




# $\alpha^2$ Capital

Market Recap: Week 10  
(3/4/2020 – 3/10/2020)

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The Fed's emergency rate cut yesterday was able to temporarily draw investors attention away from Coronavirus as markets rally.



Dow: 27,090.86 (+4.53%)	Crude Oil: 47.21 (+0.40%)
Nasdaq: 9,018.09 (+3.85%)	Gold: 1,636.75 (-0.24%)
S&P500: 3,130.12 (+4.22%)	VIX: 31.99 (-13.12%)

From a technical picture, the S&P 500 closed above the 200-day moving average as volatility remained high. Political news will likely gain popular headlines if corporate earning fears caused by Coronavirus were to subside as Joe Biden had a strong Super Tuesday showing after hours Tuesday. Healthcare and Utilities led the way higher, which are typically safe-haven sectors, showing relative strength over other sectors.

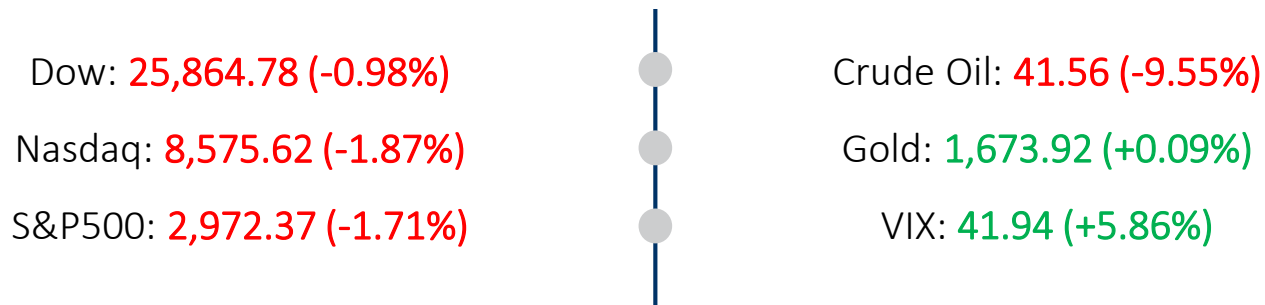
The turbulent equity markets gave back a good portion of yesterday's gains as the spread of Coronavirus continues to dominate headlines.



Dow: <b>26,121.28 (-3.58%)</b>	Crude Oil: <b>45.95 (-2.67%)</b>
Nasdaq: <b>8,738.60 (-3.10%)</b>	Gold: <b>1,672.37 (+2.18%)</b>
S&P500: <b>3,023.94 (-3.39%)</b>	VIX: <b>40.64 (+27.04%)</b>

Utilities and Consumer Staples showed the best relative strength throughout the day while Real Estate and Healthcare also held up well. Industrials, Financials, and Consumer Discretionary felt the brunt of the decline. The S&P 500 joined the Dow, closing below their 200-day moving averages. The Nasdaq has still yet to close below its 200-day moving average. Costco (**\$COST, -8.04%**) reported earnings, beating on both top and bottom lines.


Friday's sell-off was saved by a strong afternoon rally into the close.



Across the board key economic indicators were STRONG – Government jobs report was extremely strong, beating expectations; Unemployment moved lower to 3.5%; Non-Farm Payrolls was a beat; ISM non-manufacturing PMI was also a beat. Defensive sectors - Utilities, Healthcare, and Consumer Staples - showed relative strength amid the days decline. The short-term technical picture is still in trouble and short interest climbed again.

Monday 3/9/2020


The dispute between Saudi Arabia & Russia caused oil prices to tank, putting additional pressure on Coronavirus which spooked U.S equities.



Dow: <b>23,851.02 (-7.79%)</b>	Crude Oil: <b>30.14 (-27.48%)</b>
Nasdaq: <b>7,950.68 (-7.29%)</b>	Gold: <b>1,680.63 (+0.40%)</b>
S&P500: <b>2,746.56 (-7.60%)</b>	VIX: <b>53.80 (+28.28%)</b>

The first minutes of trading were met with the first circuit breaker at -7% and stocks halted trading for 15 minutes. Today's unprecedented move finally caused the Nasdaq to close below its 200-day moving average, joining the S&P 500 and Dow. Highly leveraged energy companies were met with extreme pressure as the entire Energy Sector led the decline down due to the pressure on crude oil which rebounded slightly from its overnight low of \$27 / barrel. The Financial and Industrial sectors were also hit hard.

U.S. stock markets rally from the morning sessions' sell off to an impressive daily gain.



Dow: 25,018.16 (+4.89%)	Crude Oil: 34.77 (+15.36%)
Nasdaq: 8,344.25 (+4.95%)	Gold: 1,649.14 (-1.87%)
S&P500: 2,882.23 (+4.94%)	VIX: 47.30 (-13.15%)

All sectors finished the day in the green and participated in the days rally. Reuters reports there are 116,000+ cases of Coronavirus (COVID-19) with over 4,000 deaths globally and 800+ cases with 28 deaths domestically. President Trump promised a stimulus package yesterday, but it was not formally disclosed as promised. Defensive Utilities showed relative weakness during the rally while Technology showed relative strength.

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