



α^2 Capital

Market Recap: Week 6
(2/5/2020 – 2/11/2020)

Strong economic releases and reports of potential Coronavirus treatments cause stocks to surge across Wall Street.



Dow: 29,290.85 (+1.67%)	Crude Oil: 51.19 (+3.67%)
Nasdaq: 9,508.68 (+0.43%)	Gold: 1556.22 (+0.23%)
S&P500: 3,334.69 (+1.13%)	VIX: 15.13 (-7.12%)

From a technical standpoint on the S&P 500, the 8-ema closed above the 21-sma, erasing the first downward crossing close on Friday, 1/31/2020. In economic news, the ADP payroll number came in nearly double the expectation. Energy and Financials, sectors that were previously weak, showed signs of relative strength while the typical strong sectors struggled. Treasury yields and the U.S. Dollar also ticked up as did Healthcare and Industrials.

U.S. indices close at all time highs as China cuts U.S. tariffs in half.



Dow: 29,329.77 (+0.13%)	Crude Oil: 51.02 (-0.33%)
Nasdaq: 9,572.15 (+0.67%)	Gold: 1566.20 (+0.64%)
S&P500: 3,345.78 (+0.33%)	VIX: 14.93 (-1.32%)

The Technology sector regained strength after lagging yesterday as the VIX loses ground. In political news, President Donald Trump was acquitted in the Senate. U.S. jobless claims were reported far fewer claims than expectation estimates. In additional news, pioneer and CEO of SpaceX, Elon Musk, announced a possible spinoff to take Starlink – a satellite constellation designed to provide internet across the globe – public.

U.S. stocks boast first red day in 5 trading days.



Dow: 29,102.51 (-0.94%)	Crude Oil: 50.37 (-1.27%)
Nasdaq: 9,520.51 (-0.54%)	Gold: 1570.72 (+0.29%)
S&P500: 3,327.71 (-0.54%)	VIX: 15.47 (+3.68%)

From a technical view, despite today's red appearance, the technical story is still strongly intact after the explosive rally with all indices above their 21, 50, and 200 day moving averages. As earnings season winds down, the fundamental story is also unchanged with most U.S. companies reporting strong earnings; however, fears concerning a global slowdown due to the coronavirus has the potential to guide expectations lower next quarter. Economic releases also remained bullish for the second consecutive week.

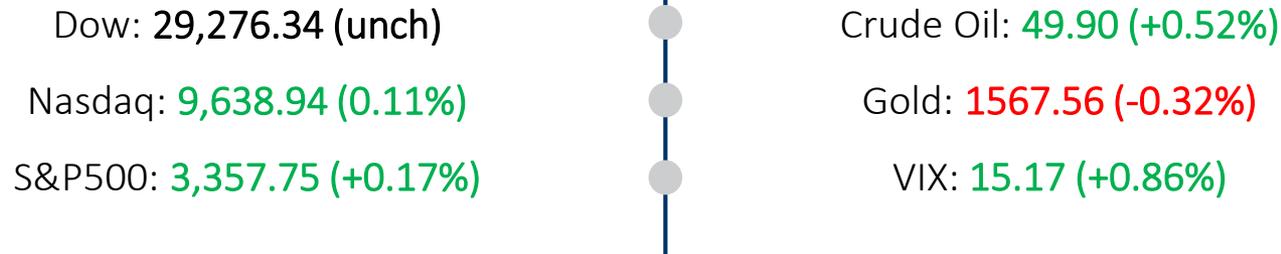
The S&P 500 and Nasdaq set new all-time highs to recover from Friday's market wide sell off.



Dow: 29,276.82(+0.60%)	Crude Oil: 49.64 (-1.45%)
Nasdaq: 9,628.39 (+1.13%)	Gold: 1572.55 (+0.12%)
S&P500: 3,352.09 (+0.73%)	VIX: 15.04 (-2.78%)

The Technology heavy Nasdaq clears the 9,600 level for the first time as it eyes down Nasdaq 10,000. The U.S. Dollar continued ticking up for the sixth straight day as Treasury yields declined. While the major U.S. indices show relative strength in comparison to internationals, small-caps expressed relative weakness as the Russell 2000 closed red. The economic calendar was virtually empty today ahead of Fed Chair, Jerome Powell's, highly anticipated appearance in D.C. Over the weekend the coronavirus death toll surpassed the 2003 SARS outbreak.

Sprint (\$S) jumps over 75% after a federal judge approves the T-Mobile (\$TMUS) merger.



After years of failed attempts, the \$26 Billion merger between the 3rd and 4th biggest U.S. wireless carriers has been approved by the Senate. With this merger seen as a huge positive for both Sprint and T-Mobile, both Verizon and AT&T felt the pressure ending the day red. As the coronavirus fears continue to dissipate, crude oil saw a significant rebound as the major benchmark bounces off the key \$50/barrel level. Fed chair Jerome Powell testified to the House today. He was questioned regarding Coronavirus, the strong domestic economy, and what actions the Fed will have available as corrective measures in the event of an economic pullback.

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