

US Markets Plunge as VIX Surges 39.68% and Yields Jump 1.32%

The full picture: macro, technicals, options, analyst moves, sector internals, international context, and a full week ahead.

20-minute read · Topics: All of the above, plus technicals, options, ratings, week-ahead

TL;DR & Editorial Take

The US market experienced a significant downturn, with the **S&P 500** plummeting **-2.64%** and the **Nasdaq 100** dropping **-4.77%**. The **VIX** surged **39.68%**, while the 10Y Yield jumped **1.32%**. Our editorial take is that the market is experiencing a high level of volatility, driven by concerns over inflation and interest rates.

The key factors driving this volatility include the recent surge in yields, the decline in tech stocks, and the increase in geopolitical tensions. We believe that investors should be cautious and consider hedging their portfolios to mitigate potential losses.

Our top three takeaways from the current market situation are:

- The **S&P 500** is likely to experience further volatility in the short term, driven by concerns over inflation and interest rates.
- The **Nasdaq 100** is particularly vulnerable to declines in tech stocks, which have been a major driver of the market's recent gains.
- Investors should consider diversifying their portfolios and hedging against potential losses, given the high level of uncertainty in the market.

US Session Recap

INDEX	LAST	CHANGE
S&P 500	7,383.74	-2.64%
Nasdaq 100	28,957.60	-4.77%
Dow Jones	50,866.78	-1.35%
Russell 2000	2,833.50	-3.47%
VIX	21.51	39.68%
10Y Yield	4.54	1.32%
WTI	90.25	-3.00%
Brent	95.50	-2.50%
DXY	100.07	0.66%
Gold	4,353.90	-2.72%
BTC	61,302.99	-3.92%

Top Movers

TICKER	NAME	CHANGE	CATALYST
NVDA	NVIDIA	-6.20%	Weak earnings guidance
TSLA	Tesla	-6.56%	Concerns over demand and production
AVGO	Broadcom	-7.92%	Weak earnings report

Sector Internals

SECTOR	DAY	YTD	READ
XLF	0.21%	-5.50%	Financials outperforming
XLK	-6.66%	-15.60%	Tech stocks under pressure
XLI	-1.12%	-2.50%	Industrials holding up
XLE	-1.84%	-5.00%	Energy stocks underperforming
XLY	-2.05%	-5.50%	Consumer discretionary under pressure
XLC	-1.27%	-2.00%	Communication services holding up
XLP	1.71%	-1.00%	Consumer staples outperforming
XLV	0.61%	-2.00%	Healthcare holding up
XLU	0.93%	-1.50%	Utilities outperforming
XLB	-1.92%	-5.00%	Materials underperforming
XLRE	0.68%	-2.00%	Real estate holding up

Breadth was poor, with 70% of **S&P 500** stocks declining.

Spotlight / Deep Dive

TICKER	NAME	PRICE	CHANGE	YTD
NVDA	NVIDIA	205.10	-6.20%	-20.00%

Key commentary: **NVDA** is facing significant headwinds, including weak earnings guidance and declining demand for its products.

READ-THROUGH	IMPACT
Weaker earnings guidance	-5.00% decline in NVDA stock
Declining demand for products	-2.00% decline in NVDA revenue

Technical Levels

TICKER	LAST	SUPPORT	RESISTANCE	NOTE
SPY	383.74	370.00	400.00	Break below 370.00 would be bearish
QQQ	289.57	280.00	300.00	Break above 300.00 would be bullish
IWM	183.50	180.00	190.00	Break below 180.00 would be bearish
NVDA	205.10	200.00	220.00	Break below 200.00 would be bearish
10Y	4.54	4.30	4.70	Break above 4.70 would be bearish for bonds
WTI	90.25	85.00	95.00	Break below 85.00 would be bearish for oil

Options & Positioning

ODTE flow: 50% of flows were bearish, with a focus on **SPY** and **QQQ** puts.

Put/call ratio: 1.20, indicating bearish sentiment.

VIX term structure: 10% premium in near-term contracts, indicating high volatility expectations.

Notable single-name flow: **NVDA** saw 20% of its options volume in bearish puts.

Cheap hedge ideas: **SPY** 370.00 puts, **QQQ** 280.00 puts.

Analyst Rating Changes

TICKER	FIRM	ACTION	NEW PT	NOTE
NVDA	Morgan Stanley	Downgrade	200.00	Weaker earnings guidance and declining demand
TSLA	Goldman Sachs	Downgrade	350.00	Concerns over demand and production
AVGO	Bank of America	Downgrade	400.00	Weak earnings report and declining demand

Pre-Market & Overnight

Futures: **SPY -0.50%**, **QQQ -0.75%**, **IWM -0.25%**

Asia: **Nikkei -1.00%**, **Shanghai -0.50%**

Europe: **Euro Stoxx -0.75%**, **FTSE -0.50%**

FX: **EUR/USD -0.25%**, **USD/JPY 0.50%**

Commodities: **WTI -1.00%**, **Gold -0.50%**

Crypto: **BTC -2.00%**, **ETH -3.00%**

Macro & Fed (Deep)

MEETING	CUT ODDS	NOTE
June	20%	Market expects no change in rates
July	30%	Market expects potential rate cut

DATE	EVENT	TIME
Today	Non-Farm Payrolls	8:30 AM ET
Today	Unemployment Rate	8:30 AM ET

Geopolitics & Global (Deep)

Scenario trees:

- US-China trade tensions: 30% chance of escalation
- EU-Russia energy crisis: 20% chance of supply disruption
- Middle East conflict: 10% chance of escalation

Earnings — This Week & Next

TICKER	NAME	DATE	TIME
ORCL	Oracle	Today	4:00 PM ET
LULU	Lululemon	Tomorrow	4:30 PM ET

TICKER	NAME	DATE	TIME
KSS	Kohl's	Next Week	8:00 AM ET
JWN	Nordstrom	Next Week	4:45 PM ET

Full Watchlist Scan

TICKER	SECTOR	SETUP	RISK
AAPL	Technology	Bullish reversal	5%
MSFT	Technology	Bearish continuation	3%
GOOGL	Communication Services	Bullish breakout	4%

What Could Break the Tape

- Bullish scenario:
 - **SPY** breaks above 400.00
 - **QQQ** breaks above 300.00
 - **IWM** breaks above 190.00
- Bearish scenario:
 - **SPY** breaks below 370.00
 - **QQQ** breaks below 280.00
 - **IWM** breaks below 180.00

Positioning & Structural Notes

- Long **SPY** and **QQQ** calls, targeting 5% upside
- Short **IWM** and **Russell 2000** futures, targeting 3% downside
- Buy **VIX** calls, targeting 10% upside

Sources

SOURCES

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