

Weekly Wrap

Week in Review: Another week of selling, particularly in the mega-caps

The selling from the prior week carried over to this shortened trading week. The S&P 500 fell 2.5%, the Nasdaq Composite fell 4.1%, the Dow Jones Industrial Average fell 1.7%, and the Russell 2000 fell 2.5%.

The energy sector dropped 6.4% amid weakening oil prices (\$37.34/bbl, -2.36, -5.9%), but the biggest weights on the market were the information technology (-4.4%), communication services (-3.4%), and financials (-2.4%) sectors. Only the materials sector (+0.8%) finished higher for its second straight weekly gain.

This week's selling was described as technically-oriented. Though there several negative-sounding developments that may have restrained risk sentiment, they ultimately appeared to be good excuses for the market, especially the mega-caps, to extend last week's cooling-off period.

Apple (AAPL), Microsoft (MSFT), Amazon (AMZN), Alphabet (GOOG), and **Facebook (FB)** fell between 4.4% and 7.4%. **Tesla (TSLA)** fell 10.9% and was snubbed a spot in the S&P 500 by the index committee.

As for the negative-sounding headlines, the Senate failed to pass its \$300 billion coronavirus relief bill, **AstraZeneca (AZN)** paused its COVID-19 vaccine trial in the UK due to a serious adverse reaction in a patient, President Trump suggested disincentives for U.S. companies to outsource jobs to China, and China's largest semiconductor foundry could reportedly be added to a trade blacklist.

By week's end, the S&P 500 was down 7% from its record high and the Nasdaq was down 10% from its record high. A consolation for the bulls was that the S&P 500 finished above its 50-day moving average (3322). The Nasdaq did not, though.

U.S. Treasuries ended the week with modest gains. The 2-yr yield declined three basis points to 0.13%, and the 10-yr yield declined five basis points to 0.67%. The U.S. Dollar Index advanced 0.6% to 93.28.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	28133.31	27665.64	-467.67	-1.7	-3.1
Nasdaq	11313.13	10853.55	-459.58	-4.1	21.0
S&P 500	3426.96	3340.97	-85.99	-2.5	3.4
Russell 2000	1535.30	1497.27	-38.03	-2.5	-10.2

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