

Weekly Wrap

Week in Review: Taking the good news in stride, but no agreement on coronavirus relief bill

It was a strong week for stocks, as the S&P 500 closed higher in every session for a 2.5% weekly gain. The Russell 2000 rose 6.0%, the Dow Jones Industrial Average rose 3.8%, and the Nasdaq Composite rose 2.5%.

The gains were broad, with all 11 S&P 500 sectors finishing in positive territory. The industrials (+4.8%), financials (+3.3%), energy (+3.1%), and communication services (+3.0%) sectors outpaced the benchmark index, while the health care (+0.9%) and real estate (+0.7%) sectors increased the least.

Within the communication services sector, **Walt Disney (DIS)** surged 11% after reporting a surprise quarterly profit and positing strong subscriber numbers for its streaming platform. **Facebook (FB)** gained 6%, as investors chased the stock higher in a momentum trade.

In other well-received corporate news, **Microsoft (MSFT)** resumed talks to acquire TikTok, and **Novavax (NVAX)** provided an encouraging vaccine update on a Phase 1/2 trial for healthy adults ages 18-59.

This week's economic data continued to depict a rebounding labor market. Nonfarm payrolls increased by 1.763 million in July (Briefing.com consensus 2.000 million), the unemployment rate improved to 10.2% (Briefing.com consensus 10.5%) from 11.1% in June, and weekly initial claims decreased by 249,000 to 1.186 million (Briefing.com consensus 1.400 million) for its lowest level since March.

In addition, data from the ISM showed manufacturing activity and non-manufacturing activity continue to expand in July.

Separately, Democrats and the White House remained far apart on key relief provisions and were unable to strike a deal. Treasury Secretary Mnuchin said he will recommend to President Trump signing executive orders that extend the eviction moratorium and enhanced unemployment benefits.

U.S. Treasuries declined modestly this week. The 2-yr yield increased three basis points to 0.13%, and the 10-yr yield increased two basis points to 0.56%. The U.S. Dollar Index increased 0.1% to 93.41. WTI crude futures rose 2.6%, or \$1.04, to \$41.17/bbl.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	26428.32	27433.48	1005.16	3.8	-3.9
Nasdaq	10745.27	11010.98	265.71	2.5	22.7

Index	Started Week	Ended Week	Change	% Change	YTD %
S&P 500	3271.12	3351.28	80.16	2.5	3.7
Russell 2000	1480.43	1569.18	88.75	6.0	-5.9

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Rank : positive