

Weekly Wrap

Week in Review: Bulls retain control as S&P 500 crosses 3200

The S&P 500 reached another milestone, surpassing the 3200 level in a 1.7% advance this week. The Dow Jones Industrial Average (+1.1%) and Nasdaq Composite (+2.2%) also rallied further into record territory. The Russell 2000 kept pace with the Nasdaq with a solid 2.1% weekly gain.

There was no specific catalyst driving the action this week, but there was also nothing to impede the market's record run. Better-than-expected November readings for housing starts, building permits, industrial production, personal income, and personal spending helped reinforce the market's positive economic outlook. Homebuilder confidence even rose to its highest level since 1999, at least according to the NAHB Housing Market Index.

All 11 S&P 500 sectors finished higher, with the utilities (+2.7%), real estate (+2.7%), communication services (+2.5%), energy (+2.5%), and health care (+2.3%) sectors rising more than 2.0%. The industrials sector (+0.3%) underperformed amid losses in **FedEx (FDX)** and **Boeing (BA)**.

FedEx issued disappointed earnings results and guidance, while Boeing said it will suspend 737 MAX production starting in January.

In Washington, the House of Representatives passed the USMCA deal and voted to impeach President Trump. Neither had much influence on the broader market, as both outcomes were expected and the consensus view is that the Senate will ensure Mr. Trump stays in office.

Separately, this week featured plenty of M&A activity. The largest deal was **DuPont (DD)** agreeing to merge its Nutrition & Biosciences unit with **International Flavors (IFF)** in a combined \$45.4 billion deal.

U.S. Treasuries declined amid the risk-on sentiment, driving yields higher in a curve-steepening trade. The 2-yr yield increased three basis points to 1.63%, and the 10-yr yield increased ten basis points to 1.92%. The U.S.

Dollar Index rose 0.6% to 97.70. WTI crude increased 0.5%, or \$0.27, to \$60.38/bbl.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	28124.95	28455.09	330.14	1.2	22.0
Nasdaq	8734.88	8924.96	190.08	2.2	34.5
S&P 500	3168.80	3221.22	52.42	1.7	28.5
Russell 2000	1637.98	1671.90	33.92	2.1	24.0

Copyright (C) 2019 Briefing.com
Sentiment
Positive (1)
Related Tickers