.

For the Week...

The S&P 500 rose 0.40%, clinching its 22nd record high for the year. The Dow Jones Industrial Average advanced 0.84% and the tech-heavy Nasdaq Composite fell 0.29%. The small cap focused Russell 2000 Index climbed a second week, jumping 2.60%. Value-oriented stocks outperformed their growth counterparts in all market cap levels. Small cap value jumped 2.98% whereas small cap growth stocks rose 2.22%.

Consumer Sentiment Brightens

The University of Michigan's final March index of consumer sentiment rose to 79.4, its strongest reading since July 2021, up from a 76.5 preliminary level and 76.9 in February. Consumer sentiment was punctuated by notable improvements in Current Conditions and 6-month forward-looking Expectations.

Weekly Sector Insights

Nine of the 11 major sectors posted gains last week, led by Utilities (+2.85%), Real Estate (+2.39%), and Energy (+2.21%). Industrials (+0.62%) rose the least, while this year's top performers backpedaled, namely Communication Services (-0.75%) and Technology (-1.26%). Year-to-date, Communication Services (+15.82%), Energy (+13.69%), and Technology (+12.69%) are the top 2024 leaders.

Treasury Yields Ease

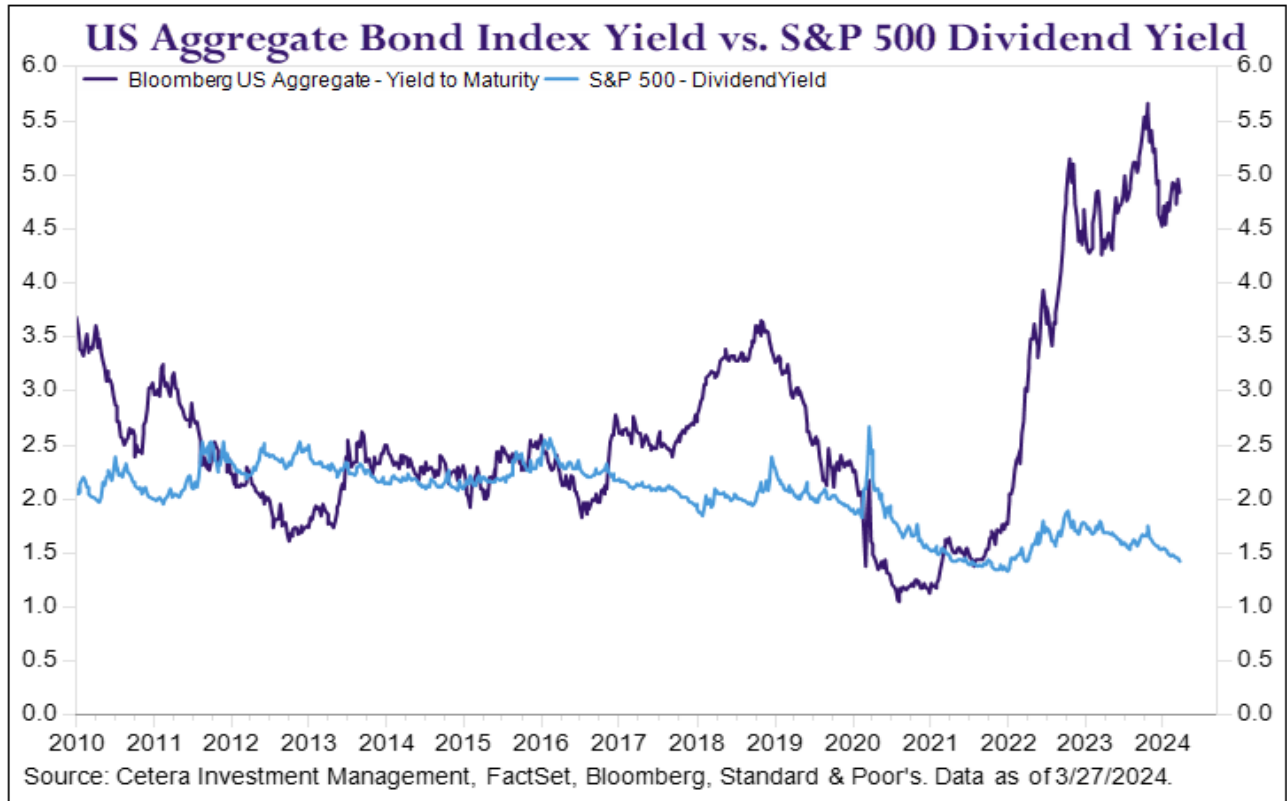
The yield on 10-year Treasury notes was little changed last week, ending at 4.201% versus 4.213% the week prior. Gold futures advanced 3.6%, reaching a new record close at \$2,238.40/ounce. U.S. WTI crude oil advanced 3.2% to \$83.17/barrel amid heightened tensions in Ukraine and the Middle East.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	0.84%	2.21%	6.14%	6.14%	24.25%	8.44%
S&P 500	0.40%	3.22%	10.56%	10.56%	32.53%	11.50%
NASDAQ Composite	-0.29%	1.85%	9.31%	9.31%	38.45%	8.68%
Russell 3000	0.60%	3.23%	10.02%	10.02%	31.99%	9.93%
Russell 2000	2.60%	3.58%	5.18%	5.18%	21.87%	0.85%
MSCI EAFE	0.13%	3.29%	5.78%	5.78%	17.32%	4.69%
MSCI Emerging Markets	0.45%	2.48%	2.37%	2.37%	9.31%	-4.89%
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg US Agg Bonds	0.23%	0.92%	-0.78%	-0.78%	2.36%	-2.43%
Bloomberg Municipal Bonds	-0.16%	0.00%	-0.39%	-0.39%	3.36%	-0.43%
Bloomberg US Corp High Yield	0.10%	1.18%	1.47%	1.47%	12.56%	2.26%
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	0.88%	3.31%	2.19%	2.19%	0.75%	8.88%
S&P GSCI Crude Oil	3.15%	6.27%	16.08%	16.08%	13.98%	10.54%
S&P GSCI Gold	2.60%	8.94%	8.04%	8.04%	12.79%	9.28%

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

Chart of the Week: Bond Yields are Relatively Attractive



The Bloomberg Agg Bond Index has an average yield premium of 0.63% over the S&P 500 since 2010. The current yield for the Aggregate Index is 4.8%, which is 3.4% above the S&P 500's 1.4% yield. This is quite the turnaround when compared to the first year of the pandemic when the S&P 500 had a higher yield than the Aggregate Bond Index from late February 2020 through late March 2021.

This report is created by Cetera Investment Management LLC. For more insights and information from the team, follow [@CeteraIM](#) on X.

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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.