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## Weekly Market Performance – September 25, 2020: The Roller Coaster Continues

*Posted by [lplresearch](#)*

### Market Blog

#### Index Performance

S&P 500 Index: -0.6%

Dow Jones Industrial Average: -1.8%

Nasdaq Composite: 1.1%

### US and International Equities

The S&P 500 Index moved higher three days this week, but a 2.4% loss Wednesday pushed this index to its first four-week losing streak since August 2019. Energy, last week's top performer, gave back over 9% this week and was this week's worst-performing sector.

Technology, the month's worst-performing sector coming into the week, led with a nearly 1% gain as growth outperformed value. Mid and small caps also lost ground this week.

International equities were also broadly lower, with both the MSCI EAFE and MSCI EM indexes losing approximately 4%.

### Fixed Income, Currencies, and Commodities

There was a modest "risk-off" tone in bond markets this week as Treasuries were the lone advancer, while spread sectors such as high-yield and emerging market debt came under pressure amid further

volatility in equity markets. While credit spreads had remained relatively stable as stocks fell in early September, this week's volatility pushed high-yield credit spreads to their widest level since July.

Commodities were broadly lower as the US dollar posted its largest weekly gain since early April. Gold and silver prices declined with silver down over 10%. Copper ended the week firmly in the red as well, while crude oil prices fell modestly

## **US and International Economic Data Recap**

Filings for initial jobless claims came in higher than expected at 870,000 for the week ending September 19. This was essentially flat week over week (source: US Department of Labor). Continuing claims disappointed, dropping approximately 170,000 to 12.6 million (week ending September 12) and missing Bloomberg's consensus forecast of 12.3 million. The job recovery has stalled a bit and headwinds remain.

"The recent trends in employment show how difficult it will be for jobs to come back if we can't open up the full economy," explained LPL Financial Chief Market Strategist Ryan Detrick. "But the glass isn't half empty, as continued solid gains in manufacturing and services suggested the economic recovery is still on firm footing."

COVID-19 cases in Western Europe are rising at a troubling pace. When we compare COVID-19 case trends in Europe to the United States, we see two very different pictures. The risk that further containment efforts may be a drag on growth in European economies could hinder a European economic recovery and may affect the US economic recovery as well. We discuss this in detail in [COVID-19 Trends Weaken the Case for Investing in Europe](#).

## **Looking Ahead**

Next week, the following economic data is slated to be released:

- On Tuesday, we get August wholesale inventories, September consumer confidence, and July S&P/Case-Shiller Home Price Index.
- On Wednesday, we get final numbers on second quarter gross domestic product (GDP) along with August pending home sales.
- Thursday provides investors with another anticipated weekly initial unemployment claims report. Other data includes Personal

Consumption Expenditures and Income and Construction Spending for August, and September's Institute for Supply Management (ISM) manufacturing report.

- Friday wraps up the week with the September jobs report and Michigan Consumer Sentiment, August durable orders, and September's unemployment report.

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For a list of descriptions of the indexes referenced in this publication, please visit our website at [lplresearch.com/definitions](http://lplresearch.com/definitions).

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