

Weekly Wrap

Week in Review: Pressured by the mega-caps

The week started with a mega-cap rally that powered the Nasdaq Composite to new heights, but the rest of the week saw money flow out of these mega-cap stocks following earnings. The Nasdaq ended the week down 1.3% for its second straight weekly decline, followed by modest losses in the Dow Jones Industrial Average (-0.8%), S&P 500 (-0.3%), and Russell 2000 (-0.4%).

The sector standings offered a more mixed picture. The information technology (-1.5%), communication services (-1.1%), and health care (-0.7%) sectors underperformed the benchmark index, while the energy (+2.1%), financials (+1.3%), and consumer discretionary (+1.3%) sectors rose more than 1.0%.

Within the mega-caps, **Microsoft (MSFT)** and **Tesla (TSLA)** reported better-than-expected earnings results, but disappointing earnings reactions appeared to cause concern about similar responses in **Apple (AAPL)**, **Amazon (AMZN)**, **Alphabet (GOOG)**, and **Facebook (FB)** when they report given their huge runs off their March lows.

Amazon, which surged 8% on Monday after its price target was raised to a Street-high of \$3800 at Goldman Sachs and Jefferies, still ended the week higher by 1.6%.

Intel (INTC) disappointed investors with a six-month delay of its next-generation 7nm chip technology, sending shares down 16% on Friday. **Advanced Micro Devices (AMD)** gained 16.5% on the news.

Investors were also provided with positive COVID-19 vaccine data from the **Pfizer (PFE)** and **BioNTech (BNTX)** collaboration and the **AstraZeneca (AZN)** and the University of Oxford collaboration. In addition, Pfizer and BioNTech secured a \$1.95 billion vaccine supply agreement with the U.S. government upon FDA approval, but none of the news was market-moving.

In other developments, the EU agreed to a 750 billion fiscal stimulus package, weekly initial jobless claims increased by 109,000 to 1.416 million (Briefing.com consensus 1.285 million), China ordered the closure of the U.S. consulate in Chengdu in response to the U.S. ordering the closure of the Chinese consulate in Houston, and a GOP coronavirus relief bill was delayed until next week.

U.S. Treasuries were mixed this week. The 2-yr yield remained unchanged at 0.14%, while the 10-yr yield declined four basis points to 0.58%. Gold futures settled at their highest price ever at \$1897.50/ozt amid a 1.6% decline in the U.S. Dollar Index (94.40, -0.30).

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	26671.95	26469.89	-202.06	-0.8	-7.2
Nasdaq	10503.19	10363.18	-140.01	-1.3	15.5
S&P 500	3224.73	3215.63	-9.10	-0.3	-0.5
Russell 2000	1473.32	1467.55	-5.77	-0.4	-12.0

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Rank : positive