

# Nasdaq Composite Falls, S&P 500 extends winning streak, while Sector Rotation takes center stage and Wall Street Closed Mixed.

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The U.S. and European stock markets closed mostly higher, except the Nasdaq Composite. Stocks saw slight gains on Tuesday, marking the S&P 500's fourth consecutive day of growth. Notably, real estate and utilities led the charge, each gaining over 1%. Meanwhile, overseas markets showed mixed performance in Asia, and European markets closed up, buoyed by solid eurozone retail sales data. Treasury yields continued their downward trend, with the 10-year yield hovering around 4.47%, a significant pullback from its recent peak of 4.7%, following a softer-than-expected jobs report and indications from Fed officials suggesting fewer rate hikes.

After a year dominated by mega-cap tech stocks, sector leadership is diversifying. While technology, communication services, and consumer discretionary sectors flourished in 2023, others lagged significantly. However, in recent months have shifted, with cyclical and defensive sectors gaining ground, notably utilities, which rebounded by nearly 15%. We anticipate further broadening market leadership, recommending overweighting utilities, consumer discretionary, and industrials while underweighting communication services, financials, and materials as per long-term goals.

**Global Monetary Policy**, as domestic economic activity remains quiet, international data, notably the Bank of England's (BoE) upcoming meeting, will influence market sentiment. Despite a sharp decline in U.K. inflation, it remains above the BoE's target, suggesting potential rate adjustments later this year. We view opportunities and risks as balanced in developed international equities, recommending a neutral allocation as part of our asset allocation guidance.

## Eurozone Summary:

- **Stoxx 600**: closed at 514.02, up 5.80 points or 1.14%.
- **FTSE 100**: closed at 8,313.67, up 100.18 points or 1.22%.
- **Dax Index**: closed at 18,430.05, up 254.84 points or 1.40%.

## Wall Street Summary:

- **Dow Jones Industrial Average** closed at 38,884.26, up 31.99 points or 0.08%.
- **S&P 500** closed at 5,187.70, up 6.96 points or 0.13%.
- **Nasdaq Composite** closed at 16,332.56, down 16.69 points or 0.10%.
- **Birling Capital Puerto Rico Stock Index** closed at 3,456.22, up 34.70 points or 1.01%.
- **Birling Capital U.S. Bank Stock Index** closed at 5,044.61, up 57.92 points or 1.16%.
- **U.S. Treasury 10-year note** closed at 4.47%.
- **U.S. Treasury 2-year note** closed at 4.82%.



# Wall Street Recap

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