

# Market Week: December 30, 2019



## The Markets (as of market close December 27, 2019)

The holiday spirit, coupled with renewed optimism on the trade front, helped propel stocks higher last week. The tech-heavy Nasdaq outperformed the other benchmark indexes listed here, crossing the 9000 plateau for the first time ever. News that the signing of the Phase One trade agreement between the United States and China is imminent helped boost investors' spirits during the holiday-shortened week. However, details of the agreement are sketchy and, according to Chinese officials, won't be released until after the actual signing. Oil stocks rose last week as did retail stocks, pushing the large caps of the S&P 500 and Dow higher. Only the small-cap Russell 2000 lagged behind the other indexes, closing last week in the red.

Oil prices rose again last week, closing at \$61.72 per barrel by late Friday afternoon, up from the prior week's price of \$60.34. The price of gold (COMEX) climbed higher last week, closing at \$1,515.60 by late Friday afternoon, up from the prior week's price of \$1,481.70. The national average retail regular gasoline price was \$2.532 per gallon on December 23, 2019, \$0.004 less than the prior week's price but \$0.211 more than a year ago.

Market/Index	2018 Close	Prior Week	As of 12/27	Weekly Change	YTD Change
<b>DJIA</b>	23327.46	28455.09	28645.26	0.67%	22.80%
<b>Nasdaq</b>	6635.28	8924.96	9006.62	0.91%	35.74%
<b>S&amp;P 500</b>	2506.85	3221.22	3240.02	0.58%	29.25%
<b>Russell 2000</b>	1348.56	1671.90	1669.03	-0.17%	23.76%
<b>Global Dow</b>	2736.74	3248.06	3265.24	0.53%	19.31%
<b>Fed. Funds target rate</b>	2.25%-2.50%	1.50%-1.75%	1.50%-1.75%	0 bps	-75 bps
<b>10-year Treasuries</b>	2.68%	1.91%	1.87%	-4 bps	-81 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

- November's report on durable goods was not encouraging for manufacturing. New orders for durable (long-lasting) goods fell 2.0% in November from the previous month. The decrease, down two of the last three months, followed October's 0.2% increase. Excluding transportation, new orders were virtually unchanged. Excluding defense, new orders increased 0.8%. Transportation equipment, also down two of the last three months, led the decrease, falling 5.9%. Shipments of durable goods in November, up following four consecutive monthly decreases, increased 0.1%. Nondefense new orders for capital goods in November decreased 1.8%.
- New home sales ticked higher in November, up 1.3% from their October totals. Sales of new homes are 16.9% ahead of their 2018 pace. The median sales price of new houses sold in November 2019 was \$330,800. The average sales price was \$388,200. The estimate of new houses for sale at the end of

## Key Dates/Data Releases

12/30: International trade in goods

1/2: Markit PMI

1/3: ISM PMI

November was 323,000. This represents a supply of 5.4 months at the current sales rate.

- For the week ended December 21, there were 222,000 claims for unemployment insurance, a decrease of 13,000 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 December 14. The advance number of those receiving unemployment insurance benefits during the week ended December 14 was 1,719,000, a decrease of 6,000 from the prior week's level, which was revised up by 3,000.

## Eye on the Week Ahead

The first week of the new year kicks off with purchasing managers' assessment of December's manufacturing sector. Also, the December figures on international trade in goods is out this week. The goods trade deficit was \$66.5 billion in November.

*Data sources: 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. Market data: 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). 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. Market indices listed are unmanaged and are not available for direct investment.*

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