



## Capital Market Outlook

7/7/2020

### MARKETS THIS WEEK

- **Early this week, President Trump and Congress** teased a continuation of the administration's Coronavirus relief efforts<sup>1</sup>. Although details have yet to be announced, the tentative package will likely include additional direct stimulus payments to qualifying Americans by year end. This round of support follows failed efforts by House Democrats to pass their HEROES Act proposal this past May.

With enhanced financial market sensitivity following each of the support packages enacted earlier this year, expect to see similar volatility as further information on the proposal is revealed.

- **Markets climbed** through the July 4<sup>th</sup> holiday weekend, with the NASDAQ index growing 4.62%, week over week, toward a record high of 10,207.63<sup>2</sup>. Focus remains on the disparity between success in U.S. financial markets and extended declines in the real economy, however various lagging indicators have recently signaled a clear market bottom forming between late April and early May.
- **Widespread reopening of U.S. businesses was rolled back** as positive Coronavirus cases spiked to new highs across much of the country. A report on employment released last week showed a record 4.8 million jobs being filled in the month of June, while the U.S. Labor Department reported job availability increasing by 400,000 during the same period<sup>3,4</sup>. Although forecasting consensus predicts world unemployment to reach its highest level since the Great Depression, sharp economic rebounds during this period have indicated the potential for a rapid recovery upon more aggressive reopening in the near future.

1. <https://www.q13fox.com/money/trump-says-americans-can-expect-another-round-of-coronavirus-stimulus-payments>
2. <https://www.marketwatch.com/investing/index/>
3. <https://www.epi.org/indicators/unemployment/>
4. <https://www.bls.gov/>
5. The NASDAQ Composite is a market-cap weighted index comprised of 2500 information technology companies