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# FAANG (Facebook, Amazon, Etc.) Stocks Have Lagged This Year. Here's Why



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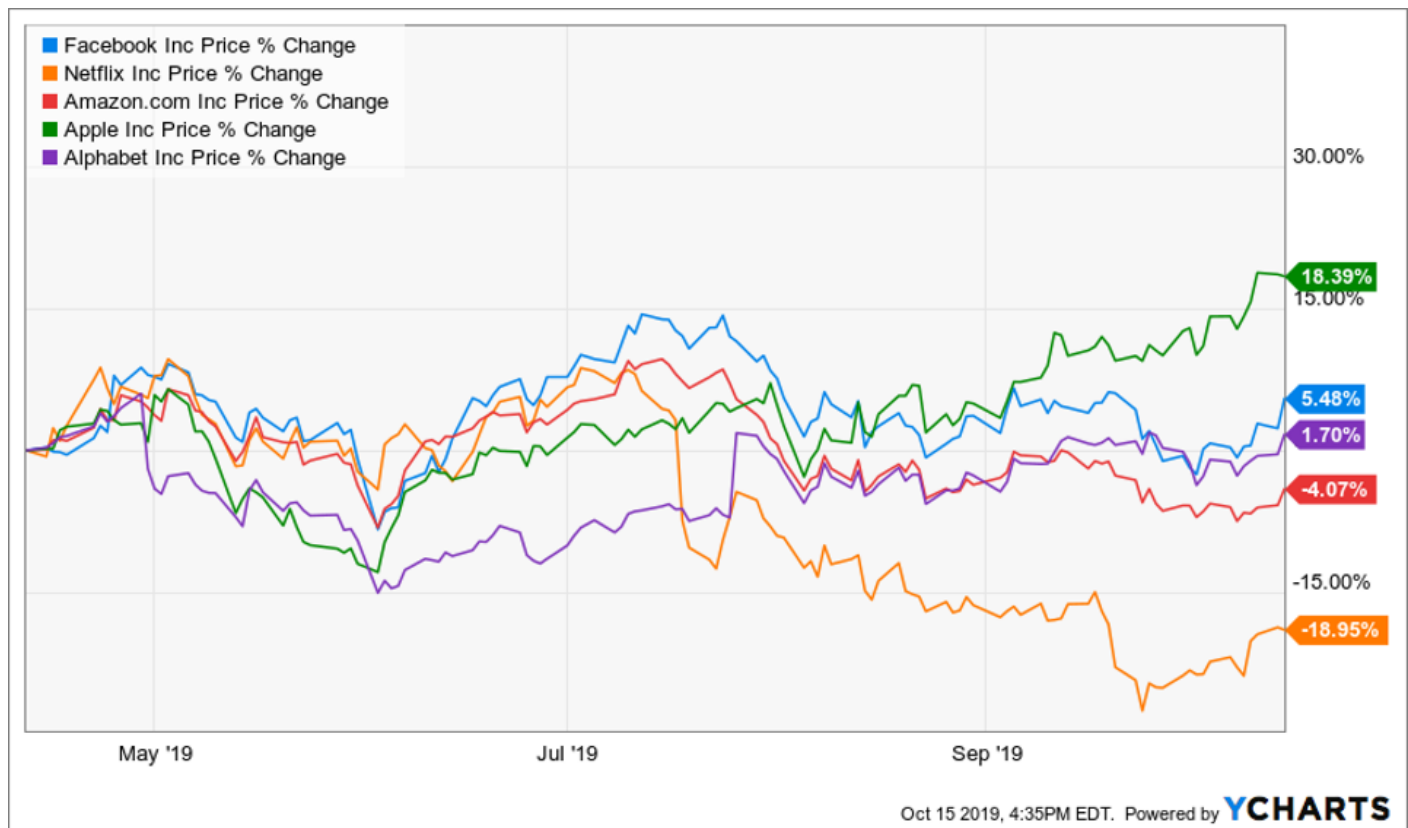
Markets

*I cover breaking news, with a focus on money and markets.*



The FAANGs - Facebook, Amazon, Apple, Netflix, and Google parent Alphabet. FORBES

**Topline:** The once high-flying FAANG stocks—Facebook, Apple, Amazon, Netflix and Google parent Alphabet—have mostly lagged the broader S&P 500 index over the past year, signaling that the market may turn to new leadership for the next leg of its advance.



FAANG returns over the past six months. YCHARTS

- With the recent exception of Apple—which reached a new record high last week, the FAANGs have been in somewhat of a slump, as high price volatility takes a toll on their long-time status as momentum stocks.
- Amazon and Facebook are both 13% off their record highs, while Netflix is down 31% from its peak last year; Google, on the other hand, is just 4% from its record high.
- These popular, high-profile names have driven the bull market to new heights in recent years, and as a result were increasingly treated as parts of a whole when it came to trading patterns.
- But over the last 6 to 12 months, the FAANGs have not been leading the market as they once did, with Wall Street now pricing in slower growth rates, rising costs and the potential for more government oversight.
- “These stocks have made people a lot of money, but they won’t trade as a group the way they did for several years,” says Charles Lemonides, chief

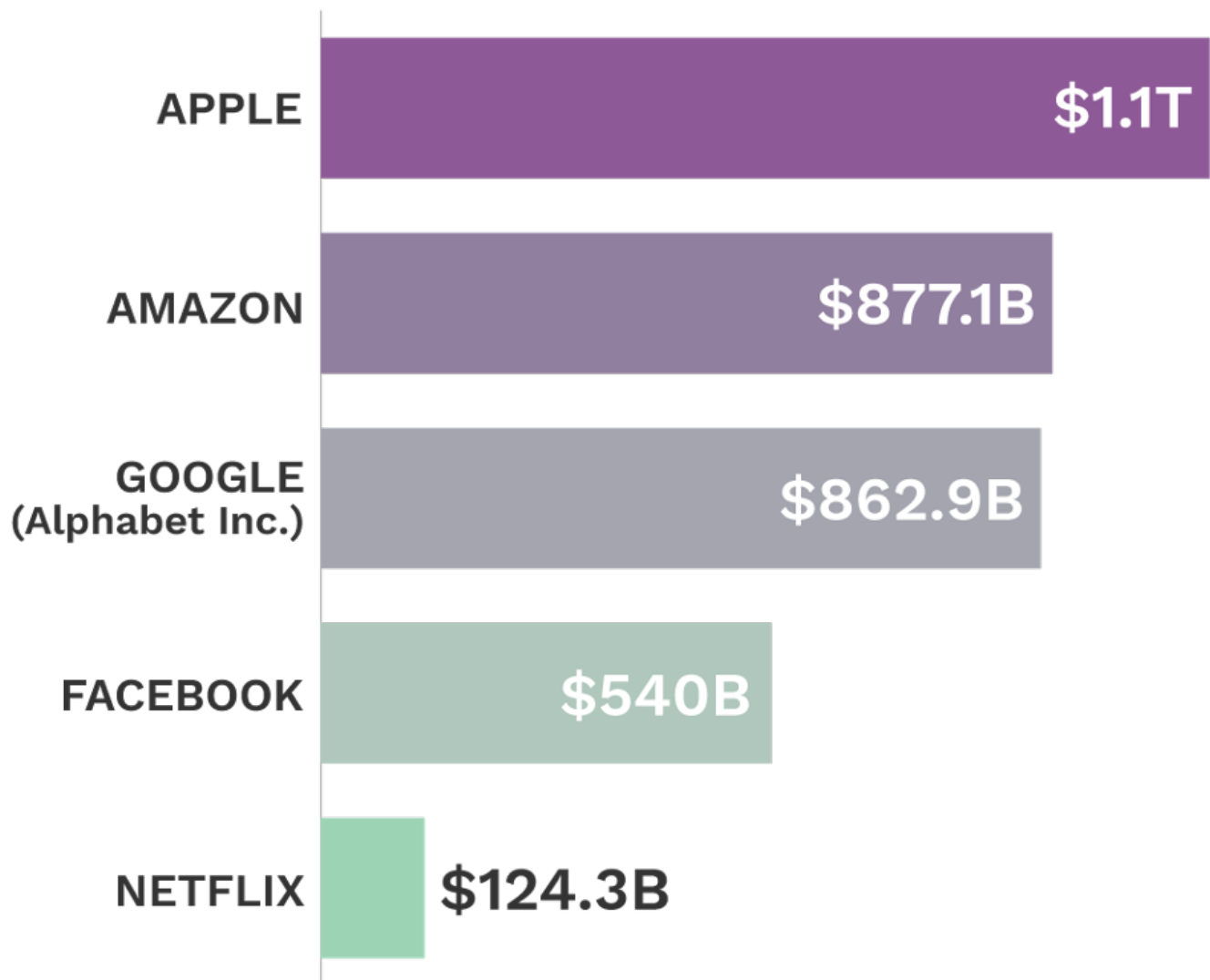
investment officer of ValueWorks LLC.

- Lemonides predicts that Wall Street will increasingly stop talking about the FAANGs as a group, as they go from being growth stocks absolutely adored by the investing public to companies that are perceived to have their own different business challenges.

Today In: Money



## FAANG Market Values\*



\* AS OF 10/15/19

DATA: YCHARTS

FAANG market values. FORBES

**Crucial statistic:** FAANG stocks are having a much smaller impact on overall

market returns: While the S&P 500 gained 4.19% over the 12 months ended September 30, without the FAANG stocks the index would have gained 4.45%, according to Morningstar Direct. The year before, the S&P gained 17.75%—but that would have only been 13.33% without the FAANGs.

**Key background:** Analyst recommendations are increasingly varied on each of the FAANGs, which adds to the notion that they aren't viewed as a group anymore. Most Wall Street analysts still assign “buy” ratings, though: 52% for Apple, 87.5% for Alphabet, 69% for Netflix, 96% for Amazon and 87% for Facebook, according to Bloomberg data.

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I am a New York—based reporter for Forbes, covering breaking news—with a focus on financial topics. Previously, I've reported at Money Magazine, The Villager NYC, and T... **Read More**