

<https://blog.en.erste-am.com/shares-in-positive-territory-update-from-the-investment-division/>

## Shares in positive territory – Update from the Investment Division

Erste AM Communications



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### What's happened since yesterday?

Stocks closed in positive territory yesterday. The US stock market was lifted by technology stocks such as Apple and Microsoft. Positive macroeconomic data also provided support. President Trump is also looking into the possibility of directly extending the expiring Corona-related increased unemployment benefits. Credit-safe government bonds declined slightly. The US dollar rose against the euro to 1.179. Gold is trading at USD 1977 and oil (WTI grade with September delivery) at USD 40.6.

Company reports: More than half of the US companies have now published their 2nd quarter figures. Profit growth so far has been -10.5%, which is significantly better than expected. The strongest growth so far has been in consumer services (including Amazon, Netflix and Ebay) and healthcare. The weakest sector remains oil and gas.

In Europe, about one third of the companies have also already reported growth. The profit growth here is -18%. As previously reported, the sector composition of the European indices is different from that of the US. However, a similar pattern can be seen at sector level. Oil and gas (heavily weighted in Europe) is also the weakest sector here, while technology (fewer and smaller tech companies are listed in Europe) is one of the strongest sectors.

Despite the sharp drop in profits, the results are much better than expected, which provides additional support for equities and corporate bonds.

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