

## **Weekly Wrap**

*Week in Review: Stocks rebound in week where Congress approves stimulus bill, jobless claims surge to record level*

The S&P 500 rebounded 10.3% this week, as investors stepped in to buy discounted shares of companies after Congress approved the \$2 trillion stimulus package for households and businesses. The Dow Jones Industrial Average rose 12.8%, the Nasdaq Composite rose 9.1%, and the Russell 2000 rose 11.7%.

At one point this week, the S&P 500 was up 20% from its intraday low on Monday, largely due to stimulus expectations but also due to some short-covering activity, quarter-end rebalancing, and a fear of missing out on further gains.

The week did end on a lower note amid some profit-taking interest, but all 11 S&P 500 sectors still finished noticeably higher. Seven sectors advanced at least 10%, including a 17.7% gain in the utilities sector. The communication services sector advanced "just" 5.5%.

Notably, initial claims for the week ending March 21 increased by 3.001 million to a record 3.283 million (Briefing.com consensus 525,000), which was above most expectations but also unsurprising given the slew of economic shutdowns aimed at slowing the rate of coronavirus infections. For the market, and Congress, it quantified how bad the situation has been for American workers.

The Fed, meanwhile, continued to ramp up its stimulus efforts. Specifically, the central bank lifted the \$700 billion cap on its purchases of Treasury and agency mortgage-backed securities and said it will buy "in the amounts needed." The Fed also established new credit facilities and said it will be buying investment-grade corporate bonds, municipal debt, and U.S.-listed exchange ETFs for investment grade corporate bonds.

For good measures, Fed Chair Powell reiterated in an NBC "Today Show" interview that the Fed isn't going to run out of ammunition and will continue to provide credit to places that need it.

Separately, President Trump set Easter (April 12) as a goal for when he would want the economy to reopen for business, which drew some criticism for it being too soon given that the number of coronavirus infections is still rising. This week, the U.S. surpassed China for the most confirmed cases of COVID-19.

U.S. Treasuries advanced alongside equities this week. The 2-yr yield declined 14 basis points to 0.23%, and the 10-yr yield declined 19 basis points to 0.75%. The U.S. Dollar Index declined 4.4% to 98.32. WTI crude dropped 8.8%, or \$2.08, to \$21.65/bbl as little was done to aid the struggling oil industry.

Index	Started Week	Ended Week	Change	% Change	YTD %
<b>DJIA</b>	19173.98	21636.78	2462.80	12.8	-24.2
<b>Nasdaq</b>	6879.52	7502.38	622.86	9.1	-16.4
<b>S&amp;P 500</b>	2304.92	2541.47	236.55	10.3	-21.3
<b>Russell 2000</b>	1014.05	1131.99	117.94	11.6	-32.1

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