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Market Update: Fri, Mar 27, 2020 | LPL Financial Research

Posted by lplresearch

DAILY INSIGHTS

Markets giving up some gains into the weekend. Following the historic run over the past three days, US equities are lower in early trading Friday. The United States now has more confirmed cases of COVID-19 than China, though far fewer deaths. The stimulus package is expected to pass through the House of Representatives today before heading to the White House for President Trump's signature, though if any lawmaker objects to the special "voice vote," a delay remains a possibility.

Will investors take weaker economic news in stride? Earlier this week, the IHS Markit Flash U.S. PMI Composite™ for March 2020 reached an all-time series low, with manufacturing and services being hindered by COVID-19 and social distancing. In our Road to Recovery Playbook, we have a factor that emphasizes whether or not there is visibility into the probability and severity of a US recession. We believe this particular economic release certainly points toward recession, but importantly, we believe that was already the expectation of most investors. In fact, on the day of this economic release, the S&P 500 Index rallied nearly 10% as investors increasingly believed Congress would pass a massive fiscal stimulus package. For more details read today's LPL Research blog.

A bull market? The Dow gained more than 20% from the recent lows in a record three days. Many in the media have dubbed this a new bull market. At this time, the market is in the process of forming a bottom, but we'd be very careful to call this a new bull market as large bounces tend to happen, even in bear markets.

Could yields actually rise after the Fed's bazooka? With the major stock market indexes all entering a bear market this month, it's no surprise that stocks have stolen most of the spotlight. However, actions taken by the Federal Reserve (Fed) to support what may be considered the safest part of

the bond market, US Treasuries, may actually have more lasting implications for investors' portfolios. We look at where Treasury yields might be headed following unprecedented moves by the Fed over the past week in today's LPL Research blog.

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