

Back on a Winning Track After Post-election Consolidation

The stock market returned to its winning ways this week after taking a breather last week as investors digested post-election gains.



Buy-the-dip trading contributed to the upside bias following some consolidation. The small cap Russell 2000 and S&P Mid Cap 400 benefitted from a capital rotation this week, gaining 4.5% and 4.2%, respectively.

The S&P 500 and Nasdaq Composite each moved 1.7% higher and the Dow Jones Industrial Average settled 2.0% higher.

Losses in some mega cap names, specifically Alphabet (GOOG), limited index performance. Shares dropped 4.2% since last Friday after news that the DOJ is pushing for a forced sale of Chrome and potentially Android. Subsequent reports indicated that Microsoft-backed and ChatGPT owner OpenAI is considering developing its own browser, which would represent a viable competitive

threat that provides GOOG with some firepower in its antitrust case.

Target (TGT) was another notable loser this week, dropping 17.8% since last Friday (and 20% during Wednesday's session) after its disappointing earnings report and outlook. Fellow retailer, and Dow component, Walmart (WMT) jumped 7.4% on the week following its earnings report.

The headliner on the earnings calendar was NVIDIA (NVDA), which settled flat on the week. NVDA's Q3 report garnered mixed responses due to a slight deceleration in its revenue growth rate. The report was solid overall, though, and the company said demand for its Blackwell chip is "staggering."

Other story stocks included crypto-related names, which were reacting to price action in Bitcoin. The cryptocurrency reached a new high of \$99,768 on Friday.

Early in the week, geopolitical angst was piqued after reports that President Putin had lowered Russia's threshold for using nuclear weapons, that Ukraine had

launched U.S.-made and UK-made missiles into Russia, and that Russian Foreign Minister Lavrov had called the attack on Russia an “escalation signal.”

Treasuries settled mixed after this week’s slate of economic reports. The 10-yr yield dropped two basis points to 4.41% and the 2-yr yield jumped seven basis points to 4.37%.

The lineup this week included a stronger-than-expected Existing Home Sales report for October, another decrease in weekly jobless claims, a U.S. S&P Global Services PMI for November that showed an acceleration in services sector activity, and a Manufacturing PMI that remained in contraction in November, but at a slower pace than what was seen in October. The final reading of the University of Michigan’s Consumer Sentiment for November showed a dip to 71.8 from 73.0 in the preliminary reading, but it was still above October’s final reading of 70.5 .

- Nasdaq Composite: +1.7% for the week / +26.6% YTD
- S&P 500: +1.7% for the week / +25.2% YTD
- S&P Midcap 400: +4.2% for the week / +20.1% YTD
- Russell 2000: +4.5% for the week / +18.7% YTD
- Dow Jones Industrial Average: +2.0% for the week / +17.5% YTD

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.