



# $\alpha^2$ Capital

Market Recap: Week 5  
(1/29/2020 – 2/4/2020)

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Stock markets finished mixed as Federal Reserve Chairman, Jerome Powell, releases cautious words regarding U.S. economy after the Fed's rate decision to remain unchanged.

Dow: 28,734.45 (+0.04%)

Nasdaq: 9,275.16 (+0.06%)

S&P500: 3,273.40 (-0.09%)

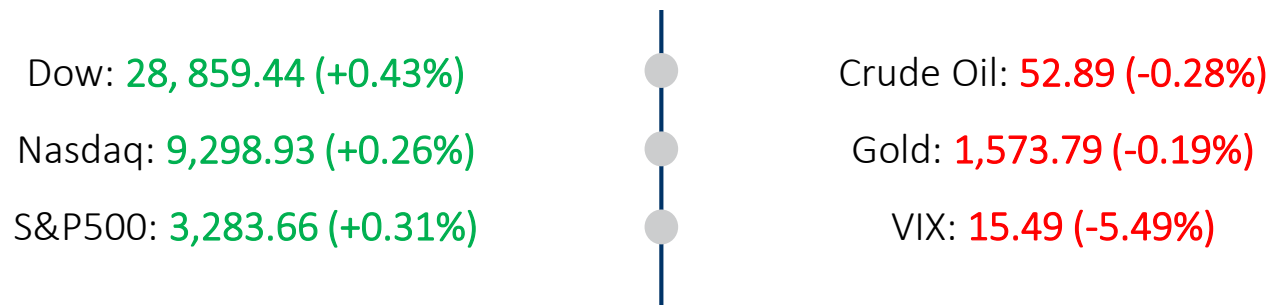
Crude Oil: 53.04 (-1.67%)

Gold: 1576.80 (+0.61%)

VIX: 16.39 (+0.68%)


Treasury yields declined following the expected decision from the Central Bank's monetary statement. Materials were the worst performing sector today as Industrials and Consumer Goods stole the spotlight. Healthcare and Utilities, the typical defensive sectors, also had a good day. Technology came in mixed as Semiconductors were under pressure, finishing red.

International stocks were bright red overnight as the fears concerning the Coronavirus escalated as the World Health Organization declares the virus a National Emergency.



U.S. stocks started the morning red but finished in the green and with relative strength to international stocks as the VIX declined. Q4 GDP matched Q3's reading at 2.1%, which was expected; however, GDP Price Index missed expectations dramatically. New Jobless claims also remained extremely low. The major sectors continued to diverge as earnings season rolls on with technology behemoth, Microsoft (\$MSFT) reported a blow out quarter, while Communication giant, Facebook (\$FB) disappointed the street.


U.S. stocks were under extreme pressure as Coronavirus fears intensified causing broadened travel restrictions into and out of China from the major airlines.



Dow: <b>28,256.03 (-2.09%)</b>	Crude Oil: <b>51.50 (-2.63%)</b>
Nasdaq: <b>9,150.94 (-1.59%)</b>	Gold: <b>1,590.16 (+1.04%)</b>
S&P500: <b>3,225.52 (-1.77%)</b>	VIX: <b>18.84 (+21.63%)</b>

From a technical picture on the S&P 500, the 8-EMA (exponential moving average) closed below the 21-SMA (simple moving average) for the first time since September 2019 as the VIX closed above 18, while briefly testing the 50-SMA intraday. Mega-Cap, Amazon (\$AMZN), reported a blow out earnings report after hours Thursday causing valuation to close above \$1 Trillion for the first time, becoming the 4<sup>th</sup> U.S. stock with this valuation. Core PCE Price Index came in above expectations while Personal Spending and Chicago PMI missed.


Crude Oil closes below \$50 a barrel, a level not seen in over 1-year, as U.S. stocks attempt to rebound after Friday's sell-off while Chinese markets crashed overnight.



Dow: 28,399.81 (+0.51%)	Crude Oil: 49.82 (-3.26%)
Nasdaq: 9,273.4 (+1.34%)	Gold: 1,576.80 (-0.84%)
S&P500: 3,248.92 (+0.73%)	VIX: 17.97 (-4.62%)

Technology was the best performing sector with Semi's leading the way. Com Services and Healthcare also finished with relative strength in comparison to other key sectors. The official count of Coronavirus cases domestically rose to 11. On the first day of trading since the Lunar New Year, the main Chinese stock index closed nearly 8% down and temporarily banned short-selling while dumping almost a record amount of liquidity into banking. Shockingly, Chinese Manufacturing PMI beat, as did ISM Manufacturing PMI. The Great Britain Pound, the official currency of the U.K., tanked as it left the EU over the weekend.

Domestic stocks had a continuation day finishing bright green as the delayed Iowa Caucus results come in and Coronavirus fears subside.



Dow: <b>28,807.63 (+1.44%)</b>	Crude Oil: <b>49.38 (-0.88%)</b>
Nasdaq: <b>9,467.97 (+2.10%)</b>	Gold: <b>1,552.25 (-1.56%)</b>
S&P500: <b>3,297.59 (+1.50%)</b>	VIX: <b>16.11 (-10.36%)</b>

Utilities were the only bright red sector of the market, showing relative weakness during the second day of dip buying. Com Services and mega-cap, Alphabet (\$GOOGL), moved lower as it reported an EPS beat but Rev miss on the first earnings call since founder CEO, Larry Page, resigned. ConocoPhillips (\$COP) continued the trend set by its peers, missing on both EPS and Rev, as the hammered Energy sector shrugged off the miss and rebounded. Tesla (\$TSLA) continued to soar to over 950 intra day, up a whopping 440+% since its 52-week low back in June 2019, as the Nasdaq hit all time highs.

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