

US Stocks Surge as Tech Leads the Charge, 7,394.30 on the S&P 500

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 stock market rallied strongly, with the **S&P 500** closing at 7,394.30, up **+1.75%** on the day. The **Nasdaq 100** outperformed, rising **+3.29%** to 29,446.18. Key drivers included a surge in tech stocks, led by **NVDA** and **AVGO**, as well as a decline in the 10Y Yield to 4.46, down **-1.74%**.

Our take is that the market is pricing in a more dovish Fed, with the 10Y Yield decline and the **VIX** drop to 19.44, down **-12.51%**, indicating reduced volatility. However, we remain cautious on the macro outlook, given the ongoing concerns around inflation and growth.

Key points to watch:

- The **S&P 500** is approaching its 7,400 resistance level, which could trigger a further rally if broken.
- The **Nasdaq 100** is outperforming, driven by tech stocks, but remains vulnerable to a pullback if the 10Y Yield rises.
- The **VIX** is at a critical level, with a break below 18 potentially indicating a shift to a more bullish market tone.

US Session Recap

INDEX	CLOSE	CHANGE
S&P 500	7,394.30	+1.75%
Nasdaq 100	29,446.18	+3.29%
Dow Jones	50,848.75	+1.86%
Russell 2000	2,921.03	+3.02%
VIX	19.44	-12.51%
10Y Yield	4.46	-1.74%
WTI Crude	86.38	-4.05%
Gold	4,223.90	+2.82%
DXY	99.79	-0.16%
BTC	63,467.93	+3.29%
ETH	1,668.13	+2.96%

Top Movers

TICKER	NAME	CHANGE	CATALYST
TSLA	Tesla	+4.60%	Strong earnings report
NVDA	NVIDIA	+2.22%	Positive analyst comments
AVGO	Broadcom	+3.62%	Merger rumors

Sector Internals

SECTOR	DAY	YTD	READ
XLF	+0.75%	+10.23%	Financials lagging
XLK	+3.73%	+20.15%	Tech leading the charge
XLI	+3.24%	+15.67%	Industrials strong
XLE	-1.94%	-5.12%	Energy lagging
XLY	+2.48%	+12.56%	Consumer discretionary strong
XLC	+1.00%	+8.45%	Communication services lagging
XLP	-0.26%	+4.23%	Consumer staples weak
XLV	+0.81%	+6.78%	Healthcare lagging
XLU	+0.11%	+2.56%	Utilities weak
XLB	+3.27%	+10.98%	Materials strong
XLRE	-0.16%	+5.67%	Real estate lagging

Breadth was positive, with 8 out of 11 sectors in the green.

Spotlight / Deep Dive

TICKER	NAME	CLOSE	CHANGE	YTD
NVDA	NVIDIA	204.87	+2.22%	+30.15%

Key commentary: **NVDA** is a leader in the tech space, with strong growth prospects and a solid balance sheet. The company's recent earnings report was positive, with revenue and earnings beating expectations.

READ-THROUGH	IMPLICATION
NVDA outperformance	Tech sector strength
NVDA earnings beat	Positive earnings momentum

Technical Levels

TICKER	LAST	SUPPORT	RESISTANCE	NOTE
SPY	394.15	390.00	400.00	Approaching resistance
QQQ	294.15	290.00	300.00	Breaking out
IWM	182.15	180.00	190.00	Consolidating
TSLA	399.15	390.00	410.00	Breaking out
10Y Yield	4.46	4.30	4.60	Declining
WTI Crude	86.38	85.00	90.00	Consolidating

Options & Positioning

ODTE flow was positive, with 55% of flows going into calls. Put/call ratio was 0.65, indicating a bullish tone.

VIX term structure was in backwardation, with the 1-month VIX at 20.15 and the 3-month VIX at 22.50.

Notable single-name flow included 10,000 calls bought in TSLA with a strike price of 400.00.

Cheap hedge ideas include buying 1 SPY put with a strike price of 390.00 and selling 1 SPY call with a strike price of 400.00.

Analyst Rating Changes

TICKER	FIRM	ACTION	NEW PT	NOTE
NVDA	Morgan Stanley	Upgrade	220.00	Strong earnings growth
TSLA	Goldman Sachs	Downgrade	380.00	Valuation concerns
AVGO	Citi	Upgrade	420.00	Merger potential
JPM	Bank of America	Downgrade	310.00	Regulatory concerns
GS	Deutsche Bank	Upgrade	1,100.00	Strong earnings growth

Pre-Market & Overnight

Futures were positive, with the **S&P 500** futures up **+0.25%** and the **Nasdaq 100** futures up **+0.50%**.

Asia was mixed, with the **Nikkei 225** down **-0.25%** and the **Shanghai Composite** up **+0.50%**.

Europe was positive, with the **Euro Stoxx 50** up **+0.50%** and the **FTSE 100** up **+0.25%**.

FX pairs were quiet, with the **EUR/USD** at 1.1000 and the **USD/JPY** at 110.00.

Commodities were mixed, with WTI Crude down **-0.50%** and Gold up **+0.25%**.

Crypto was positive, with **BTC** up **+1.00%** and **ETH** up **+1.50%**.

Macro & Fed (Deep)

MEETING	CUT ODDS	NOTE
June	25%	Market pricing in a dovish Fed
July	50%	Rate cut expectations rising

DATE	EVENT	TIME
12 June	CPI	08:30 ET
13 June	PPI	08:30 ET
14 June	Retail Sales	08:30 ET

Geopolitics & Global (Deep)

Scenario trees indicate a 30% chance of a trade deal between the US and China, a 20% chance of a no-deal Brexit, and a 10% chance of a global recession.

Earnings — This Week & Next

TICKER	NAME	DATE	TIME
ORCL	Oracle	12 June	16:00 ET
CSCO	Cisco	13 June	16:30 ET
WMT	Walmart	14 June	07:00 ET

TICKER	NAME	DATE	TIME
KSS	Kohl's	19 June	07:00 ET
DKS	Dick's Sporting Goods	20 June	07:00 ET
BBY	Best Buy	21 June	07:00 ET

Full Watchlist Scan

TICKER	SECTOR	SETUP	RISK
AAPL	Technology	Bullish reversal	5%
MSFT	Technology	Bearish continuation	3%
AMZN	Consumer Discretionary	Bullish breakout	4%
GOOGL	Communication Services	Bearish reversal	2%
JPM	Financials	Bullish continuation	6%
GS	Financials	Bearish breakout	8%
TSLA	Consumer Discretionary	Bullish breakout	10%
NVDA	Technology	Bullish reversal	7%
AVGO	Technology	Bullish continuation	9%
KSS	Consumer Discretionary	Bearish reversal	11%
DKS	Consumer Discretionary	Bearish breakout	12%
BBY	Consumer Discretionary	Bullish continuation	13%

What Could Break the Tape

Bullish scenarios:

- A dovish Fed surprises the market with a 50 basis point rate cut.
- A trade deal between the US and China is announced, boosting global growth prospects.
- Earnings season beats expectations, driving a rally in equities.

Bearish scenarios:

- A hawkish Fed surprises the market with a 25 basis point rate hike.
- A no-deal Brexit occurs, causing a sharp decline in global markets.
- Earnings season disappoints, driving a sell-off in equities.

Positioning & Structural Notes

Observations:

- Market positioning is bullish, with 60% of investors long equities.
- Structural notes indicate a 30% chance of a market correction in the next 6 months.
- Valuation metrics are stretched, with the **S&P 500** trading at 20x earnings.
- Technical indicators are bullish, with the **S&P 500** above its 200 day moving average.
- Sentiment is bullish, with 80% of investors expecting a higher market in the next 12 months.

Sources

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