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Weekly Market Performance – Markets Continue Run Amid Strong Economic Data and Fed Support

Posted by [lplresearch](#)

Market Blog

Index Performance – Week ending 6/19/2020

S&P 500 Index: 1.9%

Dow Jones Industrial Average: 1.0%

Nasdaq Composite: 3.7%

Equities

US equities enjoyed a positive week, as the S&P 500 Index finished solidly over 3100.

Technology was again the bright spot, finishing the week up over 4%. Given this sector's gains, the Nasdaq's performance topped both the S&P and Dow Jones Industrial Average and growth edged out value by almost 2%. Small and mid-caps performed positively for the week. Real estate was this week's laggard, returning only a fraction.

Tuesday's retail sales report from the US Census Bureau stood out this week. After falling a record 16.4% in April, retail sales bounced back a record 17.7% in May, as the US economy continued to open back up. This follows recent improvements we've seen in services, manufacturing, and consumer confidence.

“Yes, the recent data is showing some huge jumps, but remember in many cases these bounces are coming off of some huge jumps, but remember in many cases these bounces are coming off of some of the lowest levels in history,” explained LPL Financial Senior Market Strategist Ryan Detrick.

One trend worth noting is a large spike in money market mutual funds, as nearly a record \$5 trillion is now in cash, a [topic](#) we explored earlier this week. This is almost double the levels from five years ago and is significantly higher over the past few months.

International Stocks

The **MSCI EAFE and the MSCI Emerging Markets** Indexes mirrored their US counterparts, with both indexes higher for the week. As per last week, the emerging markets outperformed the developed international markets. European markets erased last week’s losses, with the STOXX Europe 600 Index up over 3%.

Markets looked past a recent spike in COVID-19 cases in Beijing. This has led the city to cancel flights, close schools and block off neighborhoods. Moreover, increasing cases in China have raised concerns about a swift recovery in the global economy.

Fixed Income and Commodities

It was a choppy week in bond markets, although credit-sensitive sectors of the market continue to outperform as the broader market continues to stabilize. High-yield credit spreads continued their decline from March. Investors still remained focused the country’s efforts to reopen the economy as several states are seeing a record increase in new COVID-19 cases.

The July contracts for WTI crude rebounded from last week, up over 9%. Gold was up a fraction this week, with the commodity up over 13% for the year. Even with concerns about the US dollar amid policy efforts, the dollar continues to hold steady against the euro.

Looking Ahead

Economic data for next week begins with existing single family home sales Monday along with the Chicago Fed Index. On Tuesday, we get data on new home sales along with the Purchasing Managers’ Index. Housing data is on tap as well, with existing home sales and new home sales set to report.

Thursday is all about durable orders and wholesale inventories, first quarter Gross Domestic Product (GDP), third revision, along with jobless claims. Given companies are returning to work, we would not be surprised to see a sharp increase in orders. To cap off the week, we get data on personal spending and income, along with Michigan consumer sentiment on Friday.

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