

Dow, S&P 500 end higher and Nasdaq books 35th record close in 2020 as tech buoys broader stock market

Mark DeCambre, MarketWatch, Sunny Oh

Market Snapshot

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The S&P 500 narrowly missed another record close this week by about 4 points



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U.S. stock-market benchmarks booked gains on Thursday and the Nasdaq closed at a record high, as investors rushed to large-capitalization technology and e-commerce shares for safety, after a pair of economic reports set off concerns about the broader U.S. economy's tenuous recovery from the coronavirus epidemic.

How are stock benchmarks performing?

The Dow Jones Industrial Average [DJIA, +0.16%](#) gained 46.85 points, or 0.2%, to end at 27,739.73, fending off a four-session losing streak. The S&P 500 [SPX, +0.31%](#) rose by 10.66 points, or 0.3%, to close at 3,385.51. The Nasdaq Composite [COMP, +1.06%](#) climbed 118.49 points, or 1.1%, to wrap up at 11,264.95, marking its 35th record of 2020.

The Nasdaq-100 index [NDX, +1.40%](#), populated by the biggest companies in the Nasdaq Composite, also closed at a record, up 158.40 points, or 1.4%, at 11,477.05, while the small-capitalization stocks Russell 2000 index [RUT, -0.49%](#) finished around 0.5% lower.

[On Wednesday](#), the Dow shed 85.19 points, 0.3%, to end at 27,692.88, while the S&P 500 fell 14.93 points, 0.4%, to close at 3,374.85, after setting an intraday record of 3,399.54. The Nasdaq Composite Index slumped 64.38 points, or 0.6%, to close at 11,146.46, after also reaching a fresh intraday record of 11,257.42.

What's driving the market?

Investors on Thursday again reverted to a tested strategy during the coronavirus pandemic: buying tech stocks.

A rally in technology-related sectors, including communication services and consumer discretionary, led the charge after [U.S. weekly jobless benefit claims data](#) popped back above 1 million in the week ended Aug. 15, rising to 1.106 million on a seasonally adjusted basis.

“It was hoped that for the second week running, the number of people filing for unemployment benefits in the U.S. would be below the all-important million mark. However, 1.1 million filed for benefits and this is hardly a major win for President Trump in the run-up to the U.S. election in November. There was at least a sense that the employment market was healing but this print emphasizes the glacially slow pace,” said Charles Hepworth, investment director at GAM.

A more optimistic sign of the labor market recovery, however, came from continuing claims, which fell to 14.844 million from 15.480 million.

Separately, [the Philadelphia Fed index](#), a reading of business conditions in the Philadelphia area, fell to 17.2 in August from 24.1 in July, which was followed by a report on [leading economic indicators](#) from the Conference Board showing only marginal improvement.

Randy Frederick, vice president, at Schwab Center for Financial Research, told MarketWatch that he was bemused at the market's resilience in the face of the economic reports, remarking that he had anticipated a possible 2% or 3% decline in the broader market on the day.

“To be honest, after the SPX hit a new all-time high, I was expecting the downturn that began yesterday, but I did not expect it to recover so quickly,” he said. “I thought we might see 2% - 3% downside,” he said.

The initial downtrend in the market early Thursday was at least partly attributed to dissatisfaction with the lack of progress in Congress on further fiscal stimulus, along with a Fed that [painted an uncertain outlook](#) for the economy in minutes of its July meeting published Wednesday while also sounding unenthusiastic about introducing a policy of yield-curve control. Under that policy, if adopted, the central bank would commit to buying bonds to keep yields below a specific level.

“Investors certainly didn't get the news they were hoping for from the Fed minutes. Without additional fiscal and monetary policy support, and income replacement in particular, it will be harder for this market to accelerate because the labor market isn't recovering as fast as we hoped,” said Michael Arone, chief investment strategist for State Street Global Advisors, in an interview.

Read: [After the S&P 500's record run, UBS says look here for the next stock winners](#)

Meanwhile, Chinese Commerce Ministry spokesman Gao Feng in Beijing on Thursday confirmed plans to talk with U.S. counterparts to review progress on a trade deal, [Reuters reported](#). The comments come after a planned meeting last weekend was canceled amid rising tensions between China and Washington.

Which stocks are in focus?

- Shares of chip maker **Nvidia Corp.** [NVDA, +0.02%](#) rose less than 0.1%, shrugging off opening weakness, after the company said its data-center chips brought in more money than the gaming specialist's core business for the first time in the company's second quarter, and its other businesses also performed better than expected.
- Shares of **Alibaba Group Holding** [BABA, -1.00%](#) topped earnings and revenue estimates for its fiscal first quarter, but its shares closed 1% lower..
- **Intel Corp.**'s stock [INTC, +1.73%](#) rose 1.7% after the chip maker announced plans for a [\\$10 billion buyback](#) by the end of the year.
- Shares of **BJ's Wholesale Club Holdings Inc.** [BJ, +2.44%](#) gained 2.4% after the membership-based warehouse retailer reported fiscal second-quarter profit and sales that rose above expectations.
- **Estee Lauder Cos.** stock [EL, -6.69%](#) retreated 7% as the beauty company reported fiscal fourth-quarter losses that were wider than expected and gave weak guidance.
- **Johnson & Johnson** [JNJ, +0.68%](#) shares were in focus after [The Wall Street Journal](#) reported its plans to start its trial of a coronavirus vaccine candidate in late September. Shares closed up 0.7%.
- **Tesla** shares [TSLA, +6.56%](#) surged nearly 6.6%, finishing past the psychologically important \$2,000 mark, [underscoring a powerful rally](#) for the electric-vehicle maker.
- Ride-hailing companies **Uber Technologies Inc.** [UBER, +6.76%](#) and **Lyft Inc.** [LYFT, +5.75%](#) won more time Thursday in their appeal of a ruling that ordered them to immediately classify their drivers as employees in compliance with state law. Shares of Uber rose 6.8%, and Lyft's stock gained 5.8%, after sinking after it was feared that they might have to end their operations in California.

How are other markets faring?

[The 10-year Treasury note yield TMUBMUSD10Y, 0.645%](#) fell 3 basis points to 0.644%. Bond prices move inversely to yields.

[December gold futures GCZ20, -0.26%](#) skidded 1.2% to settle at \$1946.50 an ounce, on the New York Mercantile Exchange. [The U.S. crude benchmark CL00, -0.77%](#) declined, with the most-actively traded October contract, falling 29 cents, or 0.7%, to settle \$42.82 on the New York Mercantile Exchange. The September contract for WTI ended down 35 cents, or 0.8%, at \$42.58 a barrel.

Global equities were on the backfoot. China's CSI 300 [000300, +0.84%](#) fell 1.3% and Japan's Nikkei [NIK, +0.17%](#) closed 1% lower. The Stoxx Europe 600 [SXXP, +0.52%](#) finished off 1.1% and U.K.'s FTSE benchmark [UKX, +0.43%](#) ended the session off 1.6%.

In currencies, the greenback was off 0.1% against its major rivals at 92.761, based on trading in the ICE U.S. Dollar Index [DXY, 0.25%](#).