

# Weekly Wrap

*Week in Review: Stocks rebound in politically-minded week*

The S&P 500 (+1.5%) and Dow Jones Industrial Average (+1.9%) snapped four-week losing streaks this week, and the Nasdaq Composite performed comparably with a 1.5% gain. The real winner, however, was the Russell 2000 with a 4.4% gain.

Ten of the 11 S&P 500 sectors finished in positive territory. The real estate (+4.9%), financials (+3.3%), utilities (+3.3%), and consumer discretionary (+2.5%) sectors outperformed. The energy sector (-2.9%) was the lone holdout, as sentiment was pressured by an 8% decline in crude prices (\$37.05/bbl, -3.17) amid growth/demand concerns.

Prior to Friday, the market had already established the week's gains, largely on technically-oriented trading activity in oversold stocks. Early in the week, cyclical stocks benefited from M&A activity, better-than-expected economic data (although less consequential reports), analyst upgrades, and stimulus optimism.

The mega-caps also participated in the rebound, with the market shaking off any residential weakness that followed the first presidential debate on Tuesday. Friday, however, is when the real news flowed in and the mega-caps sold off to end the week.

Briefly, President Trump tested positive for COVID-19, September nonfarm payrolls increased by 661,000 (Briefing.com consensus 800,000), and there were indications that a fiscal relief bill could soon be reached. The latter remains a show-me story, but value/cyclical stocks did benefit from the hopeful-sounding reports.

Highlighting other key economic reports, weekly jobless claims remained elevated at 837,000 (Briefing.com consensus 850,000), personal income declined 2.7% m/m in August (Briefing.com consensus -2.0%), and the ISM Manufacturing Index for September decelerated to 55.4% (Briefing.com consensus 56.0%) from 56.0% in August.

U.S. Treasuries finished lower on the longer-end of the curve. The 2-yr yield was flat at 0.13%, and the 10-yr yield increased four basis points to 0.70%. The U.S. Dollar Index fell 0.9% to 93.84.

Index	Started Week	Ended Week	Change	% Change	YTD %
<b>DJIA</b>	27173.96	27682.81	508.85	1.9	-3.0
<b>Nasdaq</b>	10913.56	11075.02	161.46	1.5	23.4
<b>S&amp;P 500</b>	3298.46	3348.42	49.96	1.5	3.6
<b>Russell 2000</b>	1474.91	1539.30	64.39	4.4	-7.7

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Rank : positive