

March 18, 2019

Strongest Weekly Gain this Year

March 11-15, 2019 Recap

- **Best Week Since November.** U.S. stocks advanced on Friday, extending an already strong week, as global investors welcomed stimulus confirmation that China will reduce its value-added taxes. Led by gains in technology companies, the S&P 500 capped its best week since November 30, ending at new 2019 high. Trading was volatile and volumes surged on Friday amid the simultaneous expiration of futures and options on both indexes and stocks (quadruple witching).
- **Weekly Performance.** For the week, the S&P 500 advanced 2.95%, the Dow Industrials gained 1.57% and the tech-heavy Nasdaq Composite surged 3.81%. The S&P 500 has posted weekly gains in ten of the past twelve weeks, rallying 20.86% since Monday, December 24.
- **Consumer Sentiment Improves.** The University of Michigan's preliminary reading of March consumer sentiment advanced to the highest level this year, widely topping projections. Also positive, the report showed current conditions increased and expectations rose to the highest since October.
- **Technology Performed Best.** All 11 major sectors posted weekly gains, led by Technology (+4.89%), Healthcare (+3.29%) and Energy (+3.23%). Materials (+1.72%) and Industrials (+0.31%) rose the least.
- **Treasurys Yields Retreat.** Treasury prices rallied last week, sending the yield on 10-year notes down 4.1 basis points, ending the week at 2.589%, its second lowest yield this year. The U.S. Dollar Index weakened by 0.73% last week, while West Texas crude oil gained 4.37% to \$58.52/barrel, near its highest level since mid-November.

What We're Reading

[Busy New Week](#)

[Fed Meeting Outlook](#)

[Delaying Brexit Scenarios](#)

These links to outside web sites are provided as a courtesy and are not under the control of Cetera Investment Management LLC. For more details, please see the "Disclosures" section.

Week's Economic Calendar

Monday, March 18: Housing Market Index;

Tuesday, March 19: Durable & Capital Goods Orders, Factory Orders;

Wednesday, March 20: FOMC Rate & Policy Decisions;

Thursday, March 21: Philadelphia Fed Business Outlook, Jobless Claims, Leading Indicators;

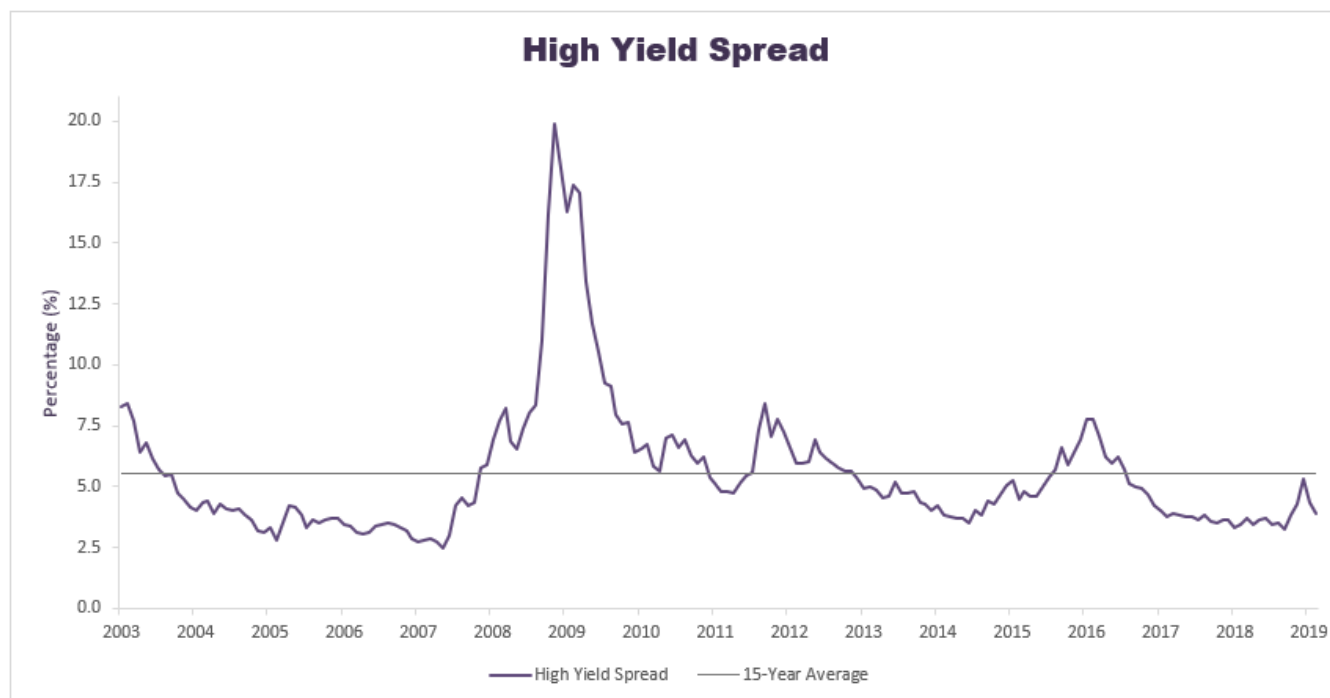
Friday, March 22: Markit Manufacturing & Service Activity, Wholesale Inventories & Sales, Existing Home Sales.

Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	1.57	-0.26	7.25	10.81	3.92	14.44
S&P 500	2.95	1.46	9.14	13.11	4.81	14.18
NASDAQ Composite	3.81	2.13	11.58	16.16	3.89	18.94
Russell 3000	2.84	1.10	9.55	13.64	4.42	14.32
MSCI EAFE	2.80	1.07	8.49	10.46	-5.00	7.86
MSCI Emerging Markets	2.66	0.68	9.31	9.74	-10.92	12.78
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	0.23	0.71	2.65	1.72	3.73	2.02
Barclays Municipal	0.17	0.50	2.52	1.80	4.57	2.58
Barclays US Corp High Yield	0.73	0.31	4.34	6.59	5.00	8.60
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.44	0.34	1.01	6.87	-4.53	2.41
S&P GSCI Crude Oil	4.64	2.80	14.28	29.53	-3.97	15.61
S&P GSCI Gold	0.53	-0.55	5.44	2.15	-1.10	2.03

Source: Morningstar

Chart of the Week: High Yield Spreads Have Narrowed



Source: Cetera Investment Management, Federal Reserve Bank of St. Louis, BofAML. Data as of 3/13/2019.

The high yield bond spread, which is a measure of the spread between high yield bonds and Treasuries, has drifted lower this year to about 3.9%. In early January, the high yield spread was around 5.4%. This pullback in spreads is notable because spreads widened significantly in the fourth quarter 2018 during the sell-off of equity risk assets. This quarter, however, the spread narrowed, signaling more willingness from investors to add risk.

This report is created by Cetera Investment Management LLC.

About Cetera® Investment Management

Cetera Investment Management LLC is an SEC registered investment adviser owned by Cetera Financial Group®. Cetera Investment Management provides market perspectives, portfolio guidance and other investment advice to its affiliated broker-dealers, dually registered broker-dealers and registered investment advisers.

About Cetera Financial Group®

Cetera Financial Group ("Cetera") is a leading network of independent firms empowering the delivery of professional financial advice to individuals, families and company retirement plans across the country through trusted financial advisors and financial institutions. Cetera is the second-largest independent financial advisor network in the nation by number of advisors, as well as a leading provider of retail services to the investment programs of banks and credit unions.

Through its multiple distinct firms, Cetera offers independent and institutions-based advisors the benefits of a large, established broker-dealer and registered investment adviser, while serving advisors and institutions in a way that is customized to their needs and aspirations. Advisor support resources offered through Cetera include award-winning wealth management and advisory platforms, comprehensive broker-dealer and registered investment adviser services, practice management support and innovative technology. For more information, visit cetera.com.

"Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors, Cetera Advisor Networks, Cetera Investment Services (marketed as Cetera Financial Institutions), Cetera Financial Specialists, First Allied Securities, and Summit Brokerage Services. All firms are members FINRA/SIPC.

Disclosures

The material contained in this document was authored by and is the property of Cetera Investment Management LLC. Cetera Investment Management provides investment management and advisory services to a number of programs sponsored by affiliated and non-affiliated registered investment advisers. Your registered representative or investment adviser representative is not registered with Cetera Investment Management and did not take part in the creation of this material. He or she may not be able to offer Cetera Investment Management portfolio management services.

Nothing in this presentation should be construed as offering or disseminating specific investment, tax, or legal advice to any individual without the benefit of direct and specific consultation with an investment adviser representative authorized to offer Cetera Investment Management services. Information contained herein shall not constitute an offer or a solicitation of any services. Past performance is not a guarantee of future results.

For more information about Cetera Investment Management, please reference the Cetera Investment Management LLC Form ADV disclosure brochure and the disclosure brochure for the registered investment adviser your adviser is registered with. Please consult with your adviser for his or her specific firm registrations and programs available.

No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The opinions expressed are as of the date published and may change without notice. Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision.

All economic and performance information is historical and not indicative of future results. The market indices

discussed are not actively managed. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information.

Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards.

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 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Bloomberg Barclays 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 has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly.

The **Bloomberg Barclays 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. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly.

The **Bloomberg Barclays 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. Many of the subindices of the Municipal Index have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980, but no later than July 1, 1993. 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, but in practice the index holdings has a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly

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. However, between rebalancings, group weightings may fluctuate to levels outside the limits. The index rebalances annually, weighted 2/3 by trading volume and 1/3 by world production.

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.

West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts

The **Cboe Volatility Index® (VIX®)** is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

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. It has since reached a February 1985 high of 164.720, and has been as low as 70.698 in March 2008.