



α^2 Capital

Market Recap: Week 22
(5/27/2020 – 6/2/2020)

Wednesday 5/27/2020

Equities surge higher as the S&P 500 surpasses 3,000 and the Dow surpasses 25,000 for the first time during the COVID-19 recovery.

S&P500: 3,036.13 (+1.48%)

Nasdaq: 9,412.36 (+0.77%)

Dow: 25,548.27 (+2.21%)

Crude Oil: 32.69 (-4.21%)

Gold: 1,712.89 (+0.16%)

VIX: 27.70 (-1.04%)

The S&P 500 closed above the 200-day moving average for the first time since crossing below that mark back in March. From a technical standpoint, this was a very bullish close as the 200-day moving average is a key institutional support/resistance level. The Dow closed above +2% for the second day in a row as financials (+4.34%) and industrials (+3.35%) lead once again. Virgin Galactic (\$SPCE, +7.29%) surged higher as SpaceX planned to be the first private company to launch humans into space. After SpaceX cancelled the flight 16 minutes prior to the launch, \$SPCE shares fell sharply (-3.54%) in afterhours trading.

Thursday 5/28/2020

Equities sell off sharply into the close as tensions are likely to rise between China and the U.S.

S&P500: 3,029.73 (-0.21%)

Nasdaq: 9,368.99 (-0.46%)

Dow: 25,400.64 (-0.58%)

Crude Oil: 33.63 (+4.44%)

Gold: 1,717.90 (+0.52%)

VIX: 28.59 (+3.51%)

Markets spiraled to end the trading session, erasing 1.1% from the S&P 500, after Trump responded to the restriction's China imposed on Hong Kong. After news regarding a future press conference between the U.S. and China was made public, investors worried trade tensions between the two biggest global economies would rise once again. Along with investors being reminded of what happened in Q4 of 2018, Q1 2020 GDP and new weekly jobless claims both were worse than expectations. With new jobless claims being reported as 2.12 million vs. 2.10 expected and Q1 GDP reported at -5.0% vs. -4.8% expected.

The indices finish mixed but well off their lows despite negative headlines.

S&P500: 3,044.31 (+0.48%)

Nasdaq: 9,489.87 (+1.29%)

Dow: 25,383.11 (-0.07%)

Crude Oil: 35.19 (+4.42%)

Gold: 1,729.70 (+0.69%)

VIX: 27.51 (-3.78%)

The technology heavy Nasdaq led markets higher. There was strong relative strength in semiconductors. The small-cap breakout is also something to take note of. President Donald

Trump's news conference to eliminate special treatment towards Hong Kong escalated the tension between U.S. and China. From a technical picture, the Nasdaq and S&P 500 are now well above their 200-day while the Dow attempts to regain the 200-day. Also, short interest continued to decline.

Monday 6/1/2020

Markets start the week green even as rioting spread throughout the country over the weekend.

S&P500: 3,055.73 (+0.38%)

Nasdaq: 9,552.05 (+0.66%)

Dow: 25,475.02 (+0.36%)

Crude Oil: 35.54 (+1.01%)

Gold: 1,738.83 (+0.55%)

VIX: 28.23 (-2.62%)

U.S. equities manage to pull off a positive day with continuing China trade complications, rising COVID-19 cases, and complete chaos from rioting around the country. With mass uncertainty looming over the United States, the stock market proves to be a haven as investor money continues to flow in. Tech and healthcare continue the week lagging behind value sectors like industrials and financials.

Tuesday 6/2/2020

The S&P 500 closes the day roughly 10% from all-time highs.

S&P500: 3,080.82 (+0.82%)

Nasdaq: 9,608.37 (+0.59%)

Dow: 25,742.65 (+1.05%)

Crude Oil: 36.83 (+3.62%)

Gold: 1,724.80 (-0.81%)

VIX: 26.84 (-4.92%)

Amidst chaos throughout the country, equity markets continue the rebound higher edging closer to all-time highs. Energy and industrials continue their push higher and carry market indices to another green day. Even with new potential trade restrictions with Hong Kong, the Hang Seng index is currently up 4.5% this week alone. As protesting continues across America, countries across the world join the fight against police brutality.

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