

# Weekly Wrap

*Week in Review: Huge losses in front of the U.S. presidential election next week*

The major indices dropped more than 5% this week, as the market was overcome with growth concerns, uncertainty, and negative price momentum. The Dow Jones Industrial Average was the worst performer with a 6.5% decline, and the Russell 2000 (-6.2%), S&P 500 (-5.6%), and Nasdaq Composite (-5.5%) followed closely behind.

There was no shortage of negative news. Briefly, earnings reactions remained disappointing, stimulus talks fell through, the U.S. set a new record for daily coronavirus cases, **Pfizer (PFE)** delayed the release of its Phase 3 vaccine trial results that were expected this week, and the pace of new home sales unexpectedly declined in September.

Overseas, Germany and France enacted renewed lockdown measures to curb the spread of the coronavirus, and Germany's **SAP (SAP)** lowered its revenue outlook due to lockdowns and a muted demand recovery. The Europe Stoxx 600 dropped 5.4% this week.

The negative-sounding headlines fueled de-risking efforts in front of the U.S. presidential election next Tuesday, which was likely another negative headwind for the market due to its uncertain outcome. The information technology (-6.5%) and industrials (-6.5%) sectors were the weakest sectors with 6.5% declines, while the utilities sector fell the least with a 3.5% decline.

The market temporarily stopped the bleeding on Thursday, as the mega-caps rallied in front of their earnings reports. Unfortunately, **Apple (AAPL)**, **Amazon (AMZN)**, and **Facebook (FB)** sold off despite exceeding expectations, while **Alphabet (GOOG)** had a positive reaction. **Microsoft (MSFT)**, which reported earlier in the week, also fell noticeably.

U.S. Treasuries ended the week mixed and little changed. The 2-yr yield decreased one basis point to 0.15%, while the 10-yr yield increased two basis points to 0.86%. The U.S. Dollar Index advanced 1.3% to 94.05. WTI crude futures dropped 10.5%, or \$4.18, to \$35.70/bbl.

Index	Started Week	Ended Week	Change	% Change	YTD %
<b>DJIA</b>	28335.57	26501.60	-1833.97	-6.5	-7.1
<b>Nasdaq</b>	11548.28	10911.59	-636.69	-5.5	21.6
<b>S&amp;P 500</b>	3465.39	3269.96	-195.43	-5.6	1.2
<b>Russell 2000</b>	1640.50	1538.48	-102.02	-6.2	-7.8

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Rank : positive