

## Weekly Wrap

The large-cap indices hit new record highs this week, as tensions in the Middle East were de-escalated and technology stocks continued to outperform. The Nasdaq Composite rose 1.8% to climb past the S&P 500 (+0.9%) and Dow Jones Industrial Average (+0.7%). The Russell 2000 (-0.2%) underperformed for the third straight week.

Iran remained a focal point, at least in the first half of the week after it escalated its hostile rhetoric against the U.S. and fired more than a dozen ballistic missiles against U.S. and coalition forces in Iraq. Any equity weakness was bought, and a risk-on mindset followed de-escalation comments from President Trump, as there was no American casualties.

The mega-cap stocks within the S&P 500 information technology (+2.2%) and communication services (+2.0%) sectors continued to provide influential leadership. The energy sector (-1.1%), on the other hand, was this week's laggard amid a 6.4% drop in the price of oil (\$58.99, -4.04). Crude was pressured by bearish inventory data and skepticism that the Middle East situation would disrupt production.

On Friday, the December jobs report showed 145,000 jobs were added to nonfarm payrolls in December, which was less than the Briefing.com consensus of 160,000 and less than the readings for November and October. The soft report could have been a good reason to take some profits from what many viewed to be an overbought market, as stocks did end the week on a lower note.

Separately, a **Boeing (BA)** 737-800 jetliner crashed shortly after takeoff in Tehran this week, killing all 176 passengers on board. President Trump and U.S. allies believed that the plane was shot down by Iranian missiles, but there was no indication that the U.S. would reconsider its de-escalation strategy.

U.S. Treasuries ended the week slightly higher. The 2-yr yield declined two basis points to 1.56%, and the 10-yr yield declined four basis points to 1.83%. The U.S. Dollar Index advanced 0.5% to 97.36.

<b>Index</b>	<b>Started Week</b>	<b>Ended Week</b>	<b>Change</b>	<b>% Change</b>	<b>YTD %</b>
<b>DJIA</b>	28634.88	28910.18	275.30	1.0	1.3
<b>Nasdaq</b>	9020.77	9178.86	158.09	1.8	2.3
<b>S&amp;P 500</b>	3234.85	3265.35	30.50	0.9	1.1
<b>Russell 2000</b>	1660.87	1657.64	-3.23	-0.2	-0.6

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Sentiment

Positive (1)

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