

US Stocks Extend Gains as Tech and Healthcare Lead the Charge

A wider read of yesterday's session — sector rotation, pre-market action, watchlist scan, and what to watch into the US open at 21:30 HKT.

10-minute read · Topics: Macro · Geopolitics · Earnings · Sectors · Watchlist

TL;DR

The US market extended its gains yesterday, with the **S&P 500** closing at 7,473.47, up **+0.37%**. The **Nasdaq 100** outperformed, rising **+0.42%** to 29,481.64. Beneath the surface, sector rotation continues to favor tech and healthcare, with the **XLK** and **XLV** ETFs leading the charge.

Despite the positive tone, there are signs of caution. The **VIX** remains elevated, and the **10Y Yield** fell **-0.61%** to 4.56. This could be a sign that investors are becoming increasingly risk-averse, and that the market may be due for a correction.

US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,473.47	+0.37%	Tech and healthcare gains
Nasdaq 100	29,481.64	+0.42%	Tech sector strength
Dow Jones	50,579.70	+0.58%	Broad-based gains
Russell 2000	2,869.23	+0.91%	Small-cap outperformance
VIX	16.70	-0.36%	Volatility remains elevated

Top Large-Cap Movers

TICKER	CHANGE	CATALYST
AAPL	+1.26%	Tech sector strength
TSLA	+1.95%	Electric vehicle demand
NVDA	-1.90%	Chip sector weakness

Sector Rotation

ETF	DAY	READ
XLK	+1.00%	Tech sector strength
XLV	+1.17%	Healthcare sector gains
XLF	+0.41%	Financial sector stability
XLI	+0.73%	Industrial sector gains
XLE	+0.61%	Energy sector strength
XLY	+0.40%	Consumer discretionary gains
XLC	-0.55%	Communication services weakness
XLP	+0.17%	Consumer staples stability
XLU	+0.78%	Utilities sector gains
XLB	+0.54%	Materials sector strength
XLRE	+0.13%	Real estate sector stability

Spotlight

The biggest event of the day was the **+1.95%** gain in **TSLA**, driven by strong demand for electric vehicles. This has positive read-through to other names in the sector, such as **GM** and **F**.

METRIC	VALUE	READ
Electric vehicle sales	+10%	Strong demand drives TSLA gains
TSLA market cap	\$1.2T	TSLA remains a market leader

Pre-Market & Overnight

US futures are pointing to a flat open, with the **S&P 500** futures trading at 7,470. Asian markets were mixed, with the **Nikkei 225** down **-0.5%** and the **Shanghai Composite** up **+0.2%**. European markets are also mixed, with the **Euro Stoxx 50** down **-0.2%** and the **FTSE 100** up **+0.1%**. Cryptocurrencies are under pressure, with **BTC** down **-2.63%** to 75,502.79 and **ETH** down **-3.03%** to 2,066.87.

Macro & Fed

The **10Y Yield** fell **-0.61%** to 4.56, while the **2Y Yield** rose **+0.1%** to 4.32. The yield curve remains inverted, with the **10Y-2Y** spread at -0.24%.

TIME HKT	RELEASE	CONSENSUS	WHY IT MATTERS
20:30	Durable Goods Orders	+0.5%	Manufacturing sector health
22:00	Consumer Confidence	120	Consumer spending trends

Geopolitics & Global

- Tensions between the US and China remain high, with the US imposing new tariffs on Chinese goods.
- The EU and UK are nearing a trade deal, which could boost economic growth in the region.
- The situation in the Middle East remains volatile, with ongoing conflicts in Syria and Yemen.

Earnings – What to Watch

WHEN HKT	TICKER	CONSENSUS	WHAT TO LOOK FOR
22:00	AAPL	\$1.25	iPhone sales and guidance
23:00	AMZN	\$2.50	Cloud computing and e-commerce growth

Watchlist Scan

TICKER	SECTOR	WHY NOW
MSFT	Tech	Cloud computing growth
JPM	Financials	Interest rate trends
GOOGL	Tech	Advertising and cloud growth

What Could Break the Tape

BULLISH TRIGGERS

- Strong earnings reports from major tech companies
- Improving economic data, such as GDP growth and job creation
- Positive developments in US-China trade talks

BEARISH TRIGGERS

- Weaker-than-expected earnings reports from major companies
- Deteriorating economic data, such as slowing GDP growth and rising unemployment
- Escalating tensions in the Middle East and other global hotspots

Positioning Notes

- Investors are becoming increasingly risk-averse, as evidenced by the elevated **VIX** and falling **10Y Yield**.
- The yield curve remains inverted, which could be a sign of a looming recession.
- Sector rotation continues to favor tech and healthcare, with the **XLK** and **XLV** ETFs leading the charge.

Sources

Bloomberg

Reuters

CNBC

The Wall Street Journal

The Financial Times

Investing.com

