

Dow Rises Two Days in a Row
March 25, 2020

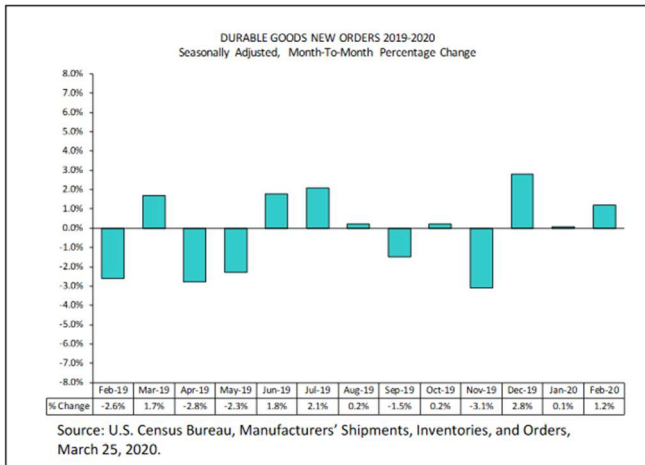
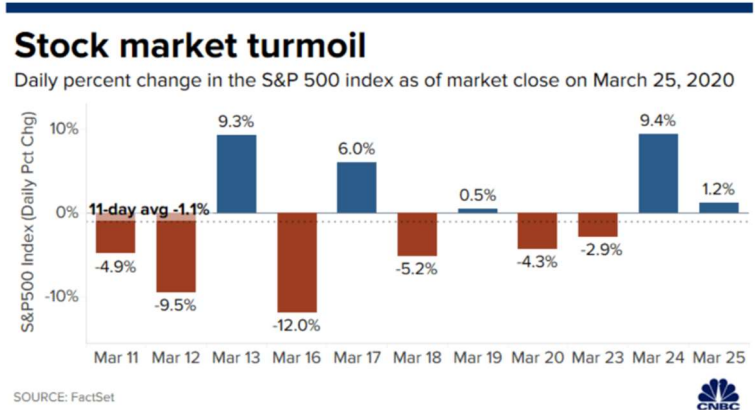


It has been 48 days since we have been able to say that the Dow Jones Industrial Average was up two days in a row. Not since February 5th – 6th has the blue-chip index put together two positive days back to back.

The Dow climbed 2% or 495 points and was boosted by more optimism about Boeing’s future as well as a surprisingly positive earnings report from Nike. The S&P500 was also higher by 1.1% while the Nasdaq Composite was lower by 0.5% on the day.

Notably, all three indices fell at the end of the day as reports surfaced that Senators were still negotiating tenants of the stimulus package.

Nike’s report was notable in that it showed that they were able to offset more of their China instore sales with digital sales than analysts had thought. Nike also reported the added bonus of a higher customers engagement with their app. We see this trend as an important indicator of how retailers’ sort through the crisis.



Almost forgotten...no, completely forgotten, today was the durable goods orders for February. Granted this is rear view mirror stuff, but the last week of February would have been influenced by the concern over the coronavirus. In any event, according to the U.S. Census Bureau, new orders for manufactured durable goods in February increased \$2.9 billion or 1.2%. The market expectation was for durable goods orders to drop 0.9%.

Granted, the durable goods order statistic for February is looking in the rear-view mirror, and the world seems to have changed since then. But it is further evidence that the economy was strong going into this public health/economic crisis. That gives some leaning to the notion that the economy will mend quicker all else being equal.

Now, that having been said, we are bracing ourselves for the weekly jobless claims that will be reported by the U.S. Labor Department on Thursday. Weekly claims were 281,000 in the second week of March, but economists are predicting that 2.5 million people filed for unemployment between March 15 and March 21. The more jobs that are preserved the quicker the economy will rebound.