

Weekly Wrap

Week in Review: Technology stocks underperformed and the 10-yr yield moved higher

The S&P 500 declined 0.5% this week, largely due to a 2.2% decline in its top-weighted information technology sector. The Nasdaq Composite fell 1.1%, and the Dow Jones Industrial Average fell 1.0%. The Russell 2000 finished in positive territory with a 0.4% gain.

There were too many headlines on stimulus this week that said very little, but the main takeaway was that despite more progress achieved, the passage of a deal may have to wait until after the election. Of course, anything can happen between now and then, but Treasury Mnuchin said on Friday that significant differences remained.

Underneath the headlines and lackluster index performances was a lot of "churn." The 10-yr yield rose ten basis points to 0.84% this week on inflation expectations; this favored the rate-sensitive financials sector (+1.0%) at the expense of many high-valued growth/technology stocks that had benefited from persistently low yields.

The utilities (+2.1%), communication services (+2.1%), and energy (+0.5%) sectors also closed higher, with the communication services sector using **Snap's (SNAP)** impressive earnings report as a supporting catalyst. SNAP shares surged 52% in the three days that followed its earnings report.

Intel (INTC) and **Netflix (NFLX)** were some notable earnings-related laggards. The former weighed on the Philadelphia Semiconductor Index (-1.7%).

Separately, the following developments were supportive factors for cyclical stocks: commentary that separate vaccines from **Moderna (MRNA)** and **AstraZeneca (AZN)** could be available in December/after Christmas, better-than-expected economic data, and daily airline passenger levels reaching one million for the first time since March.

The U.S. Dollar Index declined 1.0% to 92.72.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	28606.31	28335.57	-270.74	-0.9	-0.7
Nasdaq	11671.56	11548.28	-123.28	-1.1	28.7
S&P 500	3483.81	3465.39	-18.42	-0.5	7.3
Russell 2000	1633.81	1640.50	6.69	0.4	-1.7

Related tickers: None

English: English

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Languages: Languages

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Rank : positive