

Volatile week ends flattish

The stock market logged solid gains since last Friday.



The Dow Jones Industrial Average and Russell 2000 each closed 2.9% higher, the S&P 500 jumped 3.9%, and the Nasdaq Composite climbed 5.3%.

The volatile action exhibited thus far in August was precipitated by a July jobs report that stirred concerns about a weakening economic environment and labor market. So, this week's release of economic data that had the market feeling good about the economic environment and labor market invited strong buying activity.

The pleasing economic releases included the Producer Price Index for July, which showed disinflation in total and core PPI, the Consumer Price Index for July, which was in-line with

expectations, the Retail Sales report for July, which was much better than expected, and the weekly jobless claim report, which reflected ongoing strength in the labor market.

A disappointing housing starts and building permits report for July on Friday didn't deter the strong rally this week.

Solid earnings results and commentary about the consumer from Walmart (WMT), along with Cisco's (CSCO) solid fiscal Q4 operating performance, contributed to the upside bias this week.

In other corporate news, Dow component Home Depot (HD) closed 3.9% higher this week despite reporting below-consensus guidance.

Starbucks (SBUX) was in the headlines after news that CEO Laxman Narasimhan has stepped down and will be replaced by Chipotle (CMG) CEO Brian Niccol.

Kellanova (K) also made news after Mars confirmed it will acquire Kellanova for \$83.50/share in cash, or total consideration of \$35.9 billion, including debt.

Alphabet (GOOG) settled slightly lower in the week despite other mega caps outperforming after a Bloomberg report that the Department of Justice may be looking at breaking up the company following last week's court ruling that Alphabet violated search-related antitrust laws.

All 11 S&P 500 sectors closed higher led by consumer discretionary (+5.2%), information technology (+7.5%), and financials (+3.2%).

- Nasdaq Composite: +17.5% YTD
- S&P 500: +16.5% YTD
- S&P Midcap 400: +8.3% YTD
- Dow Jones Industrial Average: +7.9% YTD
- Russell 2000: +5.7% YTD

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