

Weekly Wrap

Week in Review: Stock market recovers some losses this week

The S&P 500 advanced 1.9% this week, recouping some losses from the prior week. The Nasdaq Composite outperformed again with a 3.7% gain, followed by the Russell 2000 (+2.2%) and Dow Jones Industrial Average (+1.0%).

Eight of the 11 S&P 500 sectors finished the week with gains, including the health care (+3.1%), information technology (+2.8%), consumer staples (+2.4%), and consumer discretionary (+2.3%) sectors. The utilities (-2.4%), energy (-1.0%), and real estate (-0.8%) sectors closed lower.

The week started with stocks extending last week's sharp pullback, but investors quickly started buying the dip, accentuated by the Fed announcing on Monday that it will start buying individual corporate bonds through its Secondary Market Corporate Credit Facility.

Risk sentiment was later buoyed after retail sales rebounded 17.7% m/m in May (Briefing.com consensus 9.0%), *Bloomberg* reported that President Trump was preparing a \$1 trillion infrastructure proposal, and the *BBC* reported on a steroidal treatment for COVID-19 in the UK that reduced deaths in severely ill patients.

The reopening narrative was back in play, evidenced by the 10% gain in WTI crude futures (\$39.74/bbl, \$3.50, +9.7%), but it did run into some resistance at the end of the week.

Boston Fed President Rosengren warned that economic rebound in the second half of the year will likely be slower than initially expected due to the continued spread of the coronavirus. Arizona, Florida, and California reported noticeable daily increases in coronavirus cases, and it was reported that **Apple (AAPL)** will temporarily re-close some stores again due to COVID risks.

In other developments, initial jobless claims for the week ending June 13 remained elevated at 1.508 million (Briefing.com consensus 1.350 million), and Fed Chair Powell provided his semiannual monetary policy testimony before Congress this week. Mr. Powell reminded lawmakers of their spending powers, reiterating they should do more to support the economy.

U.S. Treasuries traded in a relatively narrow range this week and closed near their starting positions. The 2-yr yield increased one basis point to 0.19%, and the 10-yr yield was flat at 0.70%. The U.S. Dollar Index gained 0.4% to 97.67

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	25605.54	25871.46	265.92	1.0	-9.3
Nasdaq	9588.81	9946.12	357.31	3.7	10.8

Index	Started Week	Ended Week	Change	% Change	YTD %
S&P 500	3041.31	3097.74	56.43	1.9	-4.1
Russell 2000	1387.68	1418.63	30.95	2.2	-15.0

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