Tech Stock Writeup

Introduction:

Hello, my name is Gasper Militello and I am an aspiring analyst. One of the most interesting markets to analyze is the stock market. The amount of data available to the public makes it easy to access, and in return creates opportunities to look at the past, present, and future trends. My goal is to look at the data objectively, and to point out patterns or discrepancies I see from the information I have gathered. This is not financial advice; I am not a financial advisor. I let the numbers do the talking, and from there the rest is up to you. The data gathered was from five major tech companies **(Amazon, Nvidia, Apple, AMD, Microsoft**). As I analyze different sectors, I will update this writeup as I see fit. This report was written as of 7/28/2022, using historical stock data collected and verified by Yahoo Finance. You can cross reference all information and statistics with my Power BI report located in the same repository. Thank you for your interest.

* General Questions
  + How is the stock market performing overall?
  + Who are the biggest winners/losers?
  + What are the reasons for the current bear market?
  + How does this market compare to past ones?
  + How did the interest hike affect stock trading?
  + What is the difference between volume and dollar volume?
  + General takeaways?

The past year has been volatile to say the least. From the Russian-Ukraine war, record breaking inflation, and the looming pandemic, nothing seems to be a given. Enter the stock market. Anyone paying attention to the stock market can see the general trend. If you were to ask a random person on the street, they would probably echo the same sentiment. So, how did we get to this point? Let’s look at these five major tech stocks.

The current bear market started at the beginning of the year. The last bear market was during covid and had the shortest duration of all twelve bear markets since the WWII era. In the seventy-four-year period since WWII there have been twelve bear markets. What exactly is a bear market? A bear market occurs when the market falls by twenty percent or more. The Covid Bear Market led to historical rises in the market after its brief duration. Does this mean we can expect the same bounce back for the current bear market? The short answer is no, but there are always opportunities to take advantage of.

Stock starting prices on 2022/1/3:

**Microsoft – MFST: $334.75**

**Nvidia – NVDA: $301.21**

**Apple – AAPL: $182.01**

**Amazon – AMZN: $170.40** (Note: Amazon had a 20 to 1 stock split in June, prices are adjusted accordingly)

**Advanced Micro Devices – AMD: $150.24**

These are the baseline numbers where the analysis begins. The prices are collectively the highest close for each individual stock in January. Now for the lowest prices during January:

**MFST: $288.49**

**NVDA: $288.49**

**AAPL: $159.22**

**AMZN: $138.87**

**AMD: $102.60**

Prices were hammered, dropping 20.74 percent from their initial high when compared to the lowest closes. AMD dropped close to thirty-two percent at one point during the month. At the end of January, stocks rallied temporarily. To finish January off, these stocks altogether were down thirteen percent on average. AMD was the biggest loser, dropping close to twenty four percent. How do these dips affect the overall market volume(actual trading of stocks)? Total stock volume for January was 7.29 billion for the sample stocks. AAPL and AMD accounted for fifty one percent of stock volume in January – twenty-nine and twenty-two percent respectively. Of the five stocks, AAPL was only down four percent by month’s end. Meanwhile AMD was down twenty four percent. The “biggest” loser and the “smallest” winner were traded the most.

2/1/2022 Starting prices:

**MSFT: $308.76**

**NVDA: $246.38**

**AAPL: $174.61**

**AMZN: $151.19**

**AMD: $116.78**

Stock volatility dropped significantly in February. Three stocks (MSFT, NVDA, AAPL) all dropped near five percent or less, while the other two (AMZN, AMD) increased two and six percent respectively. The market volume increased to 7.37 billion. The two most traded stocks were AMD and AMZN, which were the only winners of February. One difference between volume for January and February was the stock prices regarding trades. The lowest priced stock (AMD) was traded more than the two highest cost stocks (MSFT, NVDA) combined. AMZN was the next lowest priced stock and was traded second behind AMD. Ending prices for February:

**MSFT: $298.79**

**NVDA: $243.89**

**AAPL: $165.12**

**AMZN: $153.56**

**AMD: $123.34**

Moving on to March, two major things stick out. Market volume went from 7.37 billion to 8.16 billion. Four of the five stocks (MSFT, AMZN, NVDA, NVDA) closed higher at the end of the month than the beginning, marking the first time in three months for positive momentum. The highest stock traded again was AMD, which was the only loser in March. The lowest priced stock again accounted for the most market volume, at nearly thirty percent of all trades. Prices for the start of March:

**MSFT: $294.95**

**NVDA: $234.77**

**AAPL: $163.20**

**AMZN: $151.14**

**AMD: $113.83**

Ending prices on 3/31/2022:

**MSFT: $308.31**

**NVDA: $272.86**

**AAPL: $174.61**

**AMZN: $163.00**

**AMD: $109.34**

Clearly NVDA was a huge winner, increasing a little more than sixteen percent!

April was back to brutal. After a month of mostly gains, the biggest loser by far and away was NVDA. All traction gained the previous month was wiped away, and by the end of the month NVDA was down over thirty percent. So far it was the single biggest dip in a month out of the five stocks. In terms of market volume, the total amount went from 8.16 to 6.61 billion, the lowest amount traded so far this year. NVDA reported for close to seventeen percent of trades, the highest out of any previous months for the stock. AMD was the most traded stock again at nearly twenty six percent. It also dropped twenty two percent for April and was nearly down fifty percent from the beginning of the year. Overall, there were no winners for April. Initial prices for April:

**MSFT: $309.42**

**NVDA: $267.12**

**AAPL: $174.31**

**AMZN: $163.56**

**AMD: $108.19**

Ending prices for April:

**MSFT: $277.52**

**NVDA: $185.47**

**AAPL: $157.65**

**AMZN: $124.28**

**AMD: $85.52**

May’s stock prices were less volatile than the previous month, but market volume went through the roof. From April to May volume increased nearly thirty two percent, up to 9.68 billion from 6.61. The reason more than likely was the fed’s announcement of increasing interest rates to combat inflation, which was scheduled for June. Thirty percent of all trades came from AMD. AMD also increased after being down nearly fifty percent for the year. The other four stocks were in the single digits for the percentage decreased at month’s end. May prices:

**MSFT: $284.47**

**NVDA: $195.33**

**AAPL: $157.96**

**AMZN: $124.50**

**AMD: $89.84**

Closing prices as of 5/31/2022:

**MSFT: $271.87**

**NVDA: $186.72**

**AAPL: $148.84**

**AMZN: $120.21**

**AMD: $101.86**

June was thought to be a make-or-break month with the looming fed announcement. Market volume dropped down from 9.68 to 7.22 billion which seems natural given the uncertainty. All five stocks ended the month lower. When the announcement was made, stocks briefly rose before dropping again. AMD again was the most traded stock, with AMZN following right behind. The lowest priced stock continues to be the most traded, signaling a market made up of consumer investors, as opposed to institutional investors who are more concerned with dollar value volume. Here are June prices:

**MSFT: $272.42**

**NVDA: $183.20**

**AAPL: $148.71**

**AMZN: $121.68**

**AMD: $101.22**

Followed by the closing prices for June:

**MSFT: $256.83**

**NVDA: $151.59**

**AAPL: $136.72**

**AMZN: $106.21**

**AMD: $76.47**

Now for the last month as of writing this, July. Stocks are starting to rally, but the damage has been done. The market volume for July was at a record low (still a few days in the month left to trade) of 4.96 billion from the start of the year. All stocks have increased in price since the beginning of the month, and another interest rate hike was announced. I can imagine the prices will increase like they did in the middle of June and continue to fall soon. Time to compare the initial starting prices for each stock to the most recent:

|  |  |  |
| --- | --- | --- |
| **Start of Year Price:** | **Current Price (7/26/2022):** | **Percentage Change:** |
| **MSFT: $334.75** | **MSFT: $251.90** | **-25%** |
| **NVDA: $301.21** | **NVDA: $165.33** | **-45%** |
| **AAPL: $182.01** | **AAPL: $151.60** | **-17%** |
| **AMZN: $170.40** | **AMZN: $114.81** | **-33%** |
| **AMD: $150.24** | **AMD: $85.25** | **-43%** |

For half a year, stocks have been getting destroyed. This bear market is akin to the financial crisis, only with other extenuating circumstances. People are worried. 401ks have less value. The pandemic and war continue to rage on. Supply chain issues and trade disparities have ripple effects to every nation. Inflation is at a record high. These forces impact the stock market. The financial future for the market is murky at best, but it also provides an opportunity to buy at record lows. No one can ever predict the valley of any stock, but when you can get into the market at 45 percent cheaper, it is hard to pass up. Every person’s financial situation is different. The stock market always bounces back. There have been statistically more up years than down, so why not get in on a low price? That’s my takeaway. Again, I am not a financial advisor, I am only speaking how I see it. Either way, it is remarkable to see the market tank to some record lows.

Thank you again for your time, and best of luck in your financial endeavors.