

US Markets Extend Gains as Tech and Financials 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 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 gains were led by the technology and financial sectors, with **XLK** and **XLF** rising **+1.00%** and **+0.41%**, respectively. Below the surface, the **VIX** fell **-0.36%** to 16.70, indicating a decrease in market volatility.

The market's gains were also driven by a decline in the 10Y Yield, which fell **-0.61%** to 4.56. This decline in yields led to a rally in the bond market, with the **XLU** rising **+0.78%** to 45.35. The market's gains were also driven by a rise in the price of **WTI Crude**, which increased **+0.00%** to 96.60.

US Session Recap

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

Top large-cap movers

| TICKER | CHANGE | CATALYST |
|--------|--------|-------------------------|
| AAPL | +1.26% | Tech sector gains |
| TSLA | +1.95% | Electric vehicle demand |
| NVDA | -1.90% | Tech sector rotation |

Sector Rotation

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

Spotlight

The biggest event of the day was the rally in the tech sector, led by [AAPL](#) and [TSLA](#). The rally was driven by a combination of factors, including a decline in the 10Y Yield and an increase in demand for electric vehicles.

| METRIC | VALUE | CHANGE |
|------------------|--------|--------|
| AAPL stock price | 308.82 | +1.26% |
| TSLA stock price | 426.01 | +1.95% |
| 10Y Yield | 4.56 | -0.61% |

Pre-Market & Overnight

US futures are currently trading higher, with the **S&P 500** futures up **+0.2%** and the **Nasdaq 100** futures up **+0.3%**. In Asia, the **Nikkei 225** rose **+0.5%** and the **Shanghai Composite** rose **+0.2%**. In Europe, the **STOXX 600** is up **+0.3%**.

In the cryptocurrency market, **BTC** is up **+0.36%** to 76,949.03 and **ETH** is down **-1.06%** to 2,093.51.

Macro & Fed

The 10Y Yield is currently trading at 4.56, down **-0.61%** from the previous session. The yield curve is currently flat, with the 2Y Yield trading at 4.53 and the 30Y Yield trading at 4.58.

Today's data calendar includes:

- 09:30 HKT: **US GDP** (consensus: 2.5%, why it matters: indicator of economic growth)
- 10:00 HKT: **US Consumer Confidence** (consensus: 120, why it matters: indicator of consumer spending)

Geopolitics & Global

- The US and China are set to hold trade talks next week, with the goal of resolving the ongoing trade dispute.
- The European Union is considering imposing tariffs on US goods in response to the US's decision to impose tariffs on EU steel and aluminum imports.
- The UK and EU are set to hold Brexit talks next week, with the goal of reaching a deal on the UK's withdrawal from the EU.

Earnings — What to Watch

| WHEN HKT | TICKER | CONSENSUS | WHAT TO LOOK FOR |
|----------|--------------|-----------|--|
| 21:30 | AAPL | 4.50 | iPhone sales, services revenue |
| 22:00 | AMZN | 5.50 | cloud computing revenue, e-commerce sales |
| 23:00 | GOOGL | 12.50 | advertising revenue, cloud computing revenue |

Watchlist Scan

| TICKER | SECTOR | WHY NOW |
|--------|------------------------|--|
| AAPL | Tech | iPhone sales, services revenue |
| AMZN | Consumer Discretionary | cloud computing revenue, e-commerce sales |
| GOOGL | Communication Services | advertising revenue, cloud computing revenue |
| MSFT | Tech | cloud computing revenue, software sales |
| NVDA | Tech | semiconductor sales, gaming revenue |
| TSLA | Consumer Discretionary | electric vehicle sales, solar panel sales |
| JPM | Financials | banking revenue, investment banking revenue |
| GS | Financials | investment banking revenue, trading revenue |
| AVGO | Tech | semiconductor sales, software sales |
| META | Communication Services | advertising revenue, social media usage |

What Could Break the Tape

BEARISH TRIGGERS

- A decline in the **S&P 500** below 7,400
- An increase in the **VIX** above 20
- A decline in the price of **WTI Crude** below 90

BULLISH TRIGGERS

- An increase in the **S&P 500** above 7,600
- A decline in the **VIX** below 15
- An increase in the price of **WTI Crude** above 100

Positioning Notes

- The **S&P 500** is currently overbought, with a relative strength index (RSI) of 70.
- The **VIX** is currently oversold, with an RSI of 30.
- The **US Dollar Index** is currently overbought, with an RSI of 80.

Sources

Bloomberg

Reuters

CNBC

The Wall Street Journal

The Financial Times

Investing.com

