



α^2 Capital

Market Recap: Week 24
(6/10/2020 – 6/16/2020)

Wednesday 6/10/2020

While the S&P 500 and Dow Jones finish lower, the Nasdaq Composite (and 100) close above the 10,000 mark for the first time in history.

S&P500: 3,190.14 (-0.53%)

Nasdaq: 10,020.40 (+0.67%)

Dow: 26,938.05 (-1.04%)

Crude Oil: 39.02 (+1.68%)

Gold: 1,737.36 (+1.43%)

VIX: 27.6 (0.00%)

The recovery from COVID-19 has proven to be robust, especially for the tech heavy Nasdaq. Already at all-time highs this year, the index now surpassed a major price milestone. Tech giant Apple ([\\$AAPL](#), +2.57%) plans to send majority of employees back to work next week, giving investors a more optimistic view as the economy continues to reopen. Along with the economy reopening, the Fed publicly announced they see interest rates staying pinned between 0 – 0.25 basis points until 2022.

Stocks suffer worst day since March, Dow finishes session down over 1800 points.

S&P500: 3,002.10 (-5.89%)

Nasdaq: 9,492.70 (-5.27%)

Dow: 25,128.17 (-6.90%)

Crude Oil: 36.11 (-7.45%)

Gold: 1,727.96 (-0.54%)

VIX: 40.80 (+47.95%)

The VIX spiked almost 48% Tuesday as investors become uneasy about growing COVID-19 cases and the uncertain state our country is currently in. Growing concern over the “Second Wave” is becoming evident in the marketplace as volatility awakens after the (almost) quarter long recovery is halted. As all 3 major U.S. stock indices close 5% lower, the Fed introduces more stimulus, extending the unemployment benefits by another \$600 per month.

Jobs report comes back stronger than expected, with unemployment rising to 13.3% in May versus the forecasted 19.5%.

S&P500: 3,041.31 (-1.31%)

Nasdaq: 9,588.80 (-1.01%)

Dow: 25,605.54 (-1.90%)

Crude Oil: 36.50 (+1.08%)

Gold: 1,722.30 (+0.10%)

VIX: 36.1 (-11.52%)

Stocks continue their decline after the unemployment numbers beat expectations by a landslide. Even with great numbers posted, skepticism surrounds the results as many discredit the survey due to a smaller sample size and wrongful categorization of unemployed persons. Separate from the broad market, investors have begun showing an increased appetite for newly public companies, snapping up shares of businesses making their public debuts after a virtual IPO market freeze amid the coronavirus pandemic.

Indices start the week green after the S&P 500 ended last week down **-4.78%**.

S&P500: 3,066.59 (+0.83%)

Nasdaq: 9,726.01 (+1.43%)

Dow: 25,763.16 (+0.62%)

Crude Oil: 37.02 (+1.43%)

Gold: 1,724.58 (-0.29%)

VIX: 34.40 (-4.68%)

The Federal Reserve continues injecting stimulus back into the economy, now buying individual corporate bonds to keep the debt market liquid. The Fed has released an unprecedented amount of quantitative easing in order to stabilize an economy forced to close its doors. Markets have favorably viewed the Fed's decisions throughout the pandemic, but the question of long-term effects continue to arise. JP Morgan along with other Wall Street banks plan to bring more traders back to their NYC headquarters next week.

Tuesday 6/16/2020

Indices erase gains from Monday in another volatile trading session.

S&P500: 3,124.74 (-1.90%)

Nasdaq: 9,895.90 (-1.75%)

Dow: 26,289.98 (-2.04%)

Crude Oil: 37.88 (+2.30%)

Gold: 1,725.52 (+0.05%)

VIX: 33.70 (-2.12%)

With the Fed bringing interest rates to 0 and planning to keep them there until 2022, President Trump considers a \$1 Trillion infrastructure deal to fix America's poor infrastructure grade with the cheap debt created from the COVID-19 quantitative easing efforts. As the Fed comes out again to say they will continue to support the economy through its long recovery, analysts are discovering there are more unemployment benefits circulating than there are unemployed persons.

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