

Weekly Wrap

Week in Review: Short of record highs

It was another positive week for the market, and it was almost a record-setting week for the S&P 500. The benchmark index gained 0.6% and nearly closed at a record high twice this week amid relative strength in the cyclical and value-oriented stocks.

The Dow Jones Industrial Average outperformed with a 1.8% gain. The Russell 2000 increased 0.6%, and the Nasdaq Composite increased 0.1%.

With the majority of Q2 earnings behind the market, investors looked to economic data for the latest indications on the economy. It remained mostly positive.

Weekly initial claims decreased by 228,000 to 963,000 (Briefing.com consensus 1.150 mln), which was the first time since March that claims checked in below one million; retail sales increased 1.2% in July (Briefing.com consensus 1.8%), and Q2 preliminary labor productivity climbed 7.3% (Briefing.com consensus 5.5%).

Cyclical sectors took the data in stride. The industrials (+3.1%), energy (+2.3%), consumer discretionary (+1.6%), materials (+1.5%), and financials (+1.3%) sectors advanced the most. The utilities (-2.1%), real estate (-1.8%), and communication services (-0.3%) sectors were the only sectors that closed lower.

There were no coronavirus relief talks this week, but that didn't deter trading sentiment. The Senate adjourned for August recess until after Labor Day, and House Speaker Pelosi (D-CA) said she will only resume talks with White House officials if they are willing to agree to at least a \$2 trillion deal.

Separately, **Tesla (TSLA)** surged 20% in three days after announcing a 5:1 stock split on Tuesday.

The U.S. Treasury curve steepened noticeably this week amid a sell-off in longer-dated maturities. The 10-yr yield rose 15 basis points to 0.71%, while the 2-yr yield was unchanged at 0.13%. The U.S. Dollar Index declined 0.3% to 93.10. WTI crude futures rose 2.1%, or \$0.88, to \$42.05/bbl.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	27433.48	27931.02	497.54	1.8	-2.1
Nasdaq	11010.98	11019.30	8.32	0.1	22.8
S&P 500	3351.28	3372.85	21.57	0.6	4.4
Russell 2000	1569.18	1577.88	8.70	0.6	-5.4

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Rank : positive