



Stocks were mixed last week as worries that stretched from Washington D.C., where prospects of a new fiscal stimulus bill dimmed, to Europe, which saw an increase of new COVID-19 cases.

The Dow Jones Industrial Average declined 1.75%, while the Standard & Poor's 500 fell 0.63%. The Nasdaq Composite index gained 1.11% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, slumped 4.20%.^{1,2,3}

Market Index	Close	Week	Y-T-D
DJIA	27,173.96	-1.75%	-4.78%
NASDAQ	10,913.56	+1.11%	+21.63%
MSCI-EAFE	1,830.90	-4.20%	-10.12%
S&P 500	3,298.46	-0.63%	+2.09%



Treasury	Close	Week	Y-T-D
10-Year Note	0.66%	-0.04%	-1.26%

Sources: The Wall Street Journal, September 25, 2020; Treasury.gov, September 25, 2020
Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite index is measured from the close of trading on Friday, September 18, to Friday, September 25, close. Weekly performance for the MSCI-EAFE is measured from Friday, September 18, open to the Thursday, September 24, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Late Friday Rally Pares Losses

Dwindling chances of a federal fiscal stimulus, pre-election jitters, and worries over a second wave of coronavirus infections in Europe weighed heavily on investors.

The weakness in technology persisted. The Department of Justice proposal to curb legal protections for internet companies and require them to take greater responsibility for the content on their sites adding to that sector's woes.⁴

Energy stocks were also hit hard on concerns of a slowdown in economic growth hurting oil demand.

The week wasn't entirely absent of good news. Investors focused on reports of new progress in developing a vaccine and the passage in the House of Representatives of a bipartisan continuing resolution bill to fund the government through December 11th.⁵

Absent any apparent catalyst, stocks rallied in the final days of the week, cutting losses on major indices and powering the Nasdaq Composite to a weekly gain.

Fiscal Stimulus on Life Support

Market hopes for an additional fiscal stimulus bill, which were already fading, suffered another setback as events in Washington, D.C., appeared to make it more unlikely that lawmakers and the president could come together to fashion a compromise spending bill.

Many economists and market observers, along with Federal Reserve Chairman Jerome Powell, believe that further spending may be needed to maintain the momentum of the current economic recovery.

THIS WEEK: KEY ECONOMIC DATA

Tuesday: Consumer Confidence Index.

Wednesday: ADP (Automated Data Processing) Report. Gross Domestic Product (GDP).

Thursday: Jobless Claims.

Friday: Employment Situation. Factory Orders.

Source: Econoday, September 25, 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.

THIS WEEK: COMPANIES REPORTING EARNINGS

Tuesday: Micron Technologies (MU), McCormick (MKC)

Thursday: Constellation Brands (STZ), PepsiCo (PEP), Conagra Brands (CAG)

Source: Zacks, September 25, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. 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.

1. The Wall Street Journal, September 25, 2020

2. The Wall Street Journal, September 25, 2020

3. The Wall Street Journal, September 25, 2020

4. The Wall Street Journal September 23, 2020

5. CNN.com, September 22, 2020

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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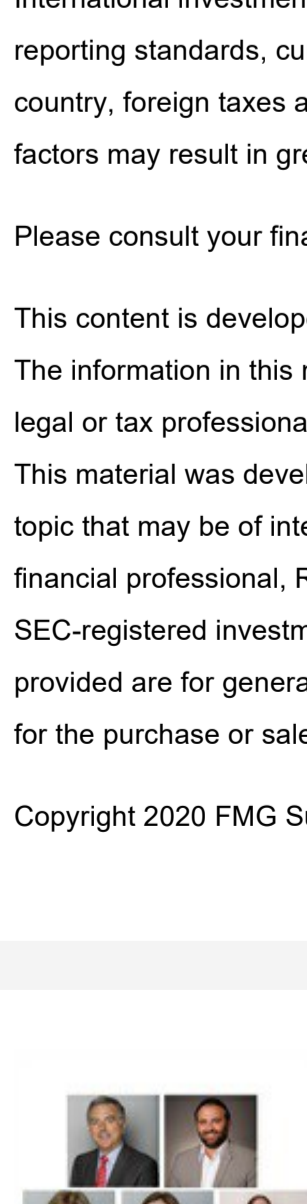
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Loyola Asset Management
info@loyola-asset.com
 (305) 377-1941
 Loyola Asset Management
<http://www.loyola-asset.com/>