




α^2 Capital

Market Recap: Week 19
(5/6/2020 – 5/12/2020)

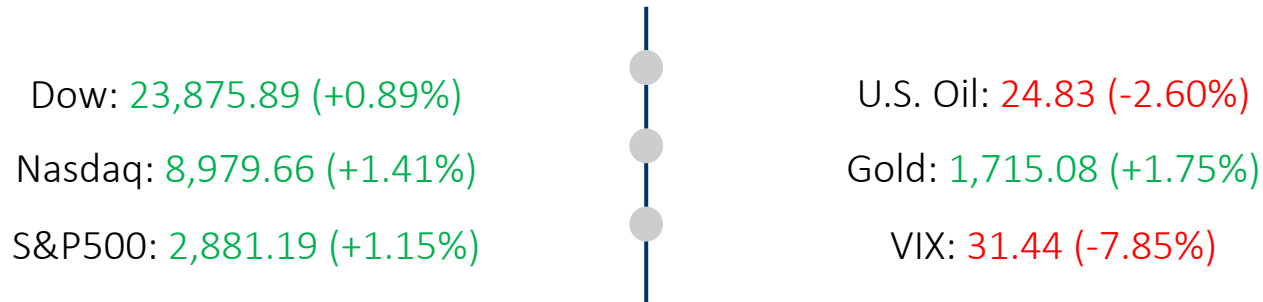
Markets finished mixed after back to back days of afternoon sell-offs.



Dow: 23,664.64 (-0.91%)	U.S. Oil: 25.49 (-5.98%)
Nasdaq: 8,854.39 (+0.51%)	Gold: 1,685.50 (+1.18%)
S&P500: 2,848.42 (-0.70%)	VIX: 34.12 (+1.52%)


ADP payroll numbers came in below estimates at 20,000,000 job losses. There was light volume across the market today. The technology heavy Nasdaq showed relative strength as mega caps outperform. Healthcare also showed signs of relative strength. The EU negative growth report is likely to add to fears. The number of new COVID-19 cases continues to trend lower despite the negative report out of Europe.

The tech-heavy Nasdaq finished the day in positive territory for year-to-date returns.



As stocks continue to recover after the devastating blow received during the COVID-19 outbreak, the Nasdaq closed today up 0.08% YTD. This turnaround was driven by the especially fast recovery throughout the tech sector. PayPal (PYPL, +14.01%) had a noteworthy day; helping the entire financial sector. The entire Treasury ladder yield curve fell after 3+ million jobless claims came in before the bell. There are now over 33.5 million jobless claims over the previous 7 weeks.


The Nasdaq lags as the VIX falls below 30.



Dow: 24,331.32 (+1.91%)	U.S. Oil: 26.10 (+5.15%)
Nasdaq: 9,121.32 (+1.58%)	Gold: 1,700.60 (-0.85%)
S&P500: 2,929.80 (+1.69%)	VIX: 27.98 (-11.01%)

From a technical standpoint, the number of equities above their 200 day moving averages increased to above 20%. Both, the number of companies setting 52-week highs and lows, increased as well. Short interest was essentially no different than the previous weeks close. The Nasdaq and mega-cap stocks continue to show strength throughout the week while the Russell 2000 outperformed Friday.


Technology continues to lead the recovery as indices start the week mixed.



Dow: 24,221.99 (-0.45%)	U.S. Oil: 25.40 (-2.69%)
Nasdaq: 9,192.34 (+0.78%)	Gold: 1,695.77 (-0.28%)
S&P500: 2,930.32 (+0.02%)	VIX: 27.57 (-1.47%)

To put the Nasdaq's recovery in prospective, the Nasdaq is only 6% from all time highs while the S&P 500 is still 15% from all time highs and Dow Jones is 20%. Despite the large distance from all time highs, this is dramatically better than the global landscape. This can be attributed to the 66% of S&P companies beating earnings expectations during these unprecedented times and the large stimulus deployed. In less important news, Bitcoin halved.

Markets finish the day red after a busy day of economic releases.



Dow: 23,764.78 (-1.89%)	U.S. Oil: 25.80 (+1.58%)
Nasdaq: 9,002.55 (-2.06%)	Gold: 1,701.73 (+0.35%)
S&P500: 2,870.12 (-2.05%)	VIX: 33.04 (+19.84%)

CPI missed expectations at -0.8%. The small business index beat expectations but still down from the previous month. Tension between China and U.S. is rising quite rapidly, as President Donald Trump blocks Chinese investments from government retirement funds. Real estate was especially weak today despite the Nasdaq leading the indices down.

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