

Mega caps lead S&P 500, Nasdaq to fresh all-time highs

The major indices logged gains this week largely thanks to mega cap stocks outperforming their smaller peers.



Still, the broader market showed nice resilience to selling efforts. The equal-weighted S&P 500 declined 0.7% versus a 1.3% gain in the market-cap weighted index. The S&P 500 and Nasdaq Composite each logged a fresh all-time high this week.

NVIDIA was a standout from the spaces, topping a \$3 trillion market value on a closing basis for the first time ever this week.

The strength in semiconductor stocks and mega caps boosted the S&P 500 information technology (+3.8%), consumer discretionary (+1.5%), and communication services (+1.7%) sectors to solid gains this week.

Meanwhile, the utilities (-3.9%) and energy (-3.5%) sectors logged the largest declines.

Concerns about economic growth kept the broader market in check in response to this week's economic data. The ISM Manufacturing Index for May reflected a faster pace of contraction than the market expected, job openings decreased in April compared to March, and the May Employment Situation Report showed higher than expected earnings growth.

Treasury yields settled lower in response to the data and in response to the first rate cut by the ECB since September 2019. The 10-yr note yield settled eight basis points lower this week to 4.43% and the 2-yr note yield declined two basis points to 4.87%.

- S&P 500: +1.3% for the week /+12.1% YTD
- Nasdaq Composite: +2.4% for the week /+14.1% YTD
- S&P Midcap 400: -2.1% for the week /+5.0% YTD
- Dow Jones Industrial Average: +0.3% for the week / +2.9% YTD
- Russell 2000: -2.1% for the week / UNCH YTD

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2024-176351 (Exp. 9/24)

