



α^2 Capital


Market Recap: Week 15
(4/8/2020 – 4/15/2020)

Markets shake off Tuesday's sell-off with sizable gains.

Dow: 23,433.57 (+3.44%)		U.S. Oil: 26.13 (+8.38%)
Nasdaq: 8,090.90 (+2.58%)		Gold: 1,644.03 (-0.10%)
S&P500: 2,749.98 (+3.41%)		VIX: 43.35 (-7.17%)

The market wide rally forced the VIX down setting new monthly lows. However, this unlikely means volatility is going anywhere though. Technology heavy NASDAQ lagged the broader market as the rally in the cyclical sectors was noteworthy. U.S. corporate bond market showed strength, but credit spreads remain high and the global credit market is still showing stress signals. Rising oil prices lifted the energy sector thanks to hopeful production cuts from the upcoming OPEC meeting.

S&P 500 posts best weekly gain in the past 45 years as investors continue to buy into the rally.



Dow: 23,719.37 (+1.22%)	U.S. Oil: 23.16 (-11.37%)
Nasdaq: 8,153.58 (+0.78%)	Gold: 1,681.98 (+2.31%)
S&P500: 2,789.82 (+1.45%)	VIX: 41.67 (-3.88%)

Following last weeks volatility, this week the S&P 500 posts a 12.10% gain while key technical indicators are triggered. As the S&P 500 continued its rally off the lows of 2,191.00, the index surpassed and closed above the 200-week and 8-week moving averages. These moving averages are major institutional support/resistance points on a long and short-term scale, respectively. As the market continued upward, the 8-day EMA crossed over the 21-day EMA as the S&P 500 has now rebounded roughly 27% off the lows. These technical indicators are viewed as strong bullish signals for the large-cap aggregate index.

Friday 4/10/2020

α^2 Capital

~ Stock market was closed in observance of Good Friday ~

United States becomes epicenter for global pandemic as cases surpass 550,000 and deaths in New York City alone surpass 10,000.

Dow: 23,390.77 (-1.39%)		U.S. Oil: 22.26 (-3.89%)
Nasdaq: 8,192.42 (+0.48%)		Gold: 1,712.34 (+1.81%)
S&P500: 2,761.63 (-1.01%)		VIX: 41.17 (-1.20%)

Markets start the week mixed following the long Easter weekend and growing concerns of COVID-19 domestically. Following a weekend full of debates, OPEC, Russia and other petroleum exporting countries agreed to cut output by 10 million barrels/day, roughly 10% of global output. Trump made it clear that cuts to American oil production would come “naturally” as deteriorating prices will force suppliers to slow production. With the largest oil producer (United States: 20% of global output) not artificially cutting production and the demand shock still outweighing supply cuts, the commodity struggled to find any support.

Tuesday 4/14/2020

Nasdaq is the first index to close above its 50 and 200-day moving averages.

Dow: 23,949.76 (2.39%)		U.S. Oil: 20.67 (-7.14%)
Nasdaq: 8,515.74 (+3.95%)		Gold: 1,728.6 (+0.95%)
S&P500: 2,846.06 (+3.06%)		VIX: 37.76 (-8.28%)

The technology heavy Nasdaq showed relative strength during the market wide rally. The subsector, semiconductors, led the way higher also closing above its 50 and 200-day moving averages. The largest U.S. bank, J.P. Morgan Chase ($\$JPM$, -5.40%), reported less than expected EPS which sent the entire financial sector lower. Financials were the worst performing sector, with materials and energy not too far behind. The healthcare sector was the strongest of the day, which may not come as a surprise, as U.S. COVID-19 deaths see the biggest daily percentage gain on record.

Advisory services are only offered to clients or prospective clients where Alpha Squared Capital, LLC and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by Alpha Squared Capital, LLC unless a client service agreement is in place. Please contact us at your earliest convenience with any questions regarding the content of this presentation and how it may be the right strategy for you. The information contained within is not warranted to be accurate, complete or timely. These documents are only intended for use by the addressed parties and contain confidential and or privileged company information. Copying or distribution of this material is strictly prohibited. “Likes” are not intended to be endorsements of our firm, our advisors or our services. Please be aware that while we monitor comments and “likes” left on this page, we do not endorse or necessarily share the same opinions expressed by site users. While we appreciate your comments and feedback please be aware that any form of testimony from current or past clients about their experience with our firm is strictly forbidden under current securities laws. Please honor our request to limit your posts to industry-related educational information and comments.