



SCHAEFFER'S WEEKLY MARKET RUN-DOWN

APRIL 29, 2017

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NASDAQ Tops 6K as Earnings Fuel Stock Market Rally

5-Minute Market Run-Down for the Week Ending: April 28, 2017

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Stocks began the week with a bang, with Wall Street cheering expected results from the [French presidential election](#), resulting in a widespread [relief rally](#). The [Nasdaq Composite \(COMP\)](#) jumped to fresh record highs, but that was just the beginning, with the tech-heavy index toppling the [6,000 mark](#) for the first time ever on Tuesday -- an accomplishment that should not scare [stock pickers](#) -- and notching five consecutive all-time intraday peaks. The [Dow](#) was not left behind, though, with the blue-chip index rattling off its [best two-day stretch](#) since November. Yet, even with the CBOE Volatility Index ([VIX](#)) suffering a 25% single-day drop for just the fourth time ever, the risk still exists for a [volatility pop](#).

Trump Tax Talk Turns Sour

Another major storyline was the Trump administration's tax reform efforts. While this initially acted as a [tailwind for stocks](#), excitement quickly turned to disappointment, as the president's [tax reform](#) proposals lacked the details investors were hoping for, even after Treasury Secretary [Steven Mnuchin](#) promised the "largest tax reform in the history of our country." Yet, although the slowest gross domestic product ([GDP](#)) reading in three years put additional pressure on stocks, the Dow, COMP, and **S&P 500 Index (SPX)** are well on their way for big weekly wins -- wrapping up a historically significant end to [Trump's first 100 days](#) in office.

Amazon, Alphabet Headline Tech Rally

Make no mistake about it, though, [tech stocks](#) were the main focus this week, with heavyweights [Amazon](#) and [Alphabet](#) Inc. (NASDAQ:GOOGL) both surging to record highs after earnings. Meanwhile, our CEO Bernie Schaeffer believes record highs are "eminently achievable" for this [semiconductor ETF](#), and options traders are loading up on Micron Technology, Inc. (NASDAQ:MU) [call options](#). On the other hand, [QUALCOMM](#), Inc. (NASDAQ:QCOM) met some late-week turbulence on Apple Inc. (NASDAQ:AAPL) woes. [Telecom stocks](#) were also in focus with [net neutrality](#) in the news once again. Tech is not the only hot sector, however, evidenced by the outsized gains from [casino stocks](#).

Caterpillar's Huge Week Highlights Earnings Winners

Looking closer at this week's earnings results, few stocks benefited more than Dow component [Caterpillar](#) Inc. (NYSE:CAT), which surged to fresh highs after toppling expectations. Fellow blue chip [3M](#) Co. (NYSE:MMM) followed suit with impressive earnings of its own, while [oil stocks](#) Chevron Corporation (NYSE:CVX) and Exxon Mobil Corporation (NYSE:XOM) both delivered well-received results. [Twitter](#) Inc. (NYSE:TWTR), [Under Armour](#), [Paypal](#) Holdings Inc. (NASDAQ:PYPL), [iRobot](#) Corporation (NASDAQ:IRBT), and [Hasbro](#), Inc. (NASDAQ:HAS) were also among the earnings winners.

U.S. Steel Stock Sells Off After Earnings

On the flip side, one of the week's biggest post-earnings sell-offs belonged to [U.S. Steel](#) Corporation (NYSE:X), with a possible [delta-hedging](#) situation adding to the stock's woes. Still, sector peer [AK Steel](#) Holding Corporation (NYSE:AKS) was able to bounce back from disappointing earnings, while [mining stocks](#) took focus later in the week, highlighted by [Freeport-McMoRan](#) Inc.'s (NYSE:FCX) results. Elsewhere, cloud stocks [Synchronoss Technologies](#), Inc. (NASDAQ:SNCR) and [Akamai Technologies](#), Inc. (NASDAQ:AKAM) both sank after reporting earnings, and [GoPro](#) Inc.'s (NASDAQ:GPRO) post-earnings slide rewarded bears. Also suffering notable losses after earnings were [Schlumberger](#) Limited (NYSE:SLB) and [Express Scripts](#) Holding Company (NASDAQ:ESRX).

Apple, Facebook Earnings Keep Focus on Tech Sector

Tech stocks should remain in focus next week, with [Facebook](#) Inc. (NASDAQ:FB) and [Apple](#) both scheduled to report earnings. Traders will also be looking forward to the end-of-week release of the [non-farm payrolls](#) report for April, as well as the two-

day Fed meeting. With May set to begin, bullish options traders may want to take a hard look at the [healthcare sector](#), especially these two high-profile [drug stocks](#). Conversely, there are plenty of [stocks for put buyers](#) to target, as well.

Saturday, April 29, 2017

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