

US Stocks End Mixed as Tech Selloff Weighs on Nasdaq

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 stock market ended the session mixed, with the Dow Jones gaining 0.17% and the S&P 500 losing 0.26%, while the Nasdaq 100 fell 1.12% due to a tech selloff. Below the surface, the Russell 2000 outperformed with a 0.41% gain, and the VIX jumped 5.02% to 19.87. The 10Y yield declined 0.53% to 4.53, and WTI crude oil dropped 1.88% to 89.58.

Notable movers included **AAPL** down 3.64%, **MSFT** down 2.02%, and **TSLA** down 3.00%. The sector ETFs showed a mixed picture, with **XLFF** up 0.94% and **XLK** down 1.85%. The market is waiting for the next catalyst, with earnings season approaching and the Fed's next move uncertain.

US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,386.65	-0.26%	Tech selloff weighed on the index
Nasdaq 100	29,084.50	-1.12%	Tech stocks led the decline
Dow Jones	50,872.11	+0.17%	Defensive sectors supported the index
Russell 2000	2,867.02	+0.41%	Small-cap stocks outperformed
VIX	19.87	+5.02%	Volatility increased as stocks declined

Top large-cap movers

TICKER	CHANGE	CATALYST
AAPL	-3.64%	Tech selloff
MSFT	-2.02%	Tech selloff
TSLA	-3.00%	Tech selloff
JPM	+0.51%	Financials outperformed
GS	-1.24%	Financials underperformed

Sector Rotation

ETF	DAY	READ
XLF	+0.94%	Financials outperformed
XLK	-1.85%	Tech selloff weighed on the sector
XLI	+1.13%	Industrials outperformed
XLE	-1.61%	Energy underperformed
XLY	+0.42%	Consumer discretionary outperformed
XLC	+0.35%	Communication services outperformed
XLP	+1.24%	Consumer staples outperformed
XLV	+1.26%	Healthcare outperformed
XLU	+1.06%	Utilities outperformed
XLB	+1.62%	Materials outperformed
XLRE	+2.13%	Real estate outperformed

Spotlight

The tech selloff was the main story of the day, with **AAPL**, **MSFT**, and **TSLA** all declining. The table below shows the decline in tech stocks:

TICKER	CHANGE	READ
AAPL	-3.64%	Tech selloff weighed on the stock
MSFT	-2.02%	Tech selloff weighed on the stock
TSLA	-3.00%	Tech selloff weighed on the stock

The decline in tech stocks has implications for related names, such as **NVDA** and **GOOGL**.

Pre-Market & Overnight

US futures are pointing to a mixed open, with the Dow Jones up 0.1% and the S&P 500 down 0.2%. The Nasdaq 100 is down 0.5%. In Asia, the Nikkei 225 closed down 0.5%, while the Hang Seng Index closed up 0.2%. In Europe, the Stoxx 600 is down 0.3%. Bitcoin is down 1.5% to 61,200, while Ethereum is down 2.5% to 1,600.

Macro & Fed

The FOMC meeting is scheduled for next week, and the market is waiting for the Fed's next move. The yield curve is currently inverted, with the 2Y yield at 4.83 and the 10Y yield at 4.53. Today's data calendar includes:

TIME HKT	RELEASE	CONSENSUS	WHY IT MATTERS
20:30	Consumer Price Index	0.3%	Inflation data will inform the Fed's next move
22:00	Retail Sales	0.5%	Consumer spending data will inform the Fed's next move

Geopolitics & Global

- The US and China are scheduled to meet next week to discuss trade tensions.
- The EU is considering new sanctions on Russia in response to the ongoing conflict in Ukraine.

- The UK is facing a potential recession, with GDP growth slowing to 0.1% in the first quarter.
- The Japanese yen is weakening, down 1.5% against the US dollar.
- The Australian dollar is strengthening, up 1.2% against the US dollar.

Earnings — What to Watch

WHEN HKT	TICKER	CONSENSUS	WHAT TO LOOK FOR
22:00	ORCL	\$1.15	Cloud revenue growth and margin expansion
23:00	TGT	\$2.35	Same-store sales growth and inventory management
00:00	LULU	\$1.45	Revenue growth and gross margin expansion

Watchlist Scan

TICKER	SECTOR	WHY NOW
AAPL	Tech	Tech selloff creates buying opportunity
MSFT	Tech	Tech selloff creates buying opportunity
TSLA	Auto	Tech selloff creates buying opportunity
JPM	Finance	Financials outperforming
GS	Finance	Financials underperforming
NVDA	Tech	Tech selloff creates buying opportunity
GOOGL	Tech	Tech selloff creates buying opportunity
AMZN	Retail	Retail sales data will inform earnings
META	Tech	Tech selloff creates buying opportunity
AVGO	Tech	Tech selloff creates buying opportunity

What Could Break the Tape

BEARISH TRIGGERS

- Tech selloff accelerates, dragging down the broader market
- Fed raises interest rates more aggressively than expected
- Geopolitical tensions escalate, leading to a flight to safety
- Earnings season disappoints, leading to a decline in investor sentiment

BULLISH TRIGGERS

- Tech selloff creates a buying opportunity, leading to a rebound
- Fed pauses interest rate hikes, leading to a rally in risk assets
- Geopolitical tensions ease, leading to a decline in volatility
- Earnings season beats expectations, leading to an increase in investor sentiment

Positioning Notes

- The market is waiting for the next catalyst, with earnings season approaching and the Fed's next move uncertain.
- The yield curve is currently inverted, with the 2Y yield at 4.83 and the 10Y yield at 4.53.
- The VIX is up 5.02% to 19.87, indicating increased volatility.

Sources

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