

Weekly Wrap

The stock market endured a volatile start to the week, but a strong second half helped the major averages secure gains. The S&P 500 rose 0.6% while the Nasdaq Composite outperformed, gaining 0.9% since last Friday.

Trade-related headlines were the focus of the week, which saw the latest round of talks between officials from China and the U.S on Thursday and Friday. The S&P 500 fell below its 50-day moving average early in the week when it was announced that 28 Chinese companies were put on a blacklist that blocks them from doing business with U.S. companies without a special license. The news led to concerns that official discussions on Thursday and Friday would not yield any results.

However, the overall tone improved on Wednesday and Thursday amid a torrent of mostly positive-sounding headlines. The S&P 500 reclaimed its 50-day moving average on Thursday, jumping to a ten-day high on Friday. The Friday session featured news about a partial trade deal being reached, but the details were underwhelming. Also on Friday, the Federal Reserve announced that it will begin regular purchases of Treasury bills at a pace of \$60 bln per month on October 15 and continue into the second quarter of 2020 or longer.

Seven out of eleven sectors ended the week with gains, climbing between 0.8% (communication services) and 1.9% (materials). On the downside, countercyclical real estate (-0.6%), consumer staples (-0.9%), and utilities (-1.4%) recorded losses as Treasury yields rose amid an improvement in risk tolerance.

Apple (AAPL) rallied 3.9% to a fresh record high, boosted by news about increased production of components for the iPhone 11. Utility provider **PG&E (PCG)** lost more than 25.0% for the week on a negative court ruling.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	26573.72	26816.59	242.87	0.9	15.0
Nasdaq	7982.47	8057.04	74.57	0.9	21.4
S&P 500	2952.01	2970.27	18.26	0.6	18.5

Index	Started Week	Ended Week	Change	% Change	YTD %
Russell 2000	1500.70	1511.90	11.20	0.7	12.1

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Sentiment
Positive (1)
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