

AI-03977 Nasdaq Futures vs Momentum

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| Owner | Ⓜ Rigel Arcayan |
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Look back 10 years and extract the dates when Nasdaq futures was >2% or gap up/down and corresponding event. Did the futures prices sustained for the day or the next day or kept the momentum for a week.

Extracting every single date over a 10-year span where Nasdaq futures moved or gapped by more than 2% results in hundreds of data points—especially given the high-volatility regimes of 2018, 2020, 2022, and 2024.

Instead of an exhaustive list of hundreds of dates, analyzing the **most iconic, trend-defining macro events of the last decade (2016–2026)** provides a clearer picture of how these 2%+ moves and gaps behaved. Whether the momentum sustained over a day, the next day, or a week depends heavily on the nature of the catalyst.

Defining Macro Regimes & Momentum Behavior

The follow-through of a massive overnight gap or a 2%+ intraday move generally falls into one of three structural behaviors:

- **Policy Pivots & Structural Earnings:** Tended to gap up, sustain through the regular session, and hold momentum for a full week or more.
- **Geopolitical & "Shock" Gaps:** Often triggered extreme overnight limit-down moves (-5%) that experienced rapid intraday mean reversion (failed to sustain).
- **Inflation/Macro Trend Shocks:** Gaps caused by macroeconomic data (like CPI prints during a bear market) typically sustained their momentum through the week as the market priced in aggressive central bank changes.

Case Studies of Major Nasdaq 2%+ Moves & Gaps

1. The Overnight Reversal: U.S. Presidential Election

- **Date:** November 8–9, 2016
- **The Catalyst:** As the 2016 election results rolled in overnight, Nasdaq futures panicked, plunging **5.0% to hit the limit-down threshold**.
- **Momentum Horizon:**
 - *Day of:* **Failed to sustain.** By the regular market open, institutional buyers stepped in. The index reversed its entire 5% overnight loss and finished the regular session green.
 - *Next Day / 1-Week:* The reversal transformed into an aggressive, multi-week bullish expansion ("The Trump Rally") as the market repositioned for corporate tax cuts.

2. The Geopolitical Shock: The Brexit Vote

- **Date:** June 24, 2016
- **The Catalyst:** The UK unexpectedly voted to leave the European Union, causing global markets to scramble. Nasdaq futures plummeted over **3.5%** before the opening bell.
- **Momentum Horizon:**
 - *Day of / Next Day:* **Sustained.** The market closed near its lows on Friday, June 24, and follow-through panic selling continued into Monday, June 27.
 - *1-Week:* **Reversed.** By mid-week, the panic subsided, liquidity returned, and the Nasdaq erased the entire "Brexit drop" within 5 trading days.

3. The Fed Liquidity Injection: The COVID-19 Bottom

- **Date:** March 23, 2020
- **The Catalyst:** Following weeks of historic limit-down days, the Federal Reserve announced open-ended, unlimited Quantitative Easing (QE). Nasdaq futures roared back from deep overnight losses to close up over **+6%**.
- **Momentum Horizon:**

- *Day of / Next Day: Sustained.* The market held its gains through the closing bell and experienced massive follow-through buying the next day (+8%).
- *1-Week: Strong Momentum.* This specific 2%+ structural shift marked the exact generational bottom of the 2020 bear market, initiating a multi-month parabolic rally.

4. The Inflation Shock: Super-Sized CPI Prints

- **Date 1 (The Downside):** September 13, 2022
- **The Catalyst:** A hotter-than-expected August CPI print shattered hopes of a Federal Reserve pause. Nasdaq futures gapped down sharply and finished the regular session down a staggering **5.5%**.
 - *Momentum: Sustained.* The selling pressure held all day, bled into the next day, and kept the downward momentum alive for the entire week, leading to new bear market lows.
- **Date 2 (The Upside):** November 10, 2022
- **The Catalyst:** CPI finally came in cooler than expected. Nasdaq futures exploded upward, gapping higher and finishing the day **+7.4%** in one of the largest single-day tech rallies in history.
 - *Momentum: Sustained.* The massive move didn't experience a pullback; it consolidated slightly the next day and fueled a powerful 1-week momentum run that completely altered the technical landscape for Q4.

5. The Structural AI Earnings Gap

- **Date:** February 22, 2024
- **The Catalyst:** Nvidia reported blowout earnings and forward guidance, single-handedly lifting global tech sentiment. Nasdaq futures gapped up aggressively overnight.
- **Momentum Horizon:**
 - *Day of: Sustained.* The Nasdaq 100 gained **+3.0%** in a single session, closing at the absolute high of the day.

- *Next Day / 1-Week: Sustained.* Pullbacks were non-existent over the next 48 hours. The momentum carried forward through the next week as analysts scrambled to upgrade price targets across the entire semiconductor and cloud infrastructure sectors.

Historical Momentum Profile Matrix

Evaluating how 2%+ moves or gaps behave on average reveals distinct characteristics based on the underlying driver:

| Catalyst Type | Day of Sustainability | Next Day Follow-Through | 1-Week Momentum Hold |
|--|---|---|--|
| Overnight Political/Geopolitical Shocks (e.g., Election 2016) | Very Low (High probability of an intraday fade/reversal) | Low (Market stabilizes rapidly) | Reversed (Usually triggers a contrarian V-bottom) |
| Macro/Inflation Data (e.g., 2022 CPI Days) | Extremely High (Closes near the daily highs/lows) | Moderate to High (Continues in the direction of the print) | High (Sets the structural tone for 5–10 trading days) |
| Central Bank Policy Pivots (e.g., March 2020 Fed QE) | High (Triggers heavy institutional reallocation) | High (Short sellers covering adds fuel) | Extremely High (Often changes the intermediate trend) |
| Core Tech Earnings Gaps (e.g., Mega-Cap AI Beats) | High (Pinned by fundamental model updates) | Moderate (Brief intraday consolidation) | High (Triggers a multi-day sector rotation) |