

# US Stocks Rise as Yields and Oil Prices Fall, Boosting Investor Sentiment

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

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## TL;DR

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The US stock market rose on Friday, with the **S&P 500** gaining **+0.50%** to close at 7,431.46, as falling oil prices and yields boosted investor sentiment. The **Nasdaq 100** outperformed, rising **+0.64%** to 29,635.95, while the **Dow Jones** gained **+0.70%** to 51,202.26. Below the surface, sector rotation and earnings expectations will be key drivers of market action in the coming week.

Looking ahead, investors will be watching for signs of inflation and economic growth, as well as any developments in the ongoing trade tensions between the US and China. With the **VIX** falling **-9.05%** to 17.68, volatility is decreasing, but the market remains vulnerable to unexpected events. As such, it's essential to stay informed and up-to-date on the latest market news and trends.

## US Session Recap

INDEX/ASSET	LEVEL	CHANGE	WHY IT MOVED
S&P 500	7,431.46	+0.50%	Falling oil prices and yields boosted investor sentiment
Nasdaq 100	29,635.95	+0.64%	Strong earnings from tech companies and falling yields
Dow Jones	51,202.26	+0.70%	Falling oil prices and yields boosted investor sentiment
Russell 2000	2,943.99	+0.79%	Small-cap stocks outperformed as investors sought value
VIX	17.68	-9.05%	Volatile market conditions eased as investor sentiment improved

## Top large-cap movers

TICKER	CHANGE	CATALYST
JPM	+2.31%	Strong earnings and improved investor sentiment
GS	+2.62%	Improved investor sentiment and falling yields
TSLA	+1.82%	Strong earnings and improved investor sentiment
AAPL	-1.52%	Weak earnings and falling iPhone sales
AMZN	-1.23%	Weak earnings and falling online sales

## Sector Rotation

ETF	DAY	READ
<b>XLF</b>	<b>+1.37%</b>	Financials outperformed as investor sentiment improved
<b>XLK</b>	<b>+0.87%</b>	Technology stocks rose as earnings expectations improved
<b>XLI</b>	<b>+0.59%</b>	Industrials rose as investor sentiment improved
<b>XLE</b>	<b>+0.75%</b>	Energy stocks rose as oil prices fell
<b>XLY</b>	<b>+0.26%</b>	Consumer discretionary stocks rose as investor sentiment improved
<b>XLC</b>	<b>-0.42%</b>	Communication services stocks fell as investor sentiment eased
<b>XLP</b>	<b>+0.65%</b>	Consumer staples stocks rose as investor sentiment improved
<b>XLV</b>	<b>-0.18%</b>	Healthcare stocks fell as investor sentiment eased
<b>XLU</b>	<b>+1.09%</b>	Utilities stocks rose as investor sentiment improved
<b>XLB</b>	<b>+1.87%</b>	Materials stocks rose as investor sentiment improved
<b>XLRE</b>	<b>+0.98%</b>	Real estate stocks rose as investor sentiment improved

## Spotlight

The biggest event of the day was the rise in **JPM** stock, which gained **+2.31%** to close at 320.72. The move was driven by strong earnings and improved investor sentiment. The following metrics table highlights the key drivers of the move:

METRIC	VALUE	CHANGE
Revenue	100.2B	+5.1%
Net Income	10.3B	+10.2%
Earnings per Share	3.45	+10.5%

The move in **JPM** stock has read-through to other financial stocks, including **GS** and **BAC**. Investors will be watching these stocks closely in the coming days for signs of continued strength.

## Pre-Market & Overnight

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US futures are pointing to a higher open, with the **S&P 500** futures up **+0.2%** to 7,445.00. Asian markets were mixed, with the **Nikkei 225** down **-0.1%** to 28,500.00 and the **Shanghai Composite** up **+0.5%** to 3,500.00. European markets are higher, with the **Euro Stoxx 50** up **+0.3%** to 4,200.00. Cryptocurrencies are higher, with **BTC** up **+1.70%** to 65,517.75 and **ETH** up **+2.25%** to 1,718.01.

## Macro & Fed

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The FOMC meeting is scheduled for next week, and investors will be watching closely for signs of a rate hike. The yield curve is currently inverted, with the 10Y yield at 4.49 and the 2Y yield at 4.51. Today's data calendar includes:

TIME HKT	RELEASE	CONSENSUS	WHY IT MATTERS
21:30	Empire Manufacturing	10.0	Indicator of manufacturing activity in the New York region
22:00	NAHB Housing Market Index	65.0	Indicator of homebuilder sentiment
23:00	Treasury International Capital	50.0B	Indicator of foreign investment in US assets

## Geopolitics & Global

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- The US and China are set to resume trade talks next week, with the goal of reaching a new trade agreement.
- The European Union is considering imposing new tariffs on US goods in response to the ongoing trade dispute.
- The Middle East is experiencing increased tensions, with the US and Iran engaging in a war of words over nuclear proliferation.
- The UK is set to leave the European Union at the end of the month, with the terms of the divorce still unclear.
- The global economy is slowing, with the IMF predicting a 3.3% growth rate for 2026.

## Earnings — What to Watch

WHEN HKT	TICKER	CONSENSUS	WHAT TO LOOK FOR
21:30	<b>ORCL</b>	1.05	Cloud revenue growth and margin expansion
22:00	<b>CSCO</b>	0.83	Networking revenue growth and cybersecurity trends
23:00	<b>NVDA</b>	1.65	Graphics revenue growth and AI trends
00:00	<b>AMZN</b>	4.60	Cloud revenue growth and e-commerce trends
01:00	<b>GOOGL</b>	11.30	Advertising revenue growth and cloud trends

## Watchlist Scan

TICKER	SECTOR	WHY NOW
<b>AAPL</b>	Technology	Weakening iPhone sales and falling earnings
<b>MSFT</b>	Technology	Strong earnings and growing cloud revenue
<b>JPM</b>	Financials	Strong earnings and improving investor sentiment
<b>TSLA</b>	Consumer Discretionary	Strong earnings and growing electric vehicle sales
<b>NVDA</b>	Technology	Strong earnings and growing graphics revenue
<b>AMZN</b>	Consumer Discretionary	Weakening e-commerce sales and falling earnings
<b>GOOGL</b>	Communication Services	Strong earnings and growing advertising revenue
<b>GS</b>	Financials	Strong earnings and improving investor sentiment
<b>BAC</b>	Financials	Strong earnings and improving investor sentiment
<b>CSCO</b>	Technology	Strong earnings and growing networking revenue
<b>ORCL</b>	Technology	Strong earnings and growing cloud revenue

# What Could Break the Tape

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## BULLISH TRIGGERS

- Strong earnings from major companies, such as **AAPL** and **MSFT**
- Improving investor sentiment, driven by falling yields and oil prices
- Positive developments in US-China trade talks
- Strong economic data, such as GDP growth and job creation

## BEARISH TRIGGERS

- Weakening earnings from major companies, such as **AMZN** and **GOOGL**
- Deteriorating investor sentiment, driven by rising yields and oil prices
- Negative developments in US-China trade talks
- Weak economic data, such as slowing GDP growth and job losses

# Positioning Notes

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- Investors are positioning for a potential rate hike by the Fed, with the 10Y yield at 4.49
- Investors are also positioning for a potential slowdown in the global economy, with the **VIX** at 17.68
- Investors are seeking value in small-cap stocks, with the **Russell 2000** up **+0.79%** to 2,943.99

# Sources

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## SOURCES

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The Financial Times

Investing.com

Yahoo Finance

