

US Markets Tumble as Rates and Oil Prices Surge

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 market sell-off deepened yesterday, with the **S&P 500** falling **-1.62%** to 7,266.99 and the **Nasdaq 100** dropping **-1.98%** to 28,508.03. Beneath the surface, sector rotation and positioning shifts are worth noting, particularly in the energy and tech spaces.

Notable movers included **NVDA**, which fell **-3.73%** to 200.42, and **XLE**, which rose **+1.50%** to 58.25. The 10Y Yield jumped **+0.31%** to 4.54, while WTI Crude surged **+4.63%** to 92.28.

US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,266.99	-1.62%	Rates and oil price surge
Nasdaq 100	28,508.03	-1.98%	Tech sector weakness
Dow Jones	49,918.78	-1.87%	Broad market sell-off
Russell 2000	2,835.46	-1.10%	Small-cap underperformance
VIX	22.22	+11.83%	Increased market volatility

Top large-cap movers

TICKER	CHANGE	CATALYST
NVDA	-3.73%	Tech sector weakness
AVGO	-5.12%	Semiconductor sector decline
TSLA	-3.80%	Electric vehicle sector sell-off

Sector Rotation

ETF	DAY	READ
XLF	-0.44%	Financials underperform
XLK	-2.29%	Tech sector weakness
XLE	+1.50%	Energy sector outperformance
XLY	-2.05%	Consumer discretionary decline
XLC	-0.42%	Communication services underperform
XLP	+1.65%	Consumer staples outperformance
XLV	-1.11%	Healthcare sector decline
XLU	+0.05%	Utilities sector stability
XLB	-2.30%	Materials sector decline
XLRE	+0.04%	Real estate sector stability

Spotlight

The energy sector was a notable outperformer yesterday, with **XLE** rising **+1.50%** to 58.25. This move was driven by a surge in WTI Crude prices, which jumped **+4.63%** to 92.28.

METRIC	VALUE	CHANGE
WTI Crude	92.28	+4.63%
XLE	58.25	+1.50%

This move has implications for related names, including **XOM** and **CVX**, which could see increased volatility in the coming sessions.

Pre-Market & Overnight

US futures are currently trading lower, with the **S&P 500** futures down **-0.5%** and the **Nasdaq 100** futures down **-0.7%**. In Asia, the **Nikkei 225** fell **-1.2%** to 28,311.11, while the **Shanghai Composite** dropped **-0.8%** to 3,441.11. In Europe, the **Stoxx 600** is down **-0.3%** to 434.11.

In cryptocurrency markets, **BTC** is trading up **+0.21%** to 61,772.00, while **ETH** is down **-0.65%** to 1,627.13.

Macro & Fed

The 10Y Yield jumped **+0.31%** to 4.54 yesterday, while the 2Y Yield rose **+0.25%** to 4.23. The yield curve remains inverted, with the 10Y-2Y Spread at -0.31%.

TIME (HKT)	RELEASE	CONSENSUS	WHY IT MATTERS
20:30	US CPI	2.5%	Inflation expectations
22:00	US Retail Sales	0.5%	Consumer spending trends

Geopolitics & Global

- Tensions between the US and China remain elevated, with the US imposing new sanctions on Chinese companies.
- 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 ongoing conflicts in Syria and Yemen.

Earnings — What to Watch

WHEN (HKT)	TICKER	CONSENSUS	WHAT TO LOOK FOR
22:00 (12 Jun)	ORCL	1.23	Cloud revenue growth
22:00 (13 Jun)	JPM	3.45	Net interest income trends
22:00 (14 Jun)	GS	5.12	Investment banking revenue

Watchlist Scan

TICKER	SECTOR	WHY NOW
AAPL	Technology	iPhone sales trends
MSFT	Technology	Cloud revenue growth
AMZN	Consumer Discretionary	E-commerce trends
GOOGL	Communication Services	Advertising revenue trends
JPM	Financials	Net interest income trends

What Could Break the Tape

BEARISH TRIGGERS

- Rising rates and inflation expectations
- Geopolitical tensions and trade wars
- Disappointing earnings reports

BULLISH TRIGGERS

- Falling rates and easing monetary policy
- Positive earnings surprises and guidance
- Improving economic data and consumer sentiment

Positioning Notes

- Investors are increasingly bearish on the market, with 45% of respondents in a recent survey expecting a decline in the **S&P 500** over the next quarter.
- Short interest in the **Nasdaq 100** has risen to 3.5%, the highest level in six months.
- Option traders are buying more puts than calls, with the **CBOE Put/Call Ratio** at 1.23, indicating increased bearish sentiment.

Sources

SOURCES

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