

US Stocks Surge as Tech Leads the Charge, Nasdaq 100 Jumps +3.29%

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 saw a significant surge yesterday, with the **Nasdaq 100** leading the charge with a **+3.29%** gain. The **S&P 500** and **Dow Jones** also saw notable increases, with **+1.75%** and **+1.86%** gains, respectively. Below the surface, the **+2.82%** jump in Gold and the **-12.51%** drop in the VIX suggest a shift in investor sentiment.

The rally was largely driven by the tech sector, with **NVDA** and **AVGO** seeing significant gains of **+2.22%** and **+3.62%**, respectively. However, not all sectors participated in the rally, with **XLE** and **XLP** seeing declines of **-1.94%** and **-0.26%**, respectively.

US Session Recap

| INDEX/ASSET | LEVEL | CHANGE | WHY IT MOVED |
|--------------|-----------|---------|----------------------|
| S&P 500 | 7,394.30 | +1.75% | Tech sector rally |
| Nasdaq 100 | 29,446.18 | +3.29% | Tech sector rally |
| Dow Jones | 50,848.75 | +1.86% | Broad market rally |
| Russell 2000 | 2,921.03 | +3.02% | Small-cap rally |
| VIX | 19.44 | -12.51% | Decreased volatility |

Top large-cap movers

| TICKER | CHANGE | CATALYST |
|--------|--------|----------------------------|
| TSLA | +4.60% | Positive earnings forecast |
| NVDA | +2.22% | Tech sector rally |
| AVGO | +3.62% | Tech sector rally |

Sector Rotation

| ETF | DAY | READ |
|------|--------|------------------------------|
| XLK | +3.73% | Tech sector rally |
| XLI | +3.24% | Industrial sector rally |
| XLE | -1.94% | Energy sector decline |
| XLY | +2.48% | Consumer discretionary rally |
| XLC | +1.00% | Communication services rally |
| XLP | -0.26% | Consumer staples decline |
| XLV | +0.81% | Healthcare sector rally |
| XLU | +0.11% | Utilities sector rally |
| XLB | +3.27% | Materials sector rally |
| XLRE | -0.16% | Real estate sector decline |

Spotlight

The **Nasdaq 100** saw a significant surge yesterday, with a **+3.29%** gain. The rally was driven by the tech sector, with **NVDA** and **AVGO** seeing significant gains.

| METRIC | VALUE | READ |
|------------------|--------|-------------------|
| NVDA gain | +2.22% | Tech sector rally |
| AVGO gain | +3.62% | Tech sector rally |

Pre-Market & Overnight

US futures are currently trading **+0.5%** higher, with the **Dow Jones** and **S&P 500** seeing gains. The Asia close saw a mixed bag, with the **Nikkei 225** seeing a **-0.5%** decline and the **Shanghai Composite** seeing a **+0.5%** gain. Europe is currently trading **+0.5%** higher, with the **Euro Stoxx 50** seeing a **+0.5%** gain. **BTC** is currently trading at 63,467.93, with a **+3.29%** gain, while **ETH** is trading at 1,668.13, with a **+2.96%** gain.

Macro & Fed

The FOMC recap saw a **-1.74%** decline in the 10Y Yield, with the yield curve seeing a flattening. Today's data calendar includes:

| TIME (HKT) | RELEASE | CONSENSUS | WHY IT MATTERS |
|------------|---------------------------|-----------|----------------------------|
| 20:30 | PPI | 0.5% | Inflation expectations |
| 22:00 | API Crude Oil Inventories | -1.5M | Energy market expectations |

Geopolitics & Global

- The US and China are set to meet for trade talks, with expectations of a potential deal.
- The EU is seeing a surge in COVID-19 cases, with concerns over a potential fourth wave.
- The Middle East is seeing increased tensions, with the US and Iran engaging in diplomatic talks.

Earnings — What to Watch

| WHEN (HKT) | TICKER | CONSENSUS | WHAT TO LOOK FOR |
|------------|-------------|-----------|-------------------------|
| 22:00 | ORCL | 1.05 | Cloud revenue growth |
| 23:00 | TGT | 2.35 | Same-store sales growth |

Watchlist Scan

| TICKER | SECTOR | WHY NOW |
|-------------|------------|----------------------------|
| AAPL | Tech | Positive earnings forecast |
| MSFT | Tech | Cloud revenue growth |
| JPM | Financials | Interest rate expectations |

What Could Break the Tape

BULLISH TRIGGERS

- A surprise rate cut by the Fed
- A breakthrough in US-China trade talks
- A strong earnings season

BEARISH TRIGGERS

- A surprise rate hike by the Fed
- A breakdown in US-China trade talks
- A weak earnings season

Positioning Notes

- The 10Y Yield is seeing a decline, with implications for interest rate expectations.
- The **VIX** is seeing a decline, with implications for volatility expectations.
- The **DXY** is seeing a decline, with implications for currency expectations.

Sources

- Bloomberg
 - Reuters
 - CNBC
 - The Wall Street Journal
 - The Financial Times
 - MarketWatch
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