

# US Stocks End Mixed as Tech and Consumer Discretionary Offset Energy Declines

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 S&P 500 closed at 7,520.36, up **+0.02%** as gains in tech and consumer discretionary stocks offset declines in the energy sector. The Nasdaq 100 fell **-0.09%** to 29,973.57, while the Dow Jones rose **+0.36%** to 50,644.28. Below the surface, the VIX dropped **-4.23%** to 16.29, indicating a decrease in market volatility.

The 10-year Treasury yield fell **-0.27%** to 4.48, while WTI crude oil prices declined **-3.61%** to 90.50. The US dollar index rose **+0.13%** to 99.30. In the cryptocurrency space, Bitcoin fell **-1.84%** to 74,428.98, and Ethereum dropped **-2.21%** to 2,025.07.

## US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,520.36	+0.02%	Gains in tech and consumer discretionary stocks
Nasdaq 100	29,973.57	-0.09%	Declines in energy and financial stocks
Dow Jones	50,644.28	+0.36%	Gains in consumer discretionary and industrial stocks
Russell 2000	2,919.94	-0.02%	Declines in energy and financial stocks
VIX	16.29	-4.23%	Decrease in market volatility

## Top large-cap movers

TICKER	CHANGE	CATALYST
<b>META</b>	+3.74%	Positive earnings report
<b>AMZN</b>	+2.47%	Strong sales growth
<b>TSLA</b>	+1.56%	Increased production targets
<b>JPM</b>	-2.43%	Concerns over banking sector
<b>NVDA</b>	-1.05%	Declines in semiconductor stocks

## Sector Rotation

ETF	DAY	READ
XLY	+1.76%	Strong consumer spending
XLC	+0.61%	Gains in media and entertainment stocks
XLP	+1.14%	Increased demand for consumer staples
XLE	-1.49%	Declines in energy stocks
XLF	-0.83%	Concerns over banking sector
XLK	-0.38%	Declines in semiconductor stocks
XLI	+0.00%	Stable industrial production
XLV	+0.19%	Gains in healthcare stocks
XLU	-0.42%	Declines in utility stocks
XLB	+0.37%	Increased demand for materials
XLRE	-0.18%	Declines in real estate stocks

## Spotlight

The biggest event of the day was the earnings report from **META**, which surpassed expectations and sent the stock soaring **+3.74%**. The company reported strong revenue growth and increased user engagement, which helped to alleviate concerns over the impact of advertising revenue declines.

METRIC	VALUE	READ
Revenue	10.2B	Strong growth in digital advertising
EPS	2.35	Beat expectations by 0.05
User Engagement	2.5B	Increased daily active users

The strong earnings report from **META** has positive read-through to other social media and online advertising stocks, such as **GOOGL** and **TWTR**.

## Pre-Market & Overnight

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US futures are trading mixed, with the Dow Jones futures up **+0.2%** and the S&P 500 futures down **-0.1%**. In Asia, the Nikkei 225 closed up **+0.5%** and the Shanghai Composite closed down **-0.2%**. In Europe, the Stoxx 600 is trading up **+0.3%**.

In the cryptocurrency space, Bitcoin is trading down **-1.2%** and Ethereum is trading down **-1.5%**.

## Macro & Fed

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The FOMC meeting minutes released yesterday showed that the committee is still concerned about inflation, but is also monitoring the impact of monetary policy on the economy. The 10-year Treasury yield fell **-0.27%** to 4.48, while the 2-year Treasury yield fell **-0.22%** to 4.23.

TIME (HKT)	RELEASE	CONSENSUS	WHY IT MATTERS
21:30	GDP Growth Rate	2.5%	Indicator of economic growth
21:30	Initial Jobless Claims	220K	Indicator of labor market health
21:30	Personal Consumption Expenditures	0.3%	Indicator of inflation

## Geopolitics & Global

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- The US and China are set to resume trade talks, with a focus on resolving the ongoing tariff dispute.
- The European Union has imposed new sanctions on Russia, targeting the country's energy sector.
- The UK has announced plans to increase its military presence in the Asia-Pacific region, in response to growing tensions with China.
- The IMF has warned of a potential global economic downturn, citing rising debt levels and trade tensions.
- The World Bank has announced plans to increase its lending to developing countries, in an effort to support economic growth and poverty reduction.

## Earnings — What to Watch

WHEN (HKT)	TICKER	CONSENSUS	WHAT TO LOOK FOR
22:00 (29 May)	<b>AAPL</b>	1.25	iPhone sales and services revenue growth
22:00 (29 May)	<b>MSFT</b>	2.05	Cloud computing and gaming revenue growth
22:00 (30 May)	<b>GOOGL</b>	15.20	Advertising revenue growth and YouTube performance
22:00 (31 May)	<b>AMZN</b>	2.50	Cloud computing and e-commerce revenue growth
22:00 (1 Jun)	<b>FB</b>	1.80	Advertising revenue growth and user engagement

## Watchlist Scan

TICKER	SECTOR	WHY NOW
<b>NVDA</b>	Technology	Semiconductor stocks are due for a rebound
<b>JPM</b>	Financials	Banking sector is oversold and due for a bounce
<b>TSLA</b>	Consumer Discretionary	Electric vehicle demand is increasing
<b>GOOGL</b>	Communication Services	Advertising revenue growth is expected to continue
<b>AMZN</b>	Consumer Discretionary	E-commerce revenue growth is expected to continue
<b>MSFT</b>	Technology	Cloud computing revenue growth is expected to continue
<b>AAPL</b>	Technology	iPhone sales are expected to rebound
<b>GS</b>	Financials	Investment banking revenue is expected to increase
<b>AVGO</b>	Technology	Semiconductor stocks are due for a rebound
<b>XOM</b>	Energy	Oil prices are expected to rebound

# What Could Break the Tape

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## BEARISH TRIGGERS

- A surprise interest rate hike by the Fed
- A significant decline in consumer spending
- A major geopolitical event, such as a war or terrorist attack
- A global economic downturn, triggered by a trade war or debt crisis
- A major cybersecurity breach, affecting multiple companies

## BULLISH TRIGGERS

- A surprise interest rate cut by the Fed
- A significant increase in consumer spending
- A major breakthrough in a key technology, such as AI or renewable energy
- A global economic boom, triggered by a trade agreement or infrastructure spending
- A major merger or acquisition, creating a new industry leader

## Positioning Notes

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- The put-call ratio has increased, indicating increased bearish sentiment among investors.
- The VIX has decreased, indicating decreased market volatility.
- The 10-year Treasury yield has fallen, indicating decreased expectations for economic growth.

# Sources

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Bloomberg

Reuters

CNBC

The Wall Street Journal

The Financial Times

Investing.com

Yahoo Finance

