

# MarketWatch

## Dow ends with 150-point gain in choppy session after Pelosi gives lift to hopes for coronavirus relief package

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### Pelosi says 'we're just about there' on aid package

U.S. stock indexes finished higher Thursday as talks in Washington on a new fresh coronavirus fiscal relief package dragged on, but House Speaker Nancy Pelosi said Democrats and the Trump administration were on the verge of an agreement.

Concern about another wave of European and American coronavirus cases and uncertainty about the outcome of the Nov. 3 U.S. elections with the final presidential debate due Thursday night were also weighing on investors.

### What are major benchmarks doing?

The Dow Jones Industrial Average DJIA, -0.38% rose 152.84 points, or 0.5%, to finish at 28,363.66, while the S&P 500 SPX, -0.44% closed at 3,453.49, a gain of 17.93 points, or 0.5%. The Nasdaq Composite Index COMP, -0.72% SPX, -0.44%, meanwhile, rose 21.31 points, or 0.2%, to end at 11,506.01.

Meanwhile, the small-capitalization Russell 2000 index RUT, -1.67% gained 1.6%.

The Dow DJIA, -0.38% on Wednesday ended a topsy-turvy session with a loss of 97.97 points, or 0.3%, at 28,210.82, while the S&P 500 SPX, -0.44% dropped 7.56 points, or 0.2%, to close at 3,435.56. The Nasdaq Composite COMP, -0.72% Index finished at 11,484.94, down 31.80 points, or 0.3%.

### What's driving the market?

Talks between Congress and the White House have captivated investors over the past few weeks, sparking debate over whether the economic recovery would lose momentum in the fourth quarter without another round of aid from Washington.

"I think the market is just frustrated with the back-and-forth," in Washington around additional aid, **Joe Saluzzi**, partner and co-head of Equity Trading at **Themis Trading**, told MarketWatch.

Negotiations between House Democrats and the Trump administration on a deal had been seen making progress, with President Donald Trump pushing for a large deal, but Senate Republicans have resisted calls for a \$1.9 trillion-plus package.

On Thursday, House Speaker Nancy Pelosi said progress was being made in negotiations with the White House but cautioned that a bill may still take longer write and get passed by Congress.

“If we can resolve some of these things in the next few days, it’ll take a while to write the bill,” Pelosi said, according to reports. “We can do something great, and I’m still optimistic that we can do that,” she said.

Progress on “stimulus talks is what the market is looking for,” said **Saluzzi**, who described the market has very fixated on headlines lately.

Senate Majority Leader Mitch McConnell, R-Ky., declined to commit to a pre-election vote on Thursday.

Read: McConnell declines to commit to a pre-election vote on possible fiscal stimulus deal

For some, the timing may not matter much, with market participants taking comfort that an aid package will be forthcoming either before or after the election.

“You have this gap between what Pelosi is saying and what McConnell is saying, and that’s where the market is. Investors are looking at this juxtaposition and saying we are not going to get something before the election, but we are at least going to get something,” said Noel Dixon, a macro strategist at State Street.

Meanwhile in the U.S., the seven-day moving average of new cases was 59,527 as of Tuesday, while the 14-day average was 55,282, The Wall Street Journal reported, citing an analysis of data compiled by Johns Hopkins. When the seven-day average tops the 14-day, it indicates cases are on the rise.

See: Global cases of COVID-19 41.28 million, 1.13 million deaths and U.S. death toll tops 222,000

Analysts said renewed jitters over the presidential election could also make investors more reluctant to embrace risky assets in the near term. Trump and Democratic challenger Joe Biden face off for a second and final televised debate Thursday night. Biden continues to lead Trump in nationwide polls but has seen his advantage shrink somewhat in recent days.

Read: Thursday’s debate looks like the last-chance saloon for Trump, analysts say

Corporate earnings reporting season also remains in full swing, as investors digested results from a number of closely followed companies, including electric-vehicle maker Tesla Inc. TSLA, -1.37%.

In U.S. economic news, first-time applications for weekly jobless benefits fell to a March low of 787,000 last week, the Labor Department reported Thursday. Economists surveyed by MarketWatch, on average, had looked for 860,000 initial claims.

In other data, U.S. existing-home sales increased for the fourth consecutive month in September, as the U.S. housing market benefited from low interest rates. Total existing-home sales rose 9.4% from August to a seasonally-adjusted, annual rate of 6.54 million, the National Association of Realtors reported Thursday.

And a report on leading economic indicators rose 0.7% last month, following increases of 1.4% in August and 2% in July, the Conference Board said Thursday.

### **Which companies are in focus?**

Tesla TSLA shares were up 0.8% after delivering quarterly earnings that beat Wall Street expectations.

Shares of Chipotle Mexican Grill Inc. CMG, -0.03% fell 4.9% on Thursday despite returning sales growth over the summer.

CSX Corp. CSX, 0.07% shares climbed 3.8% after the railroad company late Wednesday reported third-quarter results that were better than in the previous quarter.

Shares of chip maker Xilinx Inc. XLNX, -1.28% rose 1.6% after the company reported better-than-expected results after Wednesday's closing bell.

Dow Inc. DOW shares fell slightly after the materials and plastics company reported an adjusted profit and revenues that fell less than expected.

Shares of Coca-Cola Co. KO rose 1.6% after topping earnings and revenue forecasts.

AT&T Inc. T shares gained 5.8% after the telecommunications and media giant reported a third-quarter net loss that missed expectations but revenue that topped Wall Street estimates.

American Airlines Group Inc. AAL shares were up 3.2% after a narrower-than-expected third-quarter loss and revenue that fell less than forecast.

Shares of McAfee Corp. MCFE, 1.09% stumbled out of the gate Thursday, falling 6%.

Goldman Sachs GS, -0.81% fined \$154 million for its role in 1MDB scandal. Shares were up 1.4%.

Gilead Sciences Inc. GILD, 0.15% received FDA approval for its coronavirus treatment remdesivir. The news came after the market close.

Intel Corp. INTC, -0.37% reported after the market close Thursday that revenue sank more than expected in the third quarter as the company's sales of server chips suffered, sending shares down 10% in after-hours trading .

### **How are other assets performing?**

In Asia markets, the Shanghai Composite SHCOMP, 0.57% closed down 0.4%, while Hong Kong's Hang Seng Index HSI, 0.16% gained 0.1% and Japan's Nikkei 225 Index NIK, -

0.72% retreated 0.7%. The pan-European Stoxx 600 Europe SXXP, 0.61% closed down 0.1%, while London's FTSE 100 UKX, 0.29% ended up a modest 0.2%.

Oil futures CL00, -1.65% gained 61 cents, or 1.5%, to settle at \$40.64 per barrel. Gold futures GOLD, -2.45% fell by \$24.90, or 1.3%, to settle at \$1,904.60 an ounce after touching an intraday low at \$1,894.20.

The ICE U.S. Dollar Index DXY, -0.35%, a measure of the currency against a basket of six major rivals, was up 0.4%.

The yield on the 10-year Treasury note TMUBMUSD10Y, 1.298% rose 3.2 basis points to 0.847%, a mid-June high. Yields and bond prices move in opposite directions.