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The S&P 500 Finally Busts Out — and Sets Itself Up for More Gains

By [Ben Levisohn](#) Sept. 6, 2019 8:53 pm ET

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The [Dow Jones Industrial Average](#) advanced 394.18 points, or 1.5%, to 26,797.46 this past week, while the [S&P 500](#) rose 1.8% to 2978.71, and the [Nasdaq Composite](#) climbed 1.8% to 8103.07. Those gains followed last week's 2.8% rise in the S&P 500 and marked the first two-week winning streak since July.

Why did the market soar? Not because of the economic data, which still paint the picture of a decelerating U.S. economy. [August's payrolls report](#) came in light, and would have been even worse if not for a big boost from census hiring. The Institute for Supply Management's manufacturing index [fell below 50](#), signaling a full-blown contraction in industrial activity. But the U.S. and China finally [set a date to go back to the bargaining table on trade](#)—and that was more than enough good news to last the week.

Now, do we believe that the U.S. and China will resolve their differences next month? Hardly. Will a single tweet by President Donald Trump scuttle talks