LPL RESEARCH
WEEKLY MARKET PERFORMANCE

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CORONAVIRUS OUTBREAK INTENSIFIES

John Lynch, *Chief Investment Strategist, LPL Financial*
Jeffrey Buchbinder, CFA, *Equity Strategist, LPL Financial*
George Smith, CFA, CAIA, CIPM, *Senior Analyst, LPL Financial*

EQUITIES

Data as of: 1/31/2020

Index	Price	WTD%	QTD%	YTD%
DJIA	28256.03	-2.53	-0.99	-0.99
S&P 500	3225.52	-2.12	-0.16	-0.16
Nasdaq	9150.94	-1.76	1.99	1.99
Russell 2000	1614.06	-2.90	-3.26	-3.26
Russell 1000 Growth	1808.93	-1.82	2.17	2.17
Russell 1000 Value	1316.34	-2.36	-2.32	-2.32
Comm. Services	182.84	-2.99	0.66	0.66
Cons. Disc.	992.01	0.13	0.58	0.58
Cons. Staples	648.25	-0.79	0.20	0.20
Energy	405.45	-5.65	-11.17	-11.17
Financial Svcs	497.10	-1.37	-2.80	-2.80
Health Care	1153.96	-3.29	-2.88	-2.88
Industrials	684.12	-2.90	-0.51	-0.51
Info. Tech.	1673.91	-2.17	3.89	3.89
Materials	361.99	-3.54	-6.18	-6.18
Real Estate	243.62	-1.83	1.37	1.37
Utilities	350.08	0.82	6.61	6.61
MSCI EAFE*	1999.03	-2.24	-1.83	-1.83
MSCI EM*	1072.79	-4.16	-3.72	-3.72

* MSCI EAFE and MSCI EM values as of 1/30/20

- **U.S. stocks** fell for the second straight week, as the S&P 500 Index slid more than 2% as the coronavirus outbreak spread rapidly within China and fears of a global outbreak increased. Good earnings results overall, particularly for tech and internet retail companies, helped offset some of the hit to investor sentiment.
- All four U.S. indexes we track fell during the week, with the **Nasdaq Composite** falling less thanks to earnings-driven gains in the consumer discretionary sector. The small cap **Russell 2000** Index underperformed the S&P 500, while growth stocks, buoyed by Amazon, held up better than their counterparts on the value side, which was weighed down by energy sector losses.
- **This week's economic calendar** featured U.S. gross domestic product (GDP), which rose 2.1% in the fourth quarter of 2019, slightly above Bloomberg's 2% consensus forecast. Net exports added 1.5 percentage points, its largest contribution to quarterly GDP growth in 10 years, as global demand picked up and domestic demand slumped. The Federal Reserve held rates unchanged, as expected, but it did slightly downgrade its consumer outlook, even as the Conference Board's consumer confidence index improved solidly in January.
- **Global stocks** lagged the United States through Thursday's close. The MSCI Emerging Markets (EM) Index fell more than 4% through Thursday as the number of coronavirus cases in China increased and business and travel restrictions tightened. MSCI's index of developed-market stocks also lagged, amid the slowest euro-area GDP growth (0.1%) in nearly seven years. Market weakness was concentrated in Hong Kong, Japan, and Germany.

FIXED INCOME, CURRENCIES, AND COMMODITIES

Data as of: 1/31/20

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.52	1.54	1.55	1.55
2 Yr UST	1.32	1.49	1.58	1.58
10 Yr UST	1.50	1.70	1.92	1.92
30 Yr UST	2.00	2.14	2.39	2.39

		% Return		
Fixed Income*	Yield	WTD	QTD	YTD
US Agg	2.07	0.47	1.77	1.77
US Agg Govt.	1.53	0.73	2.24	2.24
US TIPS	1.69	0.63	1.85	1.85
Munis	1.47	0.35	1.77	1.77
HY Munis	3.60	0.46	2.44	2.44
Inv. Grade	2.64	0.39	2.21	2.21
High Yield	6.09	-0.24	0.04	0.04
MBS	2.30	0.10	0.62	0.62
Global Agg	1.28	0.54	0.98	0.98
Intl. Sovereign	0.51	0.76	1.98	1.98
JPM EMBI	4.85	0.97	2.06	2.06

		% Change		
Currencies & Commodities	Price	WTD	QTD	YTD
US Dollar	97.38	-0.48	1.03	1.03
EUR/USD	1.11	0.63	-1.09	-1.09
USD/JPY	108.34	-0.86	-0.25	-0.25
WTI Oil	51.60	-4.78	-15.49	-15.49
Gold	1592	1.30	4.54	4.54
Copper	2.51	-6.32	-10.10	-10.10

*Data as of 1/30/20

The yield presented refers to the corresponding index except for the U.S. Treasury (UST) data, which is of individual Treasury note securities and not an index. The Currency and Commodity data presented are quotes of the exchange rate. This data is from FactSet.

- **Fixed income** prices benefited from a continued rush to safe-haven assets. The 10-year U.S. Treasury yield dropped sharply, shedding 20 basis points (0.2%), flattening the yield curve considerably, and causing the 3-month/10-year yield spread to end the week in inversion territory. The Bloomberg Barclays U.S. Aggregate Bond Index climbed 0.47% through Thursday. Emerging market bonds and international sovereign debt led returns during the week, while high-yield corporate bonds posted a negative return.
- **The U.S. dollar** suffered its first weekly loss in the past four weeks as the flight-to-safety boost that bonds received didn't carry over to currencies. **Gold** did get a lift from market participants looking for safety. Lower interest rates also tended to help gold prices, all else equal. **Copper** and **oil** both fell sharply amid fears of lower demand from China due to the coronavirus outbreak.
- **The economic calendar** will bring several key reports as the calendar turns to February. On Monday and Wednesday, investors will get the January Institute for Supply Management (ISM) Purchasing Managers' Index (PMI) for manufacturing and services. Preliminary labor cost and productivity data for the fourth quarter of 2019 will be reported on Thursday. Friday will bring the widely followed payroll employment report for January (Bloomberg consensus is 156,000 jobs created). Earnings season continues with 94 S&P 500 companies slated to report quarterly results.
- **Internationally**, investors will get a heavy dose of European data, including Markit's manufacturing PMI data for Germany and the broad Eurozone on Monday; Eurozone wholesale inflation on Tuesday; retail sales on Wednesday; and German factory orders, trade, and industrial production data on Thursday and Friday.

IMPORTANT DISCLOSURES

This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance the products or strategies discussed are suitable for all investors or will yield positive outcomes. All performance referenced is historical and is no guarantee of future results. The economic forecasts set may not develop as predicted.

All indexes are unmanaged and cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Sector data is represented by S&P 500 GICS sub-indexes.

Because of its narrow focus, specialty sector investing, such as healthcare, financials, or energy, will be subject to greater volatility than investing more broadly across many sectors and companies.

Investing in gold is subject to risks including loss of value. The price swings in commodities and currencies can result in significant volatility in an investor's holdings.

U.S. Treasuries may be considered "safe haven" investments but do carry some degree of risk including interest rate, credit, and market risk. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

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For a list of descriptions of the indexes referenced in this publication, please visit our website at lplresearch.com/definitions.