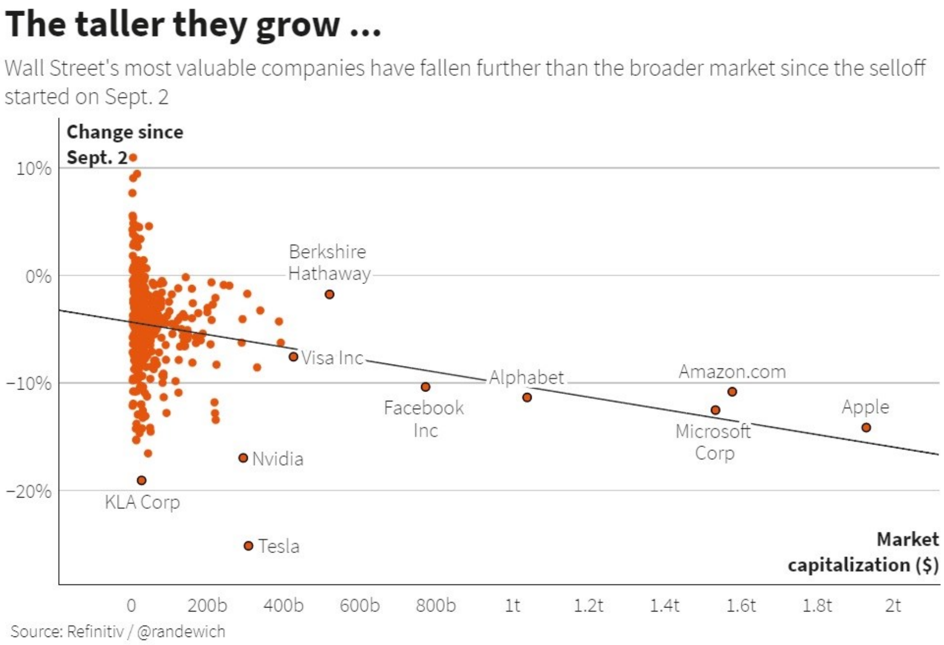
Market Monitor



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Wall Street's main indexes ended higher to snap a three-session losing skid as investors jumped back in to take advantage of the pullback in technology-related stocks, a day after the Nasdaq entered correction territory. **Tesla** shares rebounded and closed 10.92% higher. The **S&P technology sector** rose 3.35% to 2045.54. "It's certainly a massive, surprising rebound," said Jack Ablin, chief investment officer at Cresset Capital Management in Chicago. "On one level it looks speculative but on another it is almost defensive because we know these companies will survive no matter what COVID throws at us." The **Dow Jones Industrial Average** rose 1.6%, to 27,940.67, the **S&P 500** gained 2.02%, to 3,399.06 and the **Nasdaq Composite** added 2.71%, to 11,141.56.

Treasury yields rose after the government sold $35 billion in 10-year notes to slightly soft demand, and before a 30-year bond auction on Thursday. "The auction was a little weaker than expected," said Justin Lederer, an interest rate strategist at Cantor Fitzgerald in New York. "I'm not completely surprised by the tail just given some of the short base, there was a lot of short covering that went on and that took away some of the bid." Treasury yields have been choppy as investors weigh equity volatility, which has boosted demand for the safe haven debt, against heavy debt supply. The Treasury Department sold $35 billion of 10-year notes at a high yield of 0.704%. The bid-to-cover ratio was 2.30. The **benchmark 10-year notes** fell 4/32 to yield 0.695%. **Thirty-year bonds** were down 21/32, yielding 1.449%.

The **U.S. dollar** slid from a four-week high, led by losses against the euro after a news report said European Central Bank officials have become more confident in their outlook for the region's recovery. The safe-haven greenback was also pressured by improving risk sentiment as U.S. stocks rebounded from a sharp sell-off and as higher crude oil prices prompted gains in commodity currencies. Scotiabank chief FX strategist Shaun Osborne believes the dollar will remain firmer relative to the major currencies into the year-end, citing extreme bets against it in the speculative market. "We can see the dollar well-supported, primarily because positioning has been quite heavily skewed, especially towards the euro," Osborne said. "I don't think with this pullback in the euro, we have seen anywhere near tidying up those significant positions." The **euro** rose 0.21% against the **dollar** to $1.1804. The **dollar index** down 0.25% at 93.21.

Oil futures clawed back some of the losses they sustained in the previous session, but a rebound in COVID-19 cases in some countries undermined hopes for a steady recovery in global demand. "Short-term oil market fundamentals look soft: the demand recovery is fragile, inventories and spare capacity are high, and refining margins are low," Morgan Stanley said. **Brent crude** rose 2.34% to $40.71 a barrel. **U.S. crude** was up 3.48% at $38.04 a barrel.

Gold prices rose as the dollar weakened and concerns over a delay in the development of a coronavirus vaccine drove investors toward the safe-haven metal. "We are seeing some cracks in the dollar after the European Central Bank painted a little bit of a rosy picture and gold is moving higher on that," said Bob Haberkorn, senior market strategist at RJO Futures. "But this rally in gold seems to be fragile," Haberkorn said. "From a technical standpoint we need gold to close above $1,950 for the bulls to take control." **Spot gold** rose 0.91% to $1,948.51 per ounce. **U.S. gold futures** were up 0.76% at 1,957.90 per ounce.