

Mega-cap earnings and trade optimism lift markets; Powell comments temper December rate-cut bets

Stocks saw strong early-week gains on optimism around U.S.-China trade developments and mega-cap earnings, sending the major averages to record-highs for the first three days of the week, though the major averages ended the week on a mixed note.



The Nasdaq Composite (+2.2% WTD), S&P 500 (+0.7% WTD), and DJIA (+0.8% WTD) captured weekly gains, while smaller-cap indices lagged, with the Russell 2000 (-1.4% WTD) and S&P MidCap 400 (-1.6% WTD) finishing lower. Early-week momentum was fueled by a U.S.-China trade deal framework and strong tech leadership.

Earnings were a major driver of sentiment. Amazon and Alphabet posted strong results, while NVIDIA's conference announcements, including over \$500 billion in chip orders through 2026 - supported tech gains. Meta's report midweek weighed on sentiment due to higher AI spending plans.

Sector performance reflected the mega-cap leadership as the information technology (+3.0% WTD) and consumer

discretionary (+2.8%) sectors led, while the consumer staples (-3.7%), real estate (-3.9%), and utilities (-2.6%) sectors lagged.

The FOMC went through with a widely expected 25-basis point rate cut, though Fed Chair Powell's post-FOMC comments dampened December rate-cut expectations, pushing the probability down to roughly 65%. Nonetheless, strong earnings, a booming AI investment cycle, and trade optimism helped maintain a broadly positive tone for the week.

- Nasdaq Composite +2.2% WTD
- DJIA +0.8% WTD
- S&P 500 +0.7% WTD
- Russell 2000 -1.4% WTD
- S&P MidCap 400 -1.6% 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.