

Market Week: January 27, 2020



The Markets (as of market close January 24, 2020)

Last week proved to be a tough one for the market as each of the benchmark indexes listed here lost value. Concern over the possible spread of the coronavirus from China apparently provided the impetus for investors to pull away from stocks. Long-term bond prices soared, pushing yields 15 basis points lower. The price of gold also climbed after falling the week prior. The small caps of the Russell 2000 were hit the hardest, down over 2.0% for the week, which pushed that index below its 2019 closing value. The Global Dow, Dow, and S&P 500 each lost more than 1.0%, while the tech-heavy Nasdaq dropped over three-quarters of a percent.

Oil prices plummeted last week, closing at \$54.21 per barrel by late Friday afternoon, down from the prior week's price of \$58.73. The price of gold (COMEX) jumped higher last week, closing at \$1,570.70 by late Friday afternoon, up from the prior week's price of \$1,556.80. The national average retail regular gasoline price was \$2.537 per gallon on January 20, 2020, \$0.033 lower than the prior week's price but \$0.286 more than a year ago.

Market/Index	2019 Close	Prior Week	As of 1/24	Weekly Change	YTD Change
DJIA	28538.44	29348.10	28989.73	-1.22%	1.58%
Nasdaq	8972.60	9388.94	9314.91	-0.79%	3.82%
S&P 500	3230.78	3329.62	3295.47	-1.03%	2.00%
Russell 2000	1668.47	1699.64	1662.23	-2.20%	-0.37%
Global Dow	3251.24	3299.82	3254.21	-1.38%	0.09%
Fed. Funds target rate	1.50%-1.75%	1.50%-1.75%	1.50%-1.75%	0 bps	0 bps
10-year Treasuries	1.91%	1.83%	1.68%	-15 bps	-23 bps

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- After falling in November, sales of existing homes advanced in December, climbing 3.6% ahead of November's totals. Existing home sales finished 2019 at about the same level as in 2018. The median sales price for all housing types in December was \$274,500, 7.8% above the December 2018 median sales price (\$254,700). Unsold inventory sits at a 3.0-month supply at the current sales pace, down from the 3.7-month figure recorded in November. Sales of existing single-family homes in December were 2.7% greater than sales in November and 10.6% ahead of December 2018. The median sales price for existing single-family homes was \$276,900 in December, up 8.0% from the previous December.
- For the week ended January 18, there were 211,000 claims for unemployment insurance, an increase of 6,000 from the previous week's level, which was revised up by 1,000. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended

Key Dates/Data Releases**1/27: New home sales****1/28: Durable goods orders****1/29: International trade in goods, FOMC statement****1/30: GDP****1/31: Personal income and outlays**

January 11. The advance number of those receiving unemployment insurance benefits during the week ended January 11 was 1,731,000, a decrease of 37,000 from the prior week's level, which was revised up by 1,000.

Eye on the Week Ahead

The last week of the month offers several important economic reports for December. Sales of new single-family homes have surged during the fourth quarter. November's sales figures were robust and well ahead of the pace set in November 2018. Indicative of a waning manufacturing sector, new orders for durable goods were 1.3% lower through November 2019 compared to the previous year. December's totals may provide a boost to that downward trend. The Federal Open Market Committee meets for the first time in 2020. Interest rates are not expected to be adjusted at this time. The first report on the gross domestic product for the fourth quarter is out this week. The third-quarter GDP advanced at an annualized rate of 2.1%.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indices listed are unmanaged and are not available for direct investment.

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