

Markets

Stocks Gain on Optimism Over Deals, U.S. Stimulus: Markets Wrap

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October 7, 2020, 5:41 PM EDT

Updated on October 8, 2020, 9:59 AM EDT

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- ▶ Eaton Vance surges on takeover by Morgan Stanley; yields drop
 - ▶ Market getting ‘bulled up on Biden’ and blue wave in Congress
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WATCH: JPMorgan Chief U.S. Economist Michael Feroli and Cardify.ai President Paul Crowe discuss the U.S. economy.

U.S. stocks rose as global markets extended a rally fueled by corporate deals while American lawmakers kept hopes for stimulus alive. Treasury yields edged lower and the dollar was little changed.

The S&P 500 gained for a second day after President Donald Trump touted progress in talks even though there was no sign the two sides are any closer on a deal. Eaton Vance leaped after the investment firm agreed to be taken over by Morgan Stanley. IBM surged after saying it will spin off its infrastructure unit.

“The market is very dependent on stimulus talks,” said David Wagner, portfolio manager and analyst at Aptus Capital Advisors. “I think there is more dependence on that than the actual outcome and policy changes from a change in the administration.”

Regeneron rose after Trump said its antibody cocktail was the “key” to his quick recovery. The president said he would authorize its emergency use. The dollar remained little changed as weekly jobless data roughly matched estimates.

Bull Case

Gauge of semiconductor stocks rises to 20-year relative high versus the S&P 500



Bulls are now back in control of a market that’s increasingly betting that a Joe Biden presidential victory and gains by Democrats in Congress will be good for equities. The scenario seems to be quelling volatility even as risks from a split in government to a resurgence of coronavirus cases threaten the economic rebound.

“The market is now almost treating Trump’s actions as a sideshow, and is much more firmly pricing Biden in the White House,” Mizuho strategists including Peter Chatwell wrote in a note.

Still, they warned investors against “getting bulled-up on Biden” and the possibility of Democrats winning in the November election, including the Senate. Trump said he won’t participate in a second presidential debate if it will be conducted virtually as a precaution against the spread of the coronavirus.

Meanwhile, countries continue to grapple with rising coronavirus infections. France reported a record number of new cases and Italy's infections spiked to the highest since April.

Elsewhere in markets, airlines led European shares higher, helped by as optimism over a Covid-19 treatment. U.K. jet engine-maker Rolls-Royce Holdings Plc was on course of the best five-day performance on record, after shoring up its finances.

Crop futures are climbing as dry weather threatens planting in the Americas and Black Sea areas. Wheat has risen for five days and is trading near the highest level since 2015.

These are some of the main moves in markets:

Stocks

The S&P 500 Index rose 0.4% to 3,441.22 as of 9:56 a.m. New York time, the highest in almost five weeks.

The Dow Jones Industrial Average gained 0.3% to 28,433.66, the highest in five weeks.

The Nasdaq Composite Index increased 0.6% to 11,425.49, the highest in almost five weeks.

The Nasdaq 100 Index climbed 0.6% to 11,559.62.

The Stoxx Europe 600 Index jumped 0.8% to 368.72, the highest in almost three weeks.

Currencies

The Bloomberg Dollar Spot Index was little changed at 1,171.55.

The euro decreased 0.2% to \$1.1746.

The Japanese yen was little changed at 105.95 per dollar.

Bonds

The yield on 10-year Treasuries fell two basis points to 0.77%.

The yield on 30-year Treasuries dipped two basis points to 1.57%.

Germany's 10-year yield declined two basis points to -0.52%, the largest drop in more than a week.

Britain's 10-year yield fell one basis point to 0.296%, the biggest fall in more than a week.

Commodities

West Texas Intermediate crude climbed 2.6% to \$41.06 a barrel, the highest in almost three weeks.

Gold strengthened 0.6% to \$1,897.89 an ounce.

Copper gained 0.2% to \$3.04 a pound, the highest in more than two weeks.

In this article

SPX

S&P 500

3,440.93 USD ▲ +21.48 +0.63%

MS

MORGAN STANLEY

48.62 USD ▼ -0.09 -0.18%

IBM

IBM

133.25 USD ▲ +9.18 +7.39%

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