

In this week's recap: U.S. jobs report and a surging market build optimism for global economic recovery.

Weekly Economic Update

Presented by Pat Baxter, Investment Advisor Representative, June 8, 2020

THE WEEK ON WALL STREET

A positive jobs report sent stocks soaring last Friday, capping a solid week as evidence of a global economic recovery outweighed concerns over civil unrest and tensions with China.

The Dow Jones Industrial Average jumped 6.81%, while the Standard & Poor's 500 advanced 4.91%. The tech-heavy Nasdaq Composite Index lagged, climbing 3.42%. The MSCI EAFE Index, which tracks developed stock markets overseas, gained 5.52%.^{1,2,3}

STOCKS MARCH HIGHER

Despite multiple headwinds, stocks rode a wave of optimism over economic recovery and were encouraged by signs that a feared spike in COVID-19 had not occurred.

Firming oil prices and positive global manufacturing data helped boost stocks during the week. The market continued to be led by industry sectors that were most battered in the March decline, as price advances slowed in growth-oriented stocks, primarily technology names.

After a pause on Thursday, stocks surged on Friday when a jobs report surprisingly showed 2.5 million new jobs in May, with the unemployment rate falling to 13.3%. Wall Street expected a jobs decline of over 8 million and an unemployment rate of 19.5%.^{4,5}

A WALL OF WORRY

While the markets continued to move higher last week, many investors are concerned that the recovery may be hindered by simmering tensions with China and the civil unrest that erupted last week.

China has been a longstanding source of market worry, but the civil unrest introduces a new challenge. For now, the market appears to have shrugged off these concerns.

FINAL THOUGHT

This past Wednesday marked the best 50-day gain for the S&P 500 in the index's history. During a period that approximates the lifespan of a mosquito, stock market sentiment has swung from near-absolute despair in late March to positively bullish.⁶

Often, the most impactful lessons in life tend to be those most recently learned. If the last three months have offered investors any lesson, it may be that trying to time the market is a challenging proposition.

TIP OF THE WEEK



Exercise is not only wise, but it may also prove economical. In the long run, just keeping fit may save you thousands of dollars (or more) in medical bills, which an unhealthy person might incur.

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: Consumer Price Index (CPI). Federal Open Market Committee (FOMC) Meeting Announcement. Federal Reserve Chair Press Conference.

Thursday: Jobless Claims.

Source: Econoday, June 5, 2020

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Coupa Software (COUP).

Tuesday: Chewy (CHWY).

Thursday: Lululemon (LULU).

Source: Source: Zacks, June 5, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

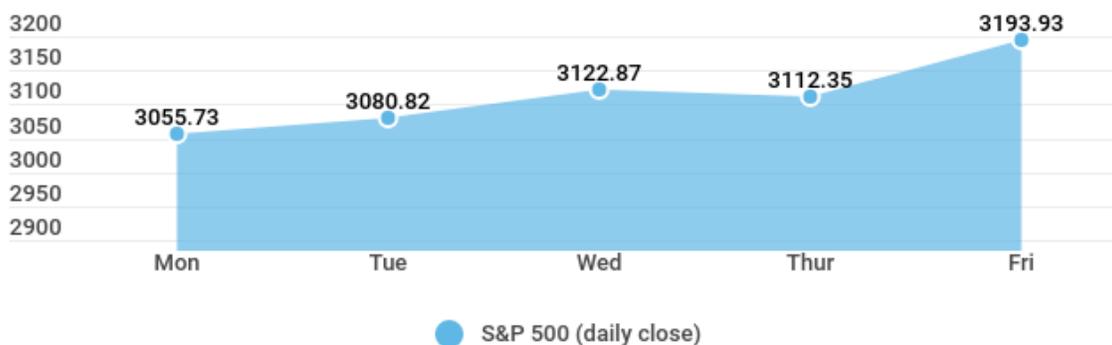
QUOTE OF THE WEEK



“Life is 10% of what happens to me and 90% of how I react to it.”

JOHN MAXWELL

Market Index	Close	Week	Y-T-D
DJIA	27,110.98	+6.81%	-5.00%
NASDAQ	9,814.08	+3.42%	+9.38%
MSCI-EAFE	1,820.35	+5.52%	-10.63%
S&P 500	3,193.93	+4.91%	-1.14%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.91%	+0.26%	-1.01%

Sources: The Wall Street Journal, June 5, 2020; Treasury.gov, June 5, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, May 29 to the Friday, June 5 close. Weekly performance for the MSCI-EAFE is measured from the Friday, May 29 open to the Thursday June 4 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.



What is the timepiece with the most moving parts? (It's been around for centuries.)

LAST WEEK'S RIDDLE: Can you name two English words (longer than two letters) that both begin and end with the letters "he" (in that order)?

ANSWER: Headache and Heartache.

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Know someone who could use information like this? Please feel free to send us their contact information via phone or email. (Don't worry –we'll request their permission before adding them to our mailing list.)

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CITATIONS:

- 1 – The Wall Street Journal, June 5, 2020
- 2 – The Wall Street Journal, June 5, 2020
- 3 – The Wall Street Journal, June 5, 2020
- 4 – CNBC, June 5, 2020
- 5 – CNBC, June 5, 2020
- 6 – The Wall Street Journal, June 4, 2020

CHART CITATIONS:

- The Wall Street Journal, June 5, 2020
The Wall Street Journal, June 5, 2020
Treasury.gov, June 5, 2020

