

Market Stays Bullish in February

It was another record-setting week, as the market remained undeterred by the coronavirus and stayed on its bullish trend. The Nasdaq Composite (+2.2%) and Russell 2000 (+1.9%) set the pace, followed by the S&P 500 (+1.6%) and Dow Jones Industrial Average (+1.0%).



Most of this week's gains came on Monday as investors continued to pile into shares of mega-cap technology companies. Reports that highlighted the slowing rate of the coronavirus solidified the gains, and the market barely reacted to follow-up reports indicating a spike in new cases.

All 11 S&P 500 sectors finished with gains, including four that rose at least 2.0% -- real estate (+4.8%), consumer discretionary (+2.6%), utilities (+2.4%), and information technology (+2.3%). The energy sector (+0.3%) underperformed despite a 3.1% bounce in WTI crude (\$51.93/bbl, +1.58).

The Philadelphia Semiconductor Index regained momentum, rising 5.0% this week amid positive analyst recommendations and encouraging results and guidance

from NVIDIA (NVDA). Shares of NVIDIA climbed 15% this week.

It's fair to say that the virus remains a risk, at least based on the rising number of cases and cautious commentary provided by U.S. companies. The market, though, remains assured that it will eventually die down and that dovish monetary policy will continue to support equities. Fed Chair Powell for his part said the Fed is "closely monitoring" the situation in his semiannual testimony before Congress.

There was still a defensive tone, though, evidenced by the gains in the real estate and utilities sectors. U.S. Treasuries finished the week little changed from the prior week. The 2-yr yield increased three basis points to 1.42%, while the 10-yr yield remained unchanged at 1.58%. The U.S. Dollar Index advanced 0.4% to 99.12.

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