

16:05 25 Sep 2020

US stocks ended higher as tech regains strength to close volatile week

4:05 pm: US stocks close higher to end volatile week

US stocks ended higher as tech stock regained some strength to close a volatile week.

The major averages have had a tough month, too, with the S&P 500 falling more than 5% in September. The Dow Jones Industrial Average has dropped 4.5% with the Nasdaq down 7.4%.

On Friday, the Dow increased 1.34%, or 359 points, to 27,174. The S&P 500 rose 1.60% to 3,298, its best day since September 9. The tech-heavy Nasdaq jumped 2.26% to 10,913.

Apple Inc (NASDAQ:AAPL), which increased nearly 4% to \$112.28 a share, led tech stocks higher.

12:15 pm: Dow makes gains but remains on pace for four-week losing streak

Wall Street stocks are bouncing back up, with tech stocks heading north again. The Dow Jones Industrial Average added over seven points at 26,822. The broader-based S&P 500 added over ten at 3,256. The tech-laden Nasdaq exchange gained over 96 points at 10,768.

Tech stocks, as ever, have been a bellweather. Amazon.com Inc (NASDAQ:AMZN), Apple Inc (NASDAQ:AAPL), Microsoft Corporation (NASDAQ:MSFT) and Facebook Inc (NASDAQ:FB) all rose.

However, the sector remains weak overall, according to analyst Mark Newton.

The "sell-off has stabilized a bit over the last few days, but there are still no real signs of strength," Newton wrote in a note, per CNBC. "Thus, the trend remains bearish and not much to bet on a rebound."

In London, FTSE 100 index earlier closed with its nose above water but still below 6,000 after seeing red earlier in the session and following a week of selling.

Britain's blue-chip benchmark finished up nearly 20 points, or 0.34%, at 5,842. Over the week as a whole, Footsie shed around 2.7%.

10:15am: Proactive North America headlines:

Gungnir Resources Inc (CVE:GUG) (OTCPINK:ASWRF) (FRA:AMO1) upsizes placing due to interest from European institution; closes C\$400,000 Palisades investment

Novavax Inc (NASDAQ:NVAX) to start late-stage trials for COVID-19 vaccine in UK

Aurania Resources Ltd (CVE:ARU) (OTCQB:AUIAF) confirms the extension of the Tirania-Shimpia target on the Lost Cities-Cutucu gold project in Ecuador

Share Information

Code: NA:COST
Listing: NASDAQ
Sector: Retail
Website: phx.corporate-ir.net

Company Synopsis:

Costco currently operates 566 warehouses, including 413 in the United States and Puerto Rico, 77 in Canada, 21 in the United Kingdom, seven in Korea, six in Taiwan, nine in Japan, 32 in Mexico and one in Australia.

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Todos Medical Ltd (OTCQB:TOMDF) enters into COVID-19 PCR testing and equipment financing partnership with AID Genomics for US market

Medexus Inc (CVE:MDP) (OTCQX:MEDXF) names pharma veteran Michael Pine senior vice president of business development and strategy

ION Energy Inc (CVE:ION) names international business veteran John McVicar as CFO

Weekend Unlimited Industries Inc (CSE:POT) (OTCQB:WKULF) halts Ruby Mae's acquisition to explore more attractive options in the cannabis space

9.40am: Mixed start

The final session of the week got off to a mixed start on Wall Street on Friday as the tech-dominated Nasdaq moved into the green in the first minutes of trading.

Shortly after the opening bell, the Nasdaq Composite was up 0.02% at 10,674, while the Dow Jones Industrial Average dropped 0.27% to 26,742 and the S&P 500 fell 0.22% to 3,239.

While the Nasdaq was positive, it was only by a whisker, as concerns about the coronavirus pandemic and an increasing number of hospitalizations in the US are still at the forefront of traders' minds.

Political instability is also looming in the background as the clock ticks down to the US presidential election on November 3, which is shaping up to become one of the more volatile votes in recent years.

"The election could increasingly become a point of concern for investors. It's already not going to be a normal election, with the votes taking much longer than normal to count. Add in the confusion that follows and the possibility of Trump contesting the result and it could get very messy, indeed. That must be playing on investors' minds", said OANDA's Craig Erlam

"That would be a lot to take in normal times and we are not living through ordinary times. The election is taking place just as many countries will be in or heading for a potentially devastating second wave of Covid-19, forcing restrictions and maybe even more lockdowns that would be hugely damaging for the global economy. A vaccine can't come soon enough", he added.

7.45am: Wall Street eyes softer start on Friday

US indices are tipped to open lower on Friday as jitters around rising coronavirus cases once again rattle traders in New York.

Spread betting quotes indicate the Dow Jones Industrial Average will kick off at around the 26,610 level, down 205 points on last night's close.

The S&P 500 is expected to start at 3,224, down 23 points but the NASDAQ Composite is seen opening at about 172 points higher at 10,844, thanks to continued enthusiasm for the tech giants.

The rising number of people in the US being hospitalized with the coronavirus (COVID-19) symptoms is making investors increasingly nervous.

"The trend in confirmed US COVID 19 cases has increased over the past week, though the national picture is distorted by a two-day leap in Texas, due to the state reporting a large batch of backlogged tests," observed Ian Shepherdson, the chief economist at Pantheon Macroeconomics.

The national 7-day average excluding Texas has flattened in recent days, but Shepherdson thinks it's much too soon to

know if this will prove sustainable.

"The good news is that the possible leveling-off in national cases comes against a backdrop of rising testing, taking the 7-day average to a record high but the positive test rate remains too high, hovering close to 5%.

"The bad news is that the relatively modest increase in the trend in confirmed cases since the mid-September low has triggered a clear increase in hospitalizations in recent days, probably for two reasons. First, CDC research shows that second wave cases initially were concentrated among young adults, but the infection then passed up the age chain, reaching older people within 15 days. Older people are far more likely to be hospitalized," Shepherson said.

"Second, the motorcycle rally in Sturgis, South Dakota, from August 7-16, likely has triggered a disproportionate number of hospitalizations, in the Dakotas and elsewhere. The rally appears to have been the biggest-ever Covid super-spreading event, with a recent study suggesting it accounted for one-fifth of all U.S. cases in August," Shepherdson reported.

Presumably, the motor-sickle [sic] riders thought they could out-run the virus; they would have been better off leaving their skid-lids on throughout the rally.

"Social distancing and mask-wearing recommendations appear to have largely been ignored. The average attendee was about 54 years old, and therefore about four times more likely to be hospitalized than people aged 18-29."

In other words, old enough to know better.

Three things to watch for on Friday:

- US durable goods orders for August will be watched to see how the American manufacturing sector is coping following the sharp declines earlier this year. Orders rose 11.2% in July, so many will be watching to see any signs of a slowdown as US coronavirus cases rise
- Share price reaction from bulk buying firm Costco Wholesale Corp (NASDAQ:COST) after the group beat earnings and revenue predictions for its fourth quarter
- Any news from negotiations in Washington D.C. as Democrats and Republicans continue to wrangle over a second round of government stimulus to prop up the economy, with talks having recently stalled and the path to a compromise seeming as yet unclear

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