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| **RESOURCE LOG – September 2020** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Stocks Log Five Straight Months Of Gains  *S&P 500 had its best August since 1986; low rates and stimulus spur market rebound* | The benchmark S&P 500 index advanced 7% for the month – its best August since 1986…  The S&P 500 has surged 35% over that period its largest five-month percentage gain since 1938.  The Dow Jones Industrial Average and the technology-heavy Nasdaq Composite posted respective monthly gains of 7.6% and 9.6%, their best performances since April. The Dow is still 3.8% below February’s record and is off 0.4% for the year… | The Wall Street Journal | 09/01/2020 | Alexander Osipovich and Anna Isaac |
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| Fuel Rebound Loses Steam | A swift recovery in fuel consumption by U.S. drivers is petering out, posing new challenges to the oil market, economy and global energy industry.  The trend is a threat to the economy because people tend to spend more money when they are moving around and engaging with businesses. | The Wall Street Journal | 09/02/2020 | Amrith Ramkumar |
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| What’s News | ♦ the S&P 500 and Nasdaq climbed to fresh highs, gaining 0.8% and 1.4%, respectively, while the Dow advanced 0.8%. | The Wall Street Journal | 09/02/2020 |  |
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| U.S. Watch  Fed’s Brainard Says Stimulus Still Needed | A top Federal Reserve official said the economy faces substantial risks, including the premature withdrawal of government spending to support growth, and would require continued stimulus from the central bank.  The risk of permanent layoffs and business bankruptcies will rise the longer uncertainty related to the coronavirus pandemic remains high, said Fed governor Lael Brainard in a speech Tuesday.  The changes are designed to shift expectations by signaling that interest rates will remain lower for longer than they would in prior business cycles. | The Wall Street Journal | 09/02/2020 | Nick Timiraos |
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| Recovering Dollar Reduces Demand For Gold and Silver  *Gold has wobbled since hitting a record near $2,070 early last month.* | A rebound in the dollar drove a slide in gold and silver prices Wednesday, highlighting a risk to this year’s booming rally in precious metals.  Most actively traded fold futures for December delivery slid 1.7% to $1,944.70 a troy ounce…  The haven metals are among the market’s best-performing assets in 2020, lifted by the economic uncertainty caused by the coronavirus and the historic monetary support from global central banks in response to the pandemic. | The Wall Street Journal | 09/03/2020 | Amrith Ramkumar |
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| U.S. Debt Hits Postwar Record | U.S. debt has reached its highest level compared to the size of the economy since World War II…  The Congressional Budget Office said Wednesday that federal debt held by the public is projected to reach or exceed 100% of U.S. gross domestic product, the broadest measure of U.S. economic output, in the fiscal year that begins on Oct. 1. That would put the U.S. in the company of a handful of nations with debt loads that exceed their economies, including Japan, Italy and Greece. This year the ratio is expected to be 98%, also the highest since World War II.  Moreover, interest rates are expected to remain low, suggesting the government still has plenty of room to borrow.  The yield on the benchmark 10-year U.S. Treasury fell Wednesday to 0.643%, from 0.672%. Yields fall as prices rise. | The Wall Street Journal | 09/03/2020 | Kate Davidson |
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| Dow Closes Above 29000 in Broad Rally | The gains Wednesday were widespread, with 10 of the 11 S&P 500 sectors and 28 of the 30 stocks in the Dow industrial in the green.  The Dow industrials climbed 454.84 points, or 1.6% to 29100.50…  The Tech-heavy Nasdaq Composite rose 116.78 points, or 1%, to 12056.44, its 43rd record close of the year.  Meanwhile, cautious optimism about central banks’ stimulus measures – alongside hopes for a coronavirus vaccine – continue to help drive a rally in stocks. Signals from central banks that interest rates will stay low for a protracted period, and the cash that has already been pumped into financial markets and into consumers’ hands, have fed investors’ appetite for riskier assets such as equities. | The Wall Street Journal | 09/03/2020 | Anna Isaac and Karen Langley |
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| What’s News | ♦ Chicago Fed chief Evans said the U.S. economy needs continued support from government and that he is worried elected officials are fighting too much to deliver it. | The Wall Street Journal | 09/04/2020 |  |
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| What’s News | ♦ The number of people seeking and receiving state jobless benefits fell at the end of August, signs of a slow improvement in a U.S. labor market still deeply damaged by the pandemic. | The Wall Street Journal | 09/04/2020 |  |
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| Wall Street Reaps a Windfall In Fees as the Economy Slows | The surge is being driven by two factors: huge need for cash from pandemic-hit companies and the Federal Reserve flooding the system with money, which props up market prices and nudges investors into its riskier corners. The result is a borrowing boom that has pulled companies back from the ledge and lifted Wall Street’s fortunes.  “The Fed created a bubble where life could go on – not unlike the NBA bubble,” said Yousef Abbasi, a strategist at investment bank StoneX Group Inc.,… | The Wall Street Journal | 09/04/2020 |  |
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| Tech Selloff Drags Markets Down  *S&P declines 3.5% as once-highflying stocks pull back; Apple drop in market cap sets record* | U.S. stocks fell sharply Thursday in their worst showing since June, driven by a broad decline in many of the technology companies that have led the market higher in recent months.  The tech-heavy Nasdaq Composite dropped nearly 5% to 11458, its biggest one-day percentage decline since June 11…  The Dow Jones Industrial Average fell 808 points, or 2.8%, to 28293,…  Apple Inc. lost 8%, a drop mitigated by its August stock split. | The Wall Street Journal | 09/04/2020 | Caitlin Ostroff and Juliet Chung |
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| European Borrowing Rates Drop to Low | The subzero rates essentially mean that banks and other financial institutions are offering to pay rivals to take money off their hands, albeit for a short period.  The recent decline in borrowing costs is a result of the European Central Bank’s massive monetary stimulus program, which includes generous loans made to the region’s banks to bolster the flow of money to businesses and households. | The Wall Street Journal | 09/04/2020 | Anna Hirtenstein |
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| Stocks End Lower After Wild Session  *The Dow swung 875 points from high to low* | U.S. stocks swung wildly Friday and ended the session modestly lower, capping a turbulent two-day stretch of trading that snapped five-week winning streaks for the S&P 500 and Nasdaq composite.  The indexes were battered by another round of selling in the morning, with tech stocks taking the brunt of the pain for a second consecutive day.  Apple, the biggest company in the U.S. by market value, was among the stocks investors favored, helping to yank major benchmarks up from their lows. The tech giant notched a small gain after falling as much as 8.3% earlier in the session.  The S&P 500 finished the day down 28.10 points, or 0.8%, to 3426.96, while the Nasdaq Composite declined 144.97 points, or 1.3%, to 11313.13.  The Dow Jones Industrial Average opened higher, then swung 875 points from its high to its low and rebounded to end the day down 159.42 points, or 0.6%, at 28133.31.  The action underscored investors’ ongoing bet that tech stocks remain a clear winner of the coronavirus pandemic.  The benchmarks finished the week in the red, halting a multi-week advance for the S&P 500 and the Nasdaq.  Despite the recent declines, all three indexes remain up more than 50% from the lows of March… | The Wall Street Journal | 09/05-06/2020 | Michael Wursthorn and Joe Wallace |
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| Jobs Market Recovery Slows Pace  *Unemployment rate fell to 8.4% in August, but hiring gains cool as virus persists* | Employers added 1.4 million jobs last month, helping push down the unemployment rate to 8.4% from 10.2% in July, Friday’s Labor Department report said. The jobless rate’s decline – it has dropped from near 15% in April at the beginning of the pandemic – put it below the peak from the 2007-2009 recession.  That puts unemployment in line with that in past major recessions, though it is significantly higher than pre-pandemic levels. The jobless rate stood at 3.5% in February…  The economy continues to face uncertainty with an average of 36,000 new Covid-19 cases a day… | The Wall Street Journal | 09/05-06/2020 | Sarah Chaney |
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| Sharp Tech Pullback Unnerves Investors in Highflying Stocks | The Nasdaq composite slid more than 6% over two days last week after hitting a fresh high, led by Thursday’s record one-day decline in market value at Apple Inc., the most-valuable U.S.-listed company. Selling intensified Friday, at one point pushing the index down almost 10% from it’s record and spreading to markets including crude oil and gold before a broad reversal narrowed losses in some stocks and sent others back into more familiar, green territory.  Even so, the scale of the gains among major technology shares this year, the resulting rich valuations and the gob-smacking market capitalizations of many of these firms raise the possibility of large share-price drawdowns this fall.  The Nasdaq Composite is up 26% for the year. | The Wall Street Journal | 09/08/2020 | Amrith Ramkumar |
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| Monthly Monitor – U.S.-Stock Funds Rose 5.5% in August | Fund investors continued to be rewarded in August by a defiant stock market.  The average U.S.-stock fund posted a total return of 5.5% in August, according to Refinitiv Lipper data, to push them into the black for the year to date, at 3.6%. International-stock funds were up 4.7%, but are down 1% so far this year. | The Wall Street Journal | 09/08/2020 | Willian Power |
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| A Week kin the Life of the DJIA | A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index The DJIA lost 520.56 points, or 1.82%, on the week. A $1 change in the price of any DJIA stock = 6.58-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $30,340, or a gain of 1.13%, on the $30,000 investment, including reinvested dividends. | The Wall Street Journal | 09/08/2020 | Markets Digest |
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| Tech Stock Index Falls 4.1%  *Nasdaq drops into correction; oil prices slump to lowest level in nearly three months* | Big technology stocks fell Tuesday for the third consecutive trading session, sparked by growing concerns that some of the stocks seen as beneficiaries of the coronavirus pandemic have climbed too far too quickly.  The losses pulled the Nasdaq Composite Index into correction territory – a drop of at least 10% from a recent high – just three sessions after setting a record-high close on Wednesday. That is the fastest-ever such fall.  The index slumped 465.44 points, or 4.1%, to 10847.69 and extended its losses over the past three sessions to 10.03%.  In addition to the tech sector, energy stocks took a beating as oil prices extended their drop on concerns demand is slumping amid a still uneven economic recovery.  Brent crude, the global oil benchmark, fell 5.3% to $39.78 a barrel…  Among the biggest tech decliners were shares of Apple Inc., Amazon. Com Inc., Facebook Inc. and Zoom Video Communications Inc., all of which fell more than 4%. | The Wall Street Journal | 09/09/2020 | David Benoit and Anna hirtenstein |
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| Treasurys Notch Biggest Gains Since August | The yield on the benchmark 10-year Treasury notched its largest single-day decline in a month after a steep fall in technology stocks pushed investors to the safety of government bonds.  The yield on the benchmark 10-year note closed at 0.682%, …  The yield on the 30-year bond also slid, settling at 1.421%...  Declines in riskier assets including stocks tend to increase the appeal of relatively safe assets such as Treasury notes and the U.S. dollar. | The Wall Street Journal | 09/09/2020 | Orla McCaffrey |
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| What’s News | ♦ U.S. stocks rebounded after a three-session selloff in shares of tech highfliers, with the Nasdaq, S&P 500 and Dow gaining 2.7%, 2% and 1.6%, respectively. | The Wall Street Journal | 09/10/2020 |  |
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| What’s News | ♦ The number of people seeking and collecting jobless benefits has remained at historically high levels in recent weeks, a sign the labor-market recovery is losing steam. | The Wall Street Journal | 09/11/2020 |  |
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| Fed Officials Debate How to Implement New Policy Strategy | Central-bank officials are likely at coming meetings to provide more specific guidance about what conditions would justify continued low interest rates, according to public speeches and interviews.  They could also clarify that their purchases of Treasury and mortgage-backed securities, initiated in March with the stated goal of repairing market functioning, are being maintained now to support a faster economic recovery.  With rates pinned near zero, one way officials believe they can provide more stimulus is to fortify expectations around how long short-term rates will remain low – for instance, by spelling out the inflation and labor-market conditions that would warrant keeping rates near zero. | The Wall Street Journal | 09/11/2020 | Nick Timiraos |
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| Tech Stocks Lead S&P, Nasdaq Lower | Losses by big technology companies led stocks lower, pausing Wednesday’s rebound after a recent technology-led selloff.  The Tech-heavy Nasdaq Composite Index dropped 2% and the S&P 500 fell 1.8%, marking the first time since March that both indexes have fallen for the fourth time in five days. The Dow Jones Industrial Average closed down 1.5%, or 405.89 points.  The FAANG stocks, made up of Facebook, Apple, Amazon.com, Netflix and Google parent Alphabet, lost their early gains and then some.  The recent selloff was accompanied by a retreat from other riskier assets, raising questions among some investors about the foundation of the market recovery.  Despite recent moves lower, the Nasdaq has gained nearly 22% this year.  In the bond market, the yield on the 10-year Treasury ticked down to 0.684% from 0.702%, on Wednesday. Bond yields and prices move in opposite directions. | The Wall Street Journal | 09/11/2020 | Caitlin Ostroff and Juliet Chung |
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| ECB Leader’s Optimism On Economy Boosts Euro | European Central Bank President Christine Lagarde sounded an optimistic note on the eurozone’s economy and played down concerns over the recent strength of the euro, sparking a rally in the currency and stirring questions as to whether the bank will provide a fresh round of stimulus to support the region’s stuttering recovery.  However, some analysts warned that the ECB might be too sanguine as Covid-19 cases are surging across the continent and eurozone inflation has fallen below zero.  Some analysts had expected Ms. Lagarde to hint at a fresh burst of stimulus soon amid signs the region’s recovery is losing steam, especially after Federal Reserve Chairman Jerome Powell signaled in August that the U.S. central bank will keep interest rates low for years, putting pressure on the ECB to follow suit. | The Wall Street Journal | 09/11/2020 | Tom Fairless |
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| Swings In Tech Stocks Roil Markets  *After two weeks of broad retreats some expect volatility to last into the fall* | U.S. stocks capped off a topsy-turvy trading session with a second straight week of declines, continuing a stretch of volatility that many say is a bellwether for the autumn months.  Gyrations in highflying tech stocks have injected volatility into the broader market, a rapid about-face after a summer where U.S. shares marched steadily higher. Shares of Apple, Facebook, Amazon.com, Microsoft and Alphabet fell 4% or more this week, weighing on the broader market.  The S&P 500 and tech-laden Nasdaq Composite have now lost 4.8% and 7.2%, respectively, over the past two weeks, their worst such stretches since March. The Dow Jones Industrial Average has fallen 3.4% over that time frame, its biggest such decline since June. |  | 09/12-13/2020 | Gunjan Banerji and Joe Wallace |
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| What’s News | ♦ The global economy is bouncing back from its spring collapse, but fresh data suggest the early gains from the lifting of lockdowns are already exhausted. | The Wall Street Journal | 09/12-13/2020 |  |
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| Options Trading Spurs Volatility | Investors are trading stock options and chasing fast-rising shares at record rates, activity that is expected to jolt markets through the coming election.  A surge in options trading targeted at giant tech stocks by both small and large investors is magnifying the market’s ups and downs.  The volume of trading in single stock options recently topped the volume of regular shares for t he first time, according to a Goldman Sachs analysis….  Options traders tend to thrive on market volatility, which roared back at the start of September.  Small investors bought call options with about $500 billion of notional value in August, said Benn Eifert, managing partner of $125 million hedge fund QVR Advisors…  “the trading of options over the last six months, particularly by small traders, is quite incredible and off the charts,” said Mr. Eifert, whose firm is active in options markets. | The Wall Street Journal | 09/14/2020 | Gregory Zuckerman and Gunjan Banerji |
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| To See if Tech Will Pop, Look to Past Bubbles | In just seven days, $1 trillion vanished from the value of seven of the big U.S. growth stocks.  In extreme cases, bursting bubbles sometimes trash the entire economy, as with Britain’s 1846 Railway Mania, Japan’s 1989 property-and-equity bubble or the pre-2007 housing-and-structured-debt bubble.  Past bubbles have been followed by a mix of financial disruption, higher household savings and sudden changes to corporate behavior as the stock market shifts its incentives. A continued fall in tech stocks carries some of these risks. | The Wall Street Journal | 09/14/2020 | James Mackintosh |
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| Seeing Trouble, Fed Prods Congress | In normal times, central bankers generally avoid making specific recommendations on hot-button spending, tax and other policy matters handled by elected officials, because they want to preserve their autonomy to manage monetary policy with minimal interference.  These aren’t ordinary times. Fed Chairman Jerome Powell has delicately but resolutely said in recent months he expects Congress will need to do more to compensate for income losses sustained by unemployed workers and revenue holes facing hard-hit businesses and city and state governments because of the coronavirus pandemic.  Officials are uneasy because more than two million Americans have permanently lost their jobs, and these numbers seem likely to increase as vulnerable businesses shut down.  Fed officials are eager for a fiscal booster shot for two reasons. The first reflects the limits of their tools that became apparent well before the pandemic-induced downturn. The second stems from the unique nature of the current shock.  With the Fed unwilling to cut rates below zero, officials are focusing on how to provide more stimulus through “forward guidance” specifying how long they plan to keep rates very low and continue buying Treasury securities and mortgage bonds. | The Wall Street Journal | 09/14/2020 | Nick Timiraos |
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| Bond Yields Encourage Risk Taking | Real Yields are what you get on U.S. government bonds after compensating for inflation, and are typically associated with the yields on Treasury inflation-protected securities, or TIPS. Right now those aren’t just low, they are negative.  At the current rate, if you buy ordinary 10-year Treasury notes, you can expect to lose, on an annualized basis, roughly a dollar after inflation for every $100 you own.  Stocks, Gold, corporate bonds – any alternative that offers the potential for a positive return might seem more attractive than a likely loss.  The Fed’s stance has helped cap Treasury yields, since long-term yields tend to rise and fall in line with what investors think is going to happen to short-term interest rates. But it has also pushed down real yields by giving investors more confidence that the central bank will allow inflation to run hotter than usual once the pandemic has subsided. | The Wall Street Journal | 09/15/2020 | Sam Goldfarb and Pat Minczeski |
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| Stocks Gain, Led by Technology Sector | The S&P 500 rose as shares of big tech stocks recouped some of their recent losses.  Investors this month endured volatile trading sessions as the highflying stocks pulling the market higher suddenly pulled back. But such shares appear to have stabilized in recent days.  The S&P 500 added 17.66 points, or 0.5%, to 3401.20. The tech-heavy Nasdaq Composite climbed 133.67 points, or 1.2%, to 11190.32. The Dow Jones Industrial Average inched up 2.27 points, or less than 0.1%, to 27995.60.  Investors face uncertainty about the spread of the coronavirus, efforts to produce a vaccine, the pace of economic recovery and the outcome of the U.S. elections. | The Wall Street Journal | 09/16/2020 | Karen Langley and Anna Hirtenstein |
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|  | **DJIA** 27995.60 ▲ 2.27 0.01%  **NASDAQ**  11190.32 ▲ 1.2%  **10-YR. TREAS**. ▼ 3/32, yield 0.678%  **OIL** $38.28 ▲ $1.02  **GOLD** $1,956.30 ▲ $3.20 | The Wall Street Journal | 09/16/2020 |  |
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| What’s News | ♦ China’s economic recovery accelerated in August, with retail sales returning to pre-coronavirus levels by showing their first month of growth this year. | The Wall Street Journal | 09/16/2020 |  |
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| What’s News | ♦ The WTO determined that some U.S. tariffs against China broker international trading rules. | The Wall Street Journal | 09/16/2020 |  |
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| What’s News | ♦ The S&P 500 and Nasdaq rose 0.5% and 1.2%, respectively, while the Dow inched up 2.27 points. | The Wall Street Journal | 09/16/2020 |  |
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| How Stocks Defied The Pandemic | The Dow Jones Industrial Average’s wild round trip is nearly complete.  The venerable stock index, despite a recent hiccup, has nearly recovered all the losses suffered during the coronavirus pandemic, an epic journey during one of the most catastrophic economic collapses in U.S. history.  The Dow and the benchmark S&P 500 plunged about 35% within six weeks this spring – the fastest-ever fall from record levels into a bear market – as the economy shut down and the virus spread across the country. Since then, U.S. stocks have been on a winning streak that is unprecedented in the modern era of financial markets.  The Dow is near Feb. 12’s all-time high, while the S&P 500 recently staged its most robust five-month rally in more than 80 years.  The S&P 500’s journey from record high to a bear market – defined as a drop of 20% or more – to a new record took just 126 trading days…  Here’s what’s driving the historic rally:   1. Stimulus from the Fed and Congress 2. Expectations of a strong recovery 3. The dominance of the tech giants 4. The return of individual investors 5. Momentum trading   Data from Société Générale SA as of June show that individual investors tend to prefer stocks that have risen the most over the past three months. | The Wall Street Journal | 09/16/2020 | Gunjan Banerji |
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| Fed Sets Higher Hurdles For Rate Increase | The Federal Reserve pledged to support the economic recovery by setting a higher bar to raise interest rates and by signaling it expected to hold rates near zero for at least three more years.  In new projections released Wednesday after a two-day policy meeting, all 17 officials who participated said they expect to keep rates near zero at least through next year, and 13 projected rates would stay there through 2023.  The Fed’s rate-setting committee also released new guidance specifying it would maintain rates near zero until it sees evidence of a tight labor market and inflation reaches 2% “and is on track to moderately exceed 2% for some time.”  “They set an enormously high bar to raise rates here. That’s the bottom line,” said Roberto Perli, former Fed economists who is now at research firm Cornerstone Macro. | The Wall Street Journal | 09/17/2020 | Nick Timiraos |
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| What’s News | ♦ U.S. consumers increased retail spending in August for the fourth straight month but at a slower pace than earlier in the summer. | The Wall Street Journal | 09/17/2020 |  |
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| Fed Buys Wave of Mortgage Bonds | Much of the demand for mortgage securities comes from the Federal Reserve itself, which said in March it would purchase an essentially unlimited amount of mortgage bonds in an attempt to back-stop the credit markets.  The central bank has been eager to prevent the coronavirus crisis from turning into a financial crisis.  Banks have also increased their mortgage bondholdings. Big banks in particular have been flooded with deposits and needed a place to park them, like the mortgage and municipal-bond markets.  Government-backed mortgage bonds, which make up a majority of the mortgage-bond market, have become particularly appealing in recent months, as investors worry about the volatility of investments like corporate bonds.  If they do, investors are deprived of anticipated monthly payments. Average mortgage rates for a 30-year, fixed mortgage hit2.86% last week, another record low, according to Freddie Mac. | The Wall Street Journal | 09/17/2020 | Orla McCaffrey |
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| What’s News | ♦ Declines in tech shares helped push the S&P 500 down 1.1%, posting a third consecutive week of losses. The Dow and Nasdaq fell 0.9% and 1.1%, respectively. | The Wall Street Journal | 09/19-20/2020 |  |
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| Ultralow Rates Pose Opportunity, Peril | With the Federal Reserve signaling that benchmark, short-term interest rates would likely be held near zero until 2023, many may be reminded of the period following the last recession, when superlow rates lasted for seven years.  Over the previous decade, for example, the yield on safe 10-year U.S. government debt averaged a bout 2.4% according to FactSet; today it is hovering around 0.7%.  Mortgage rates are likely to stay low. The average rate on a 30-year fixed mortgage is 2.87%, near its lowest level in about half a century. | The Wall Street Journal | 09/21/2020 | Julia Carpenter and Bourree Lam |
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| Banks Pile Into Treasury Bonds, Helping to Fund U.S. Borrowing | Surging deposits and declining lending are driving banks to dramatically increase their holdings of U.S. Treasurys, offering significant support to the bond market at a time of massive government borrowing.  Commercial and industrial loans initially spiked as companies drew on their credit facilities, but many have since repaid bank debt and loan-and-leave volume has fallen.  Analysts say the surge in deposits has been driven by several factors, including government stimulus programs and the cautious behavior of many individuals and businesses amid the pandemic. Banks, meanwhile, have been less willing to lend because they are nervous a bout the economic outlook, giving them more cash to invest in assets like Treasurys.  The yield on the benchmark 10-year note settled Friday at 0.694%, down from 1.909% at the end of 2019.  “The bank accumulation of Treasurys has very much helped finance the higher deficit needs of the government,” said Mark Cabana, head of U.S. interest rate strategy at Bank of America. | The Wall Street Journal | 09/21/2020 | Sam Goldfarb and Paul J. Davies |
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| Global Trade Stays Afloat Despite Virus  *Data suggest more rapid recovery than in 2008 financial crisis; china reaps benefits* | When the new coronavirus hit this year, international trade in goods suffered the biggest year-over-year drop since the Great Depression.  Trade remains below pre-pandemic levels. Still, it has snapped back robustly – and had recovered about half of this year’s historic loss by June, according to calculations by the Kiel Institute for the World Economy, a German think tank.  The recovery isn’t being felt evenly everywhere, and trade still faces fierce headwinds, including a possible coronavirus resurgence this fall.  Still, countries where trade has improved, including china, South Korea and Germany, are seeing their economies bounce back better than countries that rely more heavily on services…  China is on track to be the only major economy to grow this year.  Another risk is that major importers like the U.S. could react negatively to the trade recovery and adopt more-protectionist measures as they see countries such as China rebounding.  Many companies, meanwhile, are still rethinking their supply chains, which could alter trade patterns in the longer run. | The Wall Street Journal | 09/21/2020 | Eun-Young Jeong and Tom Fairless |
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| Dow Falls In Step With Oil And Gold | The Dow Jones Industrial Average dropped more than 500 points, falling in tandem with oil and gold prices and sparking worry among some investors of further turbulence ahead.  The simultaneous declines across various asset classes spurred anxiety for some investors and traders who fear a repeat of the market turmoil of March. U.S. oil prices tumbled 4.4%, and gold, a traditional haven, fell 2.6% to its lowest close since late July.  Monday’s losses were broad. Ten of the 11 sectors in the S&P 500 dropped, led by economically sensitive groups like materials and industrials, which both fell 3.4%. the technology sector, which has driven much of the stock market’s remarkable rebound since March, was the only group to finish the day in the green, up 0.8%. | The Wall Street Journal | 09/22/2020 | Ben Eisen and Anna Isaac |
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| Powell Says Relief Allayed Downturn | Federal Reserve Chairman Jerome Powell said the economic response to the coronavirus alleviated the fallout from the pandemic-induced recession but suggested Congress would likely need to spend more money to shore up parts of the economy that continue to struggle.  Mr. Powell said…  The Fed will “do what we can, for as long as it takes, to ensure that the recovery will be as strong as possible, and to limit lasting damage to the economy.”  “the path forward will depend on keeping the virus under control, and on policy actions taken at all levels of government,” he said. | The Wall Street Journal | 08/22/2020 | Nick Timiraos |
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| CBO Cuts Long-Term Growth Projections | The U.S. economy is likely to grow more slowly in coming decades, and the public debt burden will increase more than previously forecast, due in large part to the coronavirus-induced recession, the Congressional Budget Office said. | The Wall Street Journal | 09/22/2020 | Kate Davidson |
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| Oil Market Flies Blind Amid Jolts And Crises | The lack of visibility has contributed to renewed turbulence in the market after prices rose over the summer, buoyed by the return of cars and trucks to the road.  Brent-crude futures, the international energy benchmark, ticked up 0.7% to $41.72 a barrel Tuesday. This year, Brent has moved between a closing high of $68.91 in early January and a low of $19.33 in April. Only twice since 1990 has the price range been wider.  China’s outsize role in the oil market is another factor clouding the outlook.  Imports by the world’s second- largest economy have slowed after a buying spree fueled by the plunge in prices this spring.  Beyond 2020, oil consumption is even harder to gauge because of the transition away from fossil fuels and the pandemic-triggered economic downturn.  Past recessions suggest elevated levels of unemployment will hamper oil sales for several years by reducing the number of miles driven.  It took seven years for U.S. gasoline demand to recover after the 2008-09 financial crisis, Ben Luckock, co-head of oil trading at Trafigura Group, said at an industry event in September. | The Wall Street Journal | 09/23/2020 | Joe Wallace |
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| Mnuchin, Powell Say Lending Eased Pain | The two top U.S. economic officials told lawmakers that emergency loan programs to support the coronavirus-stricken economy were largely working as intended and that more government spending would be needed to sustain the recovery.  Mr. Powell said the economic rebound that began in May had been sustained in part with the $2.2 trillion relief measure Congress approved in March, which included more generous unemployment benefits and grants to small businesses. | The Wall Street Journal | 09/23/2020 | Nick Timiraos and Kate Davidson |
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| What’s News | ♦ The U.S. economy in September continued its steady recovery from the sharp declines in the second quarter as demand and output strengthened, new surveys show. | The Wall Street Journal | 09/24/2020 |  |
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| California Bans Sale of New Gas Cars By 2035 | California Gov. Gavin Newsom signed an order Wednesday that aims to end the sale of new gasoline and diesel-powered passenger cars in the state by 2035.  It is an ambitious attempt to bolster electric vehicles in the largest car market in the U.S….  More than 11% of all light vehicles in the U.S. last year were registered in California, according to HIS Markit.  California is the first state in the nation to commit to such a goal… | The Wall Street Journal | 09/24/2020 | Alejandro Lazo, Russell Gold and Micah Maidenberg |
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| Top Fed Officials Urge More Spending | Federal Reserve officials said the economy was likely to need additional government spending to avoid an uneven and protracted recovery from the coronavirus pandemic.  The recovery would move along faster “if there is support coming both from Congress and from the Fed,” Fed chairman Jerome Powell said Wednesday during the second day of testimony on Capital Hill. “The power of fiscal policy is really unequaled by anything else.” | The Wall Street Journal | 09/24/2020 | Nick Timiraos |
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| Stocks Fall as Stimulus Hopes Ebb  *Increase in virus cases, tech valuations trouble investors; Dow drops over 500 points* | Stocks have whipsawed this week: The S&P 500 briefly neared correction territory Monday, defined as a retreat of 10% from a recent high, only to rebound Tuesday.  Putting pressure on the tech sector, the Justice Department submitted a proposal to Congress to curb longstanding legal protections for internet companies and force them to shoulder more responsibility for managing content on their sites.  “Markets are really changing very rapidly their mind-set,” said Nadège Dufossé, deputy global head of multiasset at Candriam an asset manager based in Luxembourg.  The Federal Reserve’s continued support of the economy should help stocks, but the dwindling chances that lawmakers agree on a new round of economic stimulus before November’s election are weighing on sentiment, Ms. Dufossé added. | The Wall Street Journal | 09/24/2020 | Sam Goldfarb and Joe Wallace |
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| Lawmakers Support Fed’s Inflation Strategy | The Fed’s new strategy represents the biggest change to its operating framework since 2012, when it adopted a 2% inflation target to define the first part of its mandate.  The new policy highlights a deficiency the Fed’s old one confronted in a world with more frequent or extended episodes in which interest rates can’t be lowered once falling to near zero. If the central bank targets 2% inflation and consistently falls short, expectations of future inflation will slide, making it much harder to achieve the target. | The Wall Street Journal | 09/25/2020 | Nick Timiraos and Kate Davidson |
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| Dollar, Lower Inflation Weigh on Gold Prices | Gold is on course for its worst week in six months, as the precious metal has been hit on two sides by a strengthening dollar and falling inflation expectations.  New York gold futures have dropped 5.6% this week to $1,852.00 a troy ounce, their biggest weekly drop since March, when concerns over the coronavirus rolled markets.  The expected path of inflation also drives gold prices in another way. When inflation is expected to be high, government bonds are less attractive to investors as inflation eats away at the bond’s return over time. With expected inflation falling, real bond yields – the return on the bond when accounting for inflation – have risen slightly from their low levels, making them a more attractive safe-haven investment and diminishing the appeal of gold, which doesn’t pay any yield. | The Wall Street Journal | 09/25/2020 | Will Horner |
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| Stocks Rise in Topsy-Turvy Session | The S&P 500 edged higher, avoiding correction territory, as technology stocks recovered some of their recent losses.  The action underscored investors’ lack of conviction in the stock market, suggesting a bumpy ride for major indexes amid a worsening coronavirus pandemic. Worries a bout the economy and an increasingly contentious presidential election.  The S&P 500 closed up 9.67 points, or 0.3%, at 3246.59. the Dow Jones Industrial Average rose 52.31 points, or 0.2%, to 26815.44, while the tech-heavy Nasdaq composite added 39.28 points, or 0.4%, to 10672.27. All three major indexes remain up at least 30% over the past six months. | The Wall Street Journal | 09/25/2020 | Anna Hirtenstein and Michael Wursthorn |
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| Stocks Rebound Following Streak of Declines  *Financial and energy sectors help Dow regain some ground after turbulent month* | The Dow Jones Industrial Average rose more than 400 points Monday, clawing back some lost ground after four consecutive weeks of declines, as investors piled into economically sensitive stocks including those of banks and energy companies.  The day’s gains were broad, with 27 of the 30 stocks in the blue-chip index rising, along with all 11 sectors of the S&P 500. The rally was a welcome relief for investors, who said last week’s selloff was overdone.  The Dow rose 410.10 points, or 1.5%, to 27584.06, paring an early gain of nearly 550 points. The S&P 500 advanced 53.14 points, or 1.6%, to 3351.60, while the technology-heavy Nasdaq Composite climbed 203.96 points, or 1.9% to 11117.53.  The financial and energy sectors, which tend to be sensitive to economic trends, were the best-performing sectors of the S&P 500, both rising 2.3%.  Markets have been turbulent in recent weeks due to investors’ concerns about rising or elevated levels of coronavirus infections, the uneven pace of economic recovery, stalled stimulus talks between Democrats and Republicans in Washington, and continued tensions between the U.S. and China.  Despite the recent volatility, stocks are nearly back where they started the year. The Dow is off 3.3%, and the S&P 500 is up 3.7%. The surge in tech stocks has propelled the Nasdaq up 24%. | The Wall Street Journal | 09/29/2020 | Anna Isaac and Alexander Osipovich |
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| Signs of Recovery Spark Optimism | Consumer confidence surged in September, its biggest increase since April 2003 and reversing two months of declines. It was the index’s highest level since March, when the COVID-19 pandemic thrust the nation’s economy into a recession. | The Wall Street Journal | 09/30/2020 | Source: The Conference Board |
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| U.S. Watch:  Prices Increased 4.8% in July from year Ago | Home-price growth began accelerating in July, a sign that the slowdown in home prices caused by the coronavirus pandemic may be reversing.  Sales of existing homes, meanwhile, have surged, rising 10.5% on an annual basis in August, according to the National Association of Realtors. That included a 44% increase in the sales of homes costing more than $1 million.  A separate measure of home sales price growth by the Federal Housing Finance Agency found prices rose 10% in July from June and rose 6.5% on an annual basis. | The Wall Street Journal | 09/30/2020 | Will Parker |

The economy has expanded for an unprecedented 126 straight months, marking the first time in history the U.S. has skirted a recession for an entire calendar decade. -MorningBrew, December

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