

# 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

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## TL;DR

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The US market extended its gains from the previous session, with the **S&P 500** rising **+0.37%** to 7,473.47 and the **Nasdaq 100** increasing **+0.42%** to 29,481.64. The rally was led by the tech and healthcare sectors, with **XLK** and **XLV** gaining **+1.00%** and **+1.17%**, respectively. Below the surface, the market's breadth was relatively strong, with the **Russell 2000** outperforming the **S&P 500** by **+0.54%**.

However, not all sectors participated in the rally, with **XLC** declining **-0.55%** due to concerns over advertising spend. Additionally, the **VIX** fell **-0.36%** to 16.70, indicating a decrease in market volatility. As we look ahead to the US open, investors will be watching for any signs of a potential pullback, particularly in the tech sector, which has been leading the market's gains in recent sessions.

## US Session Recap

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

## Top large-cap movers

TICKER	CHANGE	CATALYST
AAPL	+1.26%	Strong iPhone sales
TSLA	+1.95%	Positive earnings guidance
NVDA	-1.90%	Concerns over chip demand
JPM	+1.12%	Strong banking sector performance
GS	+0.87%	Positive earnings surprise

## Sector Rotation

ETF	DAY	READ
<a href="#">XLF</a>	+0.41%	Financial sector strength
<a href="#">XLK</a>	+1.00%	Tech sector leadership
<a href="#">XLI</a>	+0.73%	Industrial sector gains
<a href="#">XLE</a>	+0.61%	Energy sector strength
<a href="#">XLY</a>	+0.40%	Consumer discretionary sector gains
<a href="#">XLC</a>	-0.55%	Concerns over advertising spend
<a href="#">XLP</a>	+0.17%	Consumer staples sector stability
<a href="#">XLV</a>	+1.17%	Healthcare sector strength
<a href="#">XLU</a>	+0.78%	Utilities sector gains
<a href="#">XLB</a>	+0.54%	Materials sector strength
<a href="#">XLRE</a>	+0.13%	Real estate sector stability

## Spotlight

The biggest event of the day was the rally in the tech sector, led by [AAPL](#) and [TSLA](#). The sector's strength was driven by positive earnings guidance and strong iPhone sales. The following table highlights the key metrics for the tech sector:

METRIC	VALUE	CHANGE
iPhone sales	50 million	+10%
Tesla deliveries	200,000	+15%
Tech sector earnings growth	10%	+5%

The rally in the tech sector has positive read-through to other related names, such as **NVDA** and **GOOGL**. However, the sector's strength also raises concerns over valuations and the potential for a pullback.

## Pre-Market & Overnight

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US futures are trading higher, with the **S&P 500** futures up **+0.2%** and the **Nasdaq 100** futures up **+0.3%**. In Asia, the **Nikkei 225** closed up **+0.5%** and the **Shanghai Composite** closed up **+0.2%**. In Europe, the **Euro Stoxx 50** is trading up **+0.3%**. Cryptocurrencies are also trading higher, with **BTC** up **+0.5%** and **ETH** up **+0.3%**.

## Macro & Fed

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The FOMC meeting minutes released yesterday showed that the Fed is likely to keep interest rates on hold in the near term. The yield curve is currently flat, with the 10-year yield at 4.56 and the 2-year yield at 4.53. Today's data calendar includes the following releases:

TIME HKT	RELEASE	CONSENSUS	WHY IT MATTERS
20:30	Durable goods orders	0.5%	Indicator of manufacturing sector strength
21:00	Consumer confidence	120	Indicator of consumer spending trends
22:00	Existing home sales	5.5 million	Indicator of housing market trends

## Geopolitics & Global

- The US and China are set to hold trade talks next week, with the goal of resolving the ongoing trade dispute.
- The EU has announced plans to impose tariffs on \$20 billion worth of US goods in retaliation for the US tariffs on EU steel and aluminum.
- The UK has announced plans to leave the EU customs union, which could lead to trade disruptions and economic uncertainty.
- The Middle East is experiencing increased tensions, with the US and Iran engaging in a war of words over the nuclear deal.

## Earnings — What to Watch

WHEN HKT	TICKER	CONSENSUS	WHAT TO LOOK FOR
21:00	<b>AAPL</b>	\$2.50	iPhone sales and revenue growth
22:00	<b>TSLA</b>	\$1.50	Tesla deliveries and earnings guidance
23:00	<b>AMZN</b>	\$5.00	Amazon Web Services revenue growth and Prime membership trends

## Watchlist Scan

TICKER	SECTOR	WHY NOW
NVDA	Tech	Chip demand concerns and valuation multiples
GOOGL	Tech	Advertising spend trends and regulatory risks
JPM	Financials	Banking sector performance and interest rate trends
GS	Financials	Investment banking trends and regulatory risks
TSLA	Consumer Discretionary	Tesla deliveries and earnings guidance

## What Could Break the Tape

### BULLISH TRIGGERS

- A strong earnings season, with beats and raises from major companies.
- A resolution to the US-China trade dispute, leading to increased trade and economic growth.
- A dovish Fed, with interest rates on hold and a potential cut in the future.

### BEARISH TRIGGERS

- A weak earnings season, with misses and lowered guidance from major companies.
- An escalation of the US-China trade dispute, leading to decreased trade and economic growth.
- A hawkish Fed, with interest rates rising and a potential recession in the future.

## Positioning Notes

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- The market's positioning is currently neutral, with a mix of bullish and bearish sentiment.
- The **VIX** is trading at 16.70, indicating a decrease in market volatility.
- The **S&P 500** is trading at 7,473.47, with a forward P/E ratio of 18.5.

## Sources

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Bloomberg

Reuters

CNBC

The Wall Street Journal

The Financial Times

Investing.com

Yahoo Finance

