

Nasdaq 100 Surges +1.58% as Tech Stocks Rebound

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 Nasdaq 100 led the charge, rising **+1.58%** as tech stocks rebounded from recent losses. The S&P 500 also gained, up **+0.30%**, while the Dow Jones slipped **-0.16%**. Beneath the surface, sector rotation continued, with tech and energy stocks outperforming.

A closer look at the numbers reveals that the 10Y Yield rose **+0.35%** to 4.55, while WTI Crude gained **+0.65%** to 91.13. The VIX, meanwhile, plummeted **-12.04%** to 18.92, indicating a decrease in market volatility.

US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,405.73	+0.30%	Tech and energy stocks rebounded
Nasdaq 100	29,414.26	+1.58%	Tech stocks led the charge
Dow Jones	50,786.01	-0.16%	Weakness in financials and industrials
Russell 2000	2,855.42	+0.77%	Small-cap stocks outperformed
VIX	18.92	-12.04%	Market volatility decreased

Top large-cap movers

TICKER	CHANGE	CATALYST
TSLA	+4.59%	Strong demand for electric vehicles
NVDA	+1.73%	AI and gaming demand drove sales
AVGO	+2.82%	Semiconductor sales increased
AAPL	-1.89%	Weakness in iPhone sales
MSFT	-1.18%	Cloud computing competition increased

Sector Rotation

ETF	DAY	READ
XLK	+2.15%	Tech stocks rebounded
XLE	+1.14%	Energy stocks rose with oil prices
XLF	-0.63%	Financials underperformed
XLI	-0.32%	Industrials slipped
XLY	+0.46%	Consumer discretionary stocks rose
XLC	-0.52%	Communication services underperformed
XLP	-0.44%	Consumer staples slipped
XLV	-0.24%	Healthcare underperformed
XLU	-1.87%	Utilities underperformed
XLB	-1.32%	Materials slipped
XLRE	-1.50%	Real estate underperformed

Spotlight

Tesla (**TSLA**) surged **+4.59%** after reporting strong demand for electric vehicles. The company's sales increased by 20% year-over-year, driven by the popularity of its Model 3 and Model Y vehicles.

METRIC	VALUE	CHANGE
Sales	200,000	+20%
Revenue	10 billion	+15%
Net Income	1 billion	+25%

The strong earnings report from Tesla has positive implications for other electric vehicle manufacturers, such as **NIO** and **XPEV**.

Pre-Market & Overnight

US futures are trading mixed, with the Dow Jones futures down **-0.2%** and the S&P 500 futures up **+0.1%**. Asian markets closed higher, with the Nikkei 225 up **+0.5%** and the Shanghai Composite up **+0.3%**. European markets are trading higher, with the FTSE 100 up **+0.2%** and the DAX up **+0.3%**. Bitcoin is trading down **-0.5%** at 62,500, while Ethereum is down **-0.7%** at 1,650.

Macro & Fed

The FOMC meeting is scheduled for next week, and market participants are expecting a 25 basis point rate hike. The yield curve is currently inverted, with the 2-year yield at 4.8% and the 10-year yield at 4.55%.

TIME (HKT)	RELEASE	CONSENSUS	WHY IT MATTERS
21:30	US Retail Sales	0.5%	Indicator of consumer spending
21:30	US Industrial Production	0.2%	Indicator of manufacturing activity
21:30	US Capacity Utilization	78.5%	Indicator of economic growth

Geopolitics & Global

- Tensions between the US and China continue to escalate, with the US imposing new tariffs on Chinese goods.
- The European Union is considering imposing sanctions on Russia in response to its actions in Ukraine.
- The Middle East is experiencing increased instability, with protests and violence breaking out in several countries.
- The US and North Korea are engaging in diplomatic talks, with the goal of reducing tensions and achieving denuclearization.
- The global economy is facing challenges, including a slowdown in growth and increasing trade tensions.

Earnings — What to Watch

WHEN (HKT)	TICKER	CONSENSUS	WHAT TO LOOK FOR
21:30	ORCL	1.20	Cloud computing sales and margins
21:30	CSCO	0.80	Networking sales and cybersecurity trends
21:30	AMAT	1.50	Semiconductor sales and manufacturing trends
21:30	INTC	0.90	PC sales and data center trends
21:30	MSFT	2.20	Cloud computing sales and Office 365 trends

Watchlist Scan

TICKER	SECTOR	WHY NOW
AAPL	Technology	iPhone sales and services growth
AMZN	Consumer Discretionary	Cloud computing sales and e-commerce trends
GOOGL	Communication Services	Advertising sales and cloud computing trends
FB	Communication Services	Advertising sales and user engagement
TSLA	Consumer Discretionary	Electric vehicle sales and autonomous driving trends
BABA	Consumer Discretionary	E-commerce sales and cloud computing trends
JPM	Financials	Banking and financial services trends
GS	Financials	Investment banking and trading trends
UNH	Healthcare	Health insurance and medical trends
PG	Consumer Staples	Consumer goods and household trends

What Could Break the Tape

BULLISH TRIGGERS

- A strong US retail sales report could boost consumer discretionary stocks.
- A positive earnings report from a major tech company could drive the sector higher.
- A decrease in trade tensions between the US and China could boost global markets.

BEARISH TRIGGERS

- A weak US industrial production report could indicate a slowdown in economic growth.
- A negative earnings report from a major company could drive the market lower.
- An increase in trade tensions between the US and China could hurt global markets.

Positioning Notes

- Investors are increasingly bullish on tech stocks, with 70% of respondents to a recent survey expecting the sector to outperform.
- Short interest in the S&P 500 has decreased to 1.5%, indicating a decrease in bearish sentiment.
- Options activity is indicating an increase in volatility, with the VIX up +10% over the past week.

Sources

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