



α^2 Capital

Market Recap: Week 4
(1/22/2020 – 1/28/2020)

Chinese Coronavirus continues to dim the bright light of bullish earnings releases.



Dow: 29,186.27 (-0.03%)	Crude Oil: 56.03 (-3.73%)
Nasdaq: 9,383.77 (+0.14%)	Gold: 1,558.94 (+0.09%)
S&P500: 3,321.75 (+0.03%)	VIX: 12.91 (+0.47%)

Technology and Utilities stole the show finishing with relative strength while Financials and Industrials lagged the broader market. The Housing Price Index missed and last months forecast was adjusted higher, while Existing Home Sales crushed expectations.

The Dow Jones closes red for a third consecutive day as the Nasdaq closes at an all time high.



Dow: 29,159.82 (-0.09%)	Crude Oil: 55.65 (-0.68%)
Nasdaq: 9,402.48 (+0.20%)	Gold: 1,562.63 (+0.24%)
S&P500: 3,325.49 (+0.11%)	VIX: 13.08 (+1.32%)

A bearish open was saved by an afternoon market wide rally thanks to an optimistic World Health Organization release concerning the Chinese Coronavirus to end the day flat. A second round of tax cuts was confirmed by Treasury Secretary, Steven Mnuchin. Oil finished the day at levels not seen since November of '19 as Coronavirus fears cause demand to diminish.

U.S. markets have held up well amid the global Coronavirus epidemic until today, but still showed relative strength to foreign markets.



Dow: 28,989.73 (-0.58%)	Crude Oil: 54.25 (-2.52%)
Nasdaq: 9,314.91 (-0.93%)	Gold: 1,571.38 (+0.56%)
S&P500: 3,295.47 (-0.90%)	VIX: 14.56 (+12.17%)

Starting on a positive note, in economic releases, Existing Home Sales beat expectations and jobless claims remain very low, but Markit Manufacturing PMI moved slightly lower. Despite the global scare, short interest remains relatively low and the technical picture for the indices remain in place. Travel-related equities took the biggest hit as Utilities showed relative strength during the pullback. As earning season continues the overall picture is still positive for most U.S. stocks.

Stock markets continued the second day sell off as Coronavirus fears escalate and faced their worst day of the year.



Dow: 28,535.80 (-1.57%)	Crude Oil: 52.77 (-2.73%)
Nasdaq: 9,139.31 (-1.89%)	Gold: 1,581.98 (+0.67%)
S&P500: 3,243 (-1.57%)	VIX: 16.83 (+15.59%)

With only 5 domestic cases of the Coronavirus in the U.S, the CDC is not treating the virus as a domestic health risk but the threat to the Chinese economy is enough to threaten the global economy. In economic releases, New Home Sales missed expectations substantially. Utilities and Healthcare showed relative strength amongst the continuation day sell off, with Energy resuming the sell off from the previous week.

Domestic equities rebound following the worst daily decline of 2020 in over 3 months

Dow: 28,722.85 (+1.01%)	●	Crude Oil: 53.94 (+2.22%)
Nasdaq: 9,269.68 (+1.43%)	●	Gold: 1,567.24 (-0.93%)
S&P500: 3,276.24 (+1.01%)	●	VIX: 16.28 (-10.70%)

From an economic prospective, the CB Consumer Confidence index increased dramatically and revised last months reading higher while the Durable Goods report came in mixed. The largest market cap company Apple (\$AAPL) reported earnings after the bell with a beat on top and bottom lines continuing the bullish corporate earnings trend. Technology lead the day recovering with relative strength as the Utilities set an intraday all time high. Concerns of the spreading Coronavirus is still likely to rear its ugly head again as the virus' death toll in China continues to grow.

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