

Regulation risk for FANG stocks could jeopardize market leadership - Reuters
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- Reuters reported that FANG stocks - Facebook, Amazon, Netflix, and Alphabet - have been among the best market performers over the past nine years, but investors are increasingly worried about the potential for government regulation on both sides of the Atlantic.
- The article cited an analyst who said recent events, including Facebook's data breach involving Cambridge Analytica, could mark the beginning of the end of the FANG market leadership. However, the article said that many investors are still bullish on these technology stocks, as many analysts have not meaningfully changed their expectations for Facebook or Amazon stock.
- The article also said there has been some divergence of views on the broader technology space, noting semiconductor stocks were hit after fears of a trade war with China may ramp up. However, other analysts said the long-term growth of technology sector remains intact, especially around stocks less likely to get caught up with regulation, such as networking, video games, and cloud computing.
- StreetAccount notes that tech has been among the best performing groups during the recent market rally. The WSJ reported last month that Amazon, Microsoft, and Netflix made up around half of the S&P 500 year-to-date gains at the time, and that the broader tech sector was responsible for three-quarters of all gains. January inflows into tech funds were also the biggest since 2000. Flows have slowed down recently, however. In the week ended 21-Mar, US tech funds saw \$158M of net inflows, down from \$1.95B the previous week.

Reference Links:

- [Reuters](#)

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