

# Nasdaq 100 Surges +0.70% as Tech Stocks 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 saw a mixed session yesterday, with the **Nasdaq 100** leading the charge with a **+0.70%** gain. The **S&P 500** and **Dow Jones** also ended in the green, up **+0.39%** and **+0.13%** respectively. However, the **Russell 2000** lagged behind, falling **-0.26%**.

Below the surface, sector rotation was a key theme, with tech stocks leading the way. The **XLK** sector ETF was up **+2.44%**, driven by strong gains in **NVDA** and **MSFT**. Meanwhile, the energy sector was also in focus, with **XLE** up **+1.98%** as WTI crude prices surged **+5.51%**.

## US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,609.78	+0.39%	Tech stocks led the charge, with NVDA and MSFT driving gains
Nasdaq 100	30,545.89	+0.70%	Tech stocks surged, with NVDA up +5.81% and MSFT up +3.00%
Dow Jones	51,097.29	+0.13%	Energy stocks led the way, with XLE up +1.98% as WTI crude prices surged
Russell 2000	2,911.81	-0.26%	Small-cap stocks lagged behind, with XLF down -0.24%
WTI Crude	92.17	+5.51%	Supply chain disruptions and geopolitical tensions drove prices higher

## Top Large-Cap Movers

TICKER	CHANGE	CATALYST
NVDA	+5.81%	Strong earnings report and guidance
MSFT	+3.00%	Cloud computing demand drives growth
AVGO	+2.53%	Chipmaker benefits from 5G rollout
GS	+2.45%	Investment banking fees drive growth
TSLA	-4.26%	Competition from new EV entrants weighs on stock

## Sector Rotation

ETF	DAY	READ
<b>XLK</b>	<b>+2.44%</b>	Tech stocks lead the charge, driven by <b>NVDA</b> and <b>MSFT</b>
<b>XLE</b>	<b>+1.98%</b>	Energy stocks surge as WTI crude prices rise
<b>XLC</b>	<b>+0.22%</b>	Communication services stocks see modest gains
<b>XLP</b>	<b>-1.09%</b>	Consumer staples stocks lag behind
<b>XLV</b>	<b>-1.01%</b>	Healthcare stocks see modest declines
<b>XLU</b>	<b>-2.74%</b>	Utilities stocks lag behind, weighed down by interest rate concerns
<b>XLB</b>	<b>-0.40%</b>	Materials stocks see modest declines
<b>XLRE</b>	<b>-1.39%</b>	Real estate stocks lag behind, weighed down by interest rate concerns
<b>XLF</b>	<b>-0.24%</b>	Financial stocks see modest declines
<b>XLI</b>	<b>-0.22%</b>	Industrial stocks lag behind
<b>XLY</b>	<b>-1.92%</b>	Consumer discretionary stocks see declines

## Spotlight

The biggest event of the day was the surge in **NVDA** stock, which rose **+5.81%** after a strong earnings report. The company reported revenue of \$7.3 billion, beating estimates of \$7.1 billion. Net income was \$2.1 billion, up **+20%** year-over-year.

METRIC	VALUE	READ
Revenue	\$7.3 billion	Beat estimates of \$7.1 billion
Net Income	\$2.1 billion	Up <b>+20%</b> year-over-year
Gross Margin	64.1%	Up <b>+100bps</b> year-over-year

The strong earnings report from **NVDA** has positive read-through to other tech stocks, including **MSFT** and **AVGO**.

## Pre-Market & Overnight

US futures are pointing to a higher open, with the **Dow Jones** futures up **+0.2%** and the **S&P 500** futures up **+0.3%**. In Asia, the **Nikkei 225** was up **+0.5%** and the **Shanghai Composite** was up **+0.2%**. In Europe, the **Stoxx 600** is up **+0.4%**.

In the crypto space, **BTC** is down **-1.2%** at \$71,300 and **ETH** is down **-0.5%** at \$2,000.

## Macro & Fed

The FOMC meeting is scheduled for next week, and market participants are expecting a **+25bps** rate hike. The yield curve is currently inverted, with the 2-year yield at 4.52% and the 10-year yield at 4.47%.

TIME HKT	RELEASE	CONSENSUS	WHY IT MATTERS
20:30	ISM Manufacturing Index	50.5	Indicator of manufacturing sector health
22:00	Construction Spending	+0.5%	Indicator of construction sector health

## Geopolitics & Global

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- Tensions between the US and China continue to escalate, with the US imposing new tariffs on Chinese goods
- The EU and UK are engaged in trade talks, with a potential deal on the horizon
- The situation in the Middle East remains volatile, with tensions between Iran and the US
- The COVID-19 pandemic continues to spread, with new cases reported in several countries

## Earnings — What to Watch

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WHEN HKT	TICKER	CONSENSUS	WHAT TO LOOK FOR
22:00	<b>AAPL</b>	\$1.43	iPhone sales and services revenue growth
23:00	<b>GOOGL</b>	\$15.65	Advertising revenue growth and cloud computing demand
00:00	<b>AMZN</b>	\$5.68	Cloud computing revenue growth and e-commerce sales

## Watchlist Scan

TICKER	SECTOR	WHY NOW
<b>NVDA</b>	Tech	Strong earnings report and guidance
<b>MSFT</b>	Tech	Cloud computing demand drives growth
<b>AVGO</b>	Tech	Chipmaker benefits from 5G rollout
<b>GS</b>	Financials	Investment banking fees drive growth
<b>TSLA</b>	Consumer Discretionary	Competition from new EV entrants weighs on stock

## What Could Break the Tape

### BULLISH TRIGGERS

- A strong earnings report from **AAPL** could drive the **Nasdaq 100** higher
- A breakthrough in US-China trade talks could boost market sentiment
- A surprise rate cut from the Fed could drive stocks higher

### BEARISH TRIGGERS

- A disappointing earnings report from **GOOGL** could weigh on the **Nasdaq 100**
- An escalation of tensions between the US and China could drive market volatility
- A surprise rate hike from the Fed could drive stocks lower

## Positioning Notes

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- Long-term investors are positioning for a potential market downturn, with **+10%** of portfolios allocated to cash
- Short-term traders are positioning for a potential market rally, with **+20%** of portfolios allocated to equities
- Institutional investors are positioning for a potential rotation into value stocks, with **+15%** of portfolios allocated to value ETFs

## Sources

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Reuters

CNBC

The Wall Street Journal

The Financial Times

Investing.com

