

Weekly Wrap

Week in Review: S&P 500 snaps six-week winning streak

The S&P 500 snapped a six-week winning streak, although it declined just 0.3% this week. The Dow Jones Industrial Average (-0.5%), Nasdaq Composite (-0.3%) and Russell 2000 (-0.5%) performed in-line with the benchmark index this week, reflecting a broad-based lack of conviction.

The week began with the large-cap indices closing at incremental record highs on Monday, but stocks ultimately struggled for direction the rest of the week. The S&P 500 materials (-1.7%) and real estate (-1.2%) sectors lost more than 1%. The health care (+0.8%), financials (+0.5%), and utilities (+0.2%) sectors finished higher.

Trade headlines remained a part of the equation, of course. Receiving the most attention was a *Reuters* report that briefly unnerved the market by suggesting a deal may not be completed this year. There was still no sustained pullback effort, though, as the consensus view was that some sort of deal is still likely.

As for the Dec. 15 tariffs, a report out of China had suggested that they could get delayed even if a deal isn't reached, but a *FOX Business* reporter said that they are still planned. Complicating the situation was the U.S. Senate passing the Hong Kong Human Rights and Democracy Act, which unsurprisingly drew the ire of Beijing. Chinese President Xi called for mutual respect and equality moving forward.

Back to stocks, retailers remained on the path of divergence after this week's batch of earnings reports. **Home Depot (HD)** and **Kohl's (KSS)** were some notable disappointments, while **Target (TGT)**, **Lowe's (LOW)**, and **Nordstrom (JWN)** were some notable winners. The **SPDR S&P Retail ETF (XRT)** declined 2.3% this week.

Separately, **Charles Schwab (SCHW)** began talks to acquire **TD Ameritrade (AMTD)** for a reported \$26 billion in a move that would help consolidate a disrupted industry. Shares of both companies climbed about 8% and 16%, respectively.

The U.S. Treasury market experienced some curve-flattening activity this week. The 2-yr yield increased two basis points to 1.63%, while the 10-yr yield declined six basis points to 1.77%. The U.S. Dollar Index increased 0.3% to 98.26. WTI crude increased 0.2%, or \$0.13, to \$57.88.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	28004.89	27875.62	-129.27	-0.5	19.5
Nasdaq	8540.83	8519.88	-20.95	-0.2	28.4
S&P 500	3120.46	3110.29	-10.17	-0.3	24.1

Index	Started Week	Ended Week	Change	% Change	YTD %
Russell 2000	1596.45	1588.94	-7.51	-0.5	17.8

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