

Nasdaq paces post-holiday rally

Equities climbed during the holiday-shortened week, allowing the Dow (+0.8%), S&P 500 (+1.9%), and Nasdaq (+4.6%) to reclaim the bulk of their losses from the previous week.



The market got off to a shaky start on Tuesday but recovered after finding support above lows from the previous week. The Tuesday bounce opened the door to an extension of the rebound over the coming days with sectors like communication services, consumer discretionary, and technology leading the market higher. The three groups gained a respective 4.9%, 4.6%, and 4.3%, distancing themselves from their mid-June lows.

Looking deeper in the tech sector, chipmakers were among the best performers with heavyweights like AMD and NVIDIA rising off their lowest levels in at least a year while the PHLX Semiconductor Index gained 6.5%, narrowing its year-to-date loss to 33.7%.

Crude oil faced pressure at the start of the week, falling past the \$100.00/bbl mark to a level not seen since late April. Concerns about global growth fueled the selling on Monday and Tuesday, in turn emboldening the advance in the equity market. However, the next two days saw a bounce that lifted the energy component back above \$100. WTI crude ended the week at \$105.06/bbl, down \$3.41 or 3.1% since last Friday.

The shortened week featured the release of the June FOMC Minutes, in which policymakers acknowledged the risk for a slowdown in growth from tighter policy and a concern that higher inflation could become entrenched if the public begins questioning the Fed's resolve. Policymakers agreed that moving to a restrictive policy stance is appropriate.

Treasuries gave back the bulk of their gains from the week before, lifting the 10-yr yield back above its 50-day moving average (3.003%). The benchmark yield increased by 21 bps to 3.10% for the week while the 2-yr yield rose 29 bps to 3.12%, inverting the 2s10s spread once again.

The U.S. Dollar Index climbed nearly 1.8% during the past week, reaching a level not seen since October 2002. The bulk of the strength took place at the euro's expense amid ongoing concerns about the impact of high energy prices on the European economy.

Past performance is not a guarantee of future results. Indices are unmanaged and one cannot invest directly in an index. Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Data and rates used were indicative of market conditions as of the date shown and compiled by Briefing.com. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. References to specific securities, asset classes and financial markets are for illustrative purposes only and do not constitute a solicitation, offer, or recommendation to purchase or sell a security. S&P 500 Index is a market index generally considered representative of the stock market as a whole. The index focuses on the large-cap segment of the U.S. equities market. Each company's security affects the index in proportion to its market value. NASDAQ Composite Index is a market value-weighted index that measures all NASDAQ domestic and non-U.S. based common stocks listed on the NASDAQ stock market. Dow Jones Industrial Average is a widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials, but also includes financial, leisure and other service-oriented firms. Russell 2000 Index measures the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in terms of market capitalization. MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Park Avenue Securities LLC (PAS) is a wholly owned subsidiary of The Guardian Life Insurance Company of America (Guardian). PAS is a registered broker/dealer offering competitive investment products, as well as a registered investment advisor offering financial planning and investment advisory services. PAS is a member of FINRA and SIPC.