

December 6 2019

## JOBS REPORT SPARKS RALLY

Jeffrey Buchbinder, CFA, *Equity Strategist, LPL Financial*

Callie Cox, *Senior Analyst, LPL Financial*

Scott Brown, *Analyst, LPL Financial*

### EQUITIES

Data as of: 12/6/2019

Index	Price	WTD%	QTD%	YTD%
DJIA	28015.06	-0.13	4.08	20.09
S&P 500	3145.91	0.16	5.68	25.49
Nasdaq	8656.53	-0.10	8.22	30.46
Russell 2000	1633.67	0.56	7.24	21.14
Russell 1000 Growth	1716.48	-0.21	6.92	30.57
Russell 1000 Value	1319.87	0.40	4.49	20.69
Comm. Services	179.48	0.70	7.31	29.33
Cons. Disc.	953.20	-0.79	0.63	21.97
Cons. Staples	639.92	0.92	1.68	22.62
Energy	437.91	1.52	0.18	3.26
Financial Svcs	502.58	0.73	7.96	26.95
Health Care	1159.11	0.91	11.09	15.77
Industrials	681.20	-1.09	4.02	25.65
Info. Tech.	1536.81	-0.40	8.73	41.21
Materials	375.29	0.01	2.92	18.53
Real Estate	237.78	-0.27	-2.39	23.61
Utilities	319.12	0.24	-2.85	18.80
MSCI EAFE*	1969.77	-0.23	4.52	17.90
MSCI EM*	1042.85	0.29	4.37	10.52

\* MSCI EAFE and MSCI EM values as of 12/5/19

- U.S. stocks** eked out a small weekly gain, based on the S&P 500 Index, thanks to Friday's rally on the November jobs report. The rise marked the eighth weekly gain for the broad stock market index in the past nine weeks, which closed slightly below the previous record high set November 27. Concerns that a "phase one" trade deal between the United States and China might be delayed well into 2020 hurt stocks Monday and Tuesday, before reports suggesting further progress was being made helped drive gains on Wednesday and Thursday.
- Economic data** was mixed overall this week. The November jobs report revealed that more jobs were added in November than expected; payrolls for September and October were also revised upwards. Wages grew 3.1% year over year, a healthy clip we think can buoy personal incomes without raising concerns of overheating. Manufacturing and services data from the Institute for Supply Management fell short of expectations, though services—a larger component of the U.S. economy based on gross domestic product (GDP)—remained solidly in expansionary territory.
- Global stocks** were mixed for the week through Thursday. The MSCI EAFE Index of developed market stocks fell slightly on weakness in France and the United Kingdom. Trade headlines lifted Chinese stocks, driving a modest gain for the MSCI Emerging Markets Index.
- The Russell 2000 Index** of small cap stocks led U.S. index returns for the second straight week, evidence of broad market participation and cyclical investor positioning. The value style of investing outperformed growth, which was weighed down by technology and consumer discretionary losses.

## FIXED INCOME, CURRENCIES, AND COMMODITIES

Data as of: 12/6/19

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.49	1.59	1.88	2.45
2 Yr UST	1.62	1.61	1.63	2.48
10 Yr UST	1.84	1.78	1.68	2.69
30 Yr UST	2.28	2.21	2.12	3.02

Fixed Income*	Yield	% Return		
		WTD	QTD	YTD
US Agg	2.31	-0.06	0.19	8.73
US Agg Govt.	1.76	-0.11	-0.34	7.34
US TIPS	1.94	0.28	0.69	8.32
Munis	1.81	0.07	0.50	7.29
HY Munis	4.05	0.06	0.66	10.41
Inv. Grade	2.90	-0.03	0.83	14.14
High Yield	6.30	0.15	0.75	12.24
MBS	2.55	-0.02	0.41	6.03
Global Agg	1.44	0.14	0.05	6.37
Intl. Treasuries	0.42	-0.49	-1.70	8.18
JPM EMBI	5.33	-0.12	0.71	9.70

Currencies & Commodities	Price	% Change		
		WTD	QTD	YTD
US Dollar	97.68	-0.60	-1.71	1.57
EUR/USD	1.11	0.37	1.47	-3.57
USD/JPY	108.55	-0.85	0.43	-1.00
WTI Oil	59.07	7.07	9.25	30.08
Gold	1465	-0.54	-0.56	14.31
Copper	2.75	3.25	6.57	4.45

\*Data as of 12/5/19

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.

- Turning to **fixed income**, long-term yields bounced back amid optimism that a U.S.-China agreement may be getting close and better-than-expected November jobs data. The 10-year U.S. Treasury yield rose for a second straight week, reaching a three-week high on Friday. The Bloomberg Barclays U.S. Aggregate Index was virtually unchanged on the week through Thursday. U.S. Treasury Inflation-Protected Securities (TIPS) and high-yield corporate bonds led returns among bond sectors, while international sovereign debt lagged.
- U.S. dollar** weakness helped to drive broad-based strength in commodity prices. The price of **oil** reached its highest level since the September attacks on Saudi Arabia's oil facilities, while **copper** prices spiked late in the week to post a more than 3% gain for the week. **Gold** prices ended the week lower as improved market sentiment reduced demand for perceived "safe-haven" investments, offsetting the positive impact of a weaker U.S. dollar that has tended to provide support for gold prices.
- Next week** the U.S. economic calendar will bring data on small business confidence and productivity on Tuesday, the Federal Reserve's policy announcement on Wednesday, and consumer and producer inflation on Wednesday and Thursday. Friday we'll get retail sales data that will include the start of the important holiday shopping season. Early indications showed the season got off to a strong start, particularly for online shoppers.
- Internationally**, investors will be watching for Japanese GDP, German trade data, and China inflation data on Monday. The U.K. general election and the European Central Bank meeting are being held on Thursday, when investors will also get a look at Eurozone industrial production.

**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.

U.S. Treasuries may be considered “safe haven” investments but do carry some degree of risk including interest rate, credit, and market risk. They are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.

For a list of descriptions of the indexes referenced in this publication, please visit our website at [lpresearch.com/definitions](http://lpresearch.com/definitions).

This research material has been prepared by LPL Financial LLC.

**Securities and advisory services offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC).** Insurance products are offered through LPL or its licensed affiliates. To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL is not an affiliate of and makes no representation with respect to such entity.

If your advisor is located at a bank or credit union, please note that the bank/credit union is not registered as a broker-dealer or investment advisor. Registered representatives of LPL may also be employees of the bank/credit union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, the bank/credit union. Securities and insurance offered through LPL or its affiliates are:

**Not Insured by FDIC/NCUA or Any Other Government Agency | Not Bank/Credit Union Guaranteed | Not Bank/Credit Union Deposits or Obligations | May Lose Value**

RES-29341-1219 | For Public Use | Tracking # 1-924756