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Market Recap: Week 16
(4/15/2020 – 4/21/2020)

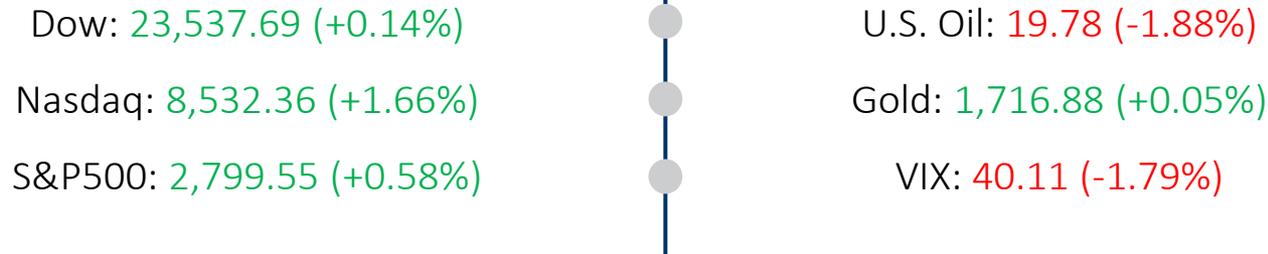
Stocks edge lower as global confirmed COVID-19 cases surpass 2 million.



Dow: 23,504.36 (-1.86%)	U.S. Oil: 20.16 (-2.45%)
Nasdaq: 8,393.18 (-1.44%)	Gold: 1,716.06 (-0.74%)
S&P500: 2,783.36 (-2.20%)	VIX: 40.84 (+8.16%)

After hours Tuesday, 4/14, President Donald Trump releases plans for states to reopen their economies near the end of April. As coronavirus continues to spread around the world many investors have begun shifting their focus to the GDP reports coming out for Q1 2020. After Canada (10th largest economy by nominal GDP) released March forecasts of -9% YoY GDP contraction, it sent volatility in markets around the world higher. U.S. airlines also reached a COVID-19 aid deal with the Treasury for \$25B in form of grants and loans to get the carriers through September 30th.

Following Canada's poor March forecast, China's Q1 GDP contracts for the first time in 28 years.



After China's report shows a drop in GDP of -6.8%, the true economic impact of the virus is shown. While many forecasts have pointed to a wide range of possible economic impacts, China clearly shows how this pandemic spurred a global recession. The Department of Labor weekly unemployment claims jumped a staggering 5.245 million before the morning bell. The unemployment data continues to lack negative weight on the market as anytime claims have been over 5 million, the market finishes the day green.

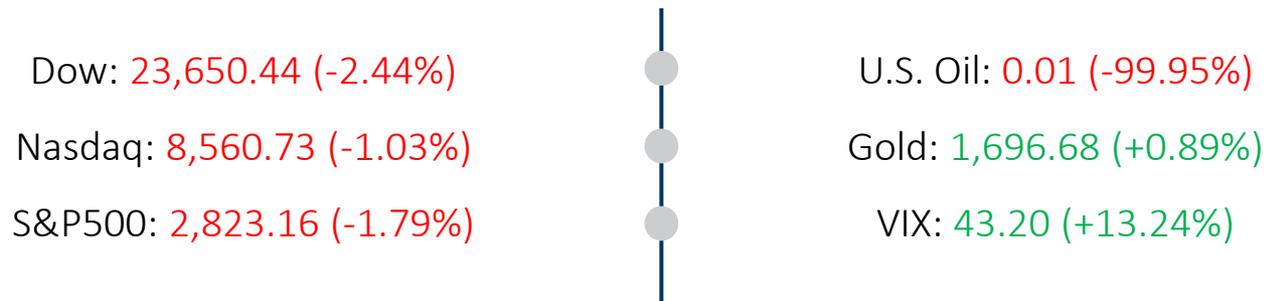
Markets end second week in a row green, bringing the S&P 500 +31.15% off lows set on March 23.



Dow: 24,242.50 (+2.99%)	U.S. Oil: 18.44 (-6.79%)
Nasdaq: 8,650.14 (+1.38%)	Gold: 1,681.63 (-2.05%)
S&P500: 2,874.56 (+2.68%)	VIX: 38.15 (-4.89%)

Markets rally on positive news as short interest declines significantly. Boeing ($\$BA$, +14.72%) pushed the Dow higher after announcing production would re-start. Gilead Sciences' ($\$GILD$, +9.73%) new COVID-19 drug, Remdesivir, showed signs of improvement; the drug is still in a trial phase, so it is too early for investors to price in a treatment solution. From a technical perspective, all major indices finished above their 8-week exponential moving averages.

WTI oil futures end the day negative for the first time in history as oil continues to take a beating.



WTI crude oil reaches lowest levels ever as the price of the May futures contracts reach negative (-\$40.32) per barrel intraday. As May contracts expire negative, sellers of these contracts are forced to pay buyers... for the first time in history. This extreme price action can be attributed to the lack of demand from COVID-19, the United States continuing to produce 18 million barrels/day, and that storage space in Cushing, Oklahoma is becoming very limited. As the contango contract switches from May to June tomorrow, WTI crude should be trading positive price levels tomorrow.

Stock indices post 2-day losing streak as oil continues to worry investors.



Dow: 23,018.88 (-2.67%)	U.S. Oil: 13.05 (+144,966.67%)
Nasdaq: 8,263.23 (-3.48%)	Gold: 1,683.19 (-0.65%)
S&P500: 2,736.56 (-3.07%)	VIX: 45.72 (+4.29%)

While the recording shows U.S. Oil jumping roughly 150,000% Tuesday, it's not an accurate representation of the commodity's true price. The benchmark we use is the continuous futures contract for WTI crude oil. When May contracts expired in negative territory yesterday, the June contracts replace the benchmark's underlying assets causing the price to be replaced by more realistic oil levels. As oil provides a catalyst pushing benchmarks back into bear territory, lawmakers work to pass a new stimulus package containing \$484 billion in economic aid. In economic news, existing home sales missed expectations (-8.5% vs -7.5% est).

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