

Stocks advance modestly on rate-cut bets and mega-cap gains

The stock market posted modest gains this week as investors weighed a mix of corporate news, economic data, and increasingly cemented expectations for a September rate cut.



The S&P 500 rose 0.3%, while the Nasdaq Composite outperformed with a 1.1% gain, buoyed by strong performances in mega-cap technology names. The Dow Jones Industrial Average lagged slightly, finishing 0.3% lower, while smaller-cap indices led to broader participation, with the Russell 2000 up 1.0% and the S&P MidCap 400 advancing 1.3%.

At its peak on Friday morning, the S&P 500 established an all-time high of 6,532.65, while the Nasdaq Composite set a record high around the same time at 21,878.81.

Mega-cap leadership remained pivotal. Alphabet's antitrust ruling, which allows the company to retain its Chrome browser, provided a catalyst for gains in the communication services sector, helping it rise 5.1% on the week. Tech-heavy Nasdaq components also benefited

from favorable earnings and the ongoing narrative of Fed policy support, driving the Information Technology sector slightly higher (+0.2%).

Defensive sectors offered mixed results amid the broader risk-on sentiment. The healthcare (+0.4%) and consumer staples (+0.3%) sectors posted modest gains, while the utilities sector (-1.1%) lagged. The energy sector (3.5%) finished lower while the financials sector (-1.7%) also lagged as softer labor data prompted concerns over future loan demands. Meanwhile, the consumer discretionary sector advanced 1.6%, supported by strong performances in Amazon and Tesla.

Economic data reinforced expectations for easing. Softer-than-expected August nonfarm payrolls (22K; Briefing.com consensus 78K) and private payrolls (+38K; Briefing.com consensus 90K), coupled with modest wage growth, supported the probability of a September rate cut, which has now reached 100% in the CME FedWatch Tool. At the same time, ISM services, ADP employment, and productivity data reflected a mixed labor and services backdrop, adding nuance to market sentiment.

Overall, the week highlighted mega-cap dominance alongside broad-based participation, with smaller-cap outperformance confirming investor confidence in the Fed's forthcoming policy actions while navigating mixed corporate and macroeconomic signals.

- S&P Midcap 400: +1.3% WTD
- Nasdaq Composite: +1.1% WTD
- Russell 2000: +1.0% WTD
- S&P 500: +0.3% WTD
- DJIA: -0.3% WTD

Past performance is not a guarantee of future results. Indices are unmanaged and one cannot invest directly in an index. Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Data and rates used were indicative of market conditions as of the date shown and compiled by Briefing.com. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. References to specific securities, asset classes and financial markets are for illustrative purposes only and do not constitute a solicitation, offer, or recommendation to purchase or sell a security. S&P 500 Index is a market index generally considered representative of the stock market as a whole. The index focuses on the large-cap segment of the U.S. equities market. Each company's security affects the index in proportion to its market value. NASDAQ Composite Index is a market value-weighted index that measures all NASDAQ domestic and non-U.S. based common stocks listed on the NASDAQ stock market. Dow Jones Industrial Average is a widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials, but also includes financial, leisure and other service-oriented firms. Russell 2000 Index measures the performance of the smallest 2,000 companies in the Russell 3000 Index of the 3,000 largest U.S. companies in terms of market capitalization. MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Park Avenue Securities LLC (PAS) is a wholly owned subsidiary of The Guardian Life Insurance Company of America (Guardian). PAS is a registered broker/dealer offering competitive investment products, as well as a registered investment advisor offering financial planning and investment advisory services. PAS is a member of FINRA and SIPC.

Provided by Briefing.com.