[What's New]

Market Rally Hits New Highs Amid Strong Monthly Gains, But Overbought Signals Persist

The stock market rally demonstrated continued strength during the holiday-shortened week, with the Dow Jones, S&P 500, and Russell 2000 all achieving record highs to conclude an impressive November.

Weekly Performance

Equity markets delivered strong results over the past week and an exceptional performance for the month. The **Dow Jones Industrial Average** gained **1.4%**, the **S&P 500 Index** and **Nasdaq Composite** each advanced by **1.1%**, and the **Russell 2000** rose **1.2%**.
For November, the gains were even more pronounced:

- **Dow Jones** surged **7.5%**, its best monthly gain in a year.
- **S&P 500** climbed **5.7%**.
- **Nasdaq Composite** jumped **6.2%**.
- **Russell 2000** spiked by an impressive **10.8%**.

Although the Nasdaq did not achieve a new high last week, it remains within striking distance. Meanwhile, the **10-year Treasury yield** fell **22 basis points** to **4.19%**, as optimism grew regarding fiscal restraint under the incoming administration and increased government efficiency efforts. The upcoming **jobs report** next Friday will conclude a significant week for economic data.

In the commodities space, **U.S. crude oil futures** dropped **4.55%**, settling at **$68 per barrel**.

ETF Movements

Among sector and thematic ETFs:

- **iShares Expanded Tech-Software Sector ETF (IGV)** dipped **1.2%**, influenced by top holdings like Salesforce and other software companies.
- **VanEck Vectors Semiconductor ETF (SMH)** fell **1%**, with Nvidia as its largest component.
- **ARK Innovation ETF (ARKK)** rose **3%**, while **ARK Genomics ETF (ARKG)** surged **9.4%**, reflecting strength in speculative growth stocks.
- The **SPDR S&P Metals & Mining ETF (XME)** ticked up **0.1%**, while the **SPDR S&P Homebuilders ETF (XHB)** rose **2.5%**.

- Energy-focused **SPDR Energy Select ETF (XLE)** fell **1.9%**, while the **SPDR Health Care Select Fund (XLV)** climbed **2.2%**.
- **SPDR Industrial Select ETF (XLI)** gained **1.1%**, and the **Financial Select SPDR ETF (XLF)** advanced **1.2%**.

Stock Highlights

Nvidia, Meta, and Apple

- **Nvidia** shares experienced volatility, dropping as low as **$131.80** before recovering slightly to close the week down **2.6% at $138.25**. The stock remains above its 50-day moving average, though no decisive breakout has occurred yet.
- **Meta Platforms** gained **2.7%**, briefly reclaiming its 50-day moving average on Friday and closing at **$574.32**.
- **Apple** posted a weekly increase of **3.25%**, ending at **$237.33**.

Tesla and China EV Makers

- **Tesla** dropped **2.1%**, finishing the week at **$345.16**, but rallied **3.7%** on Friday. The company's rollout of FSD v13 has sparked optimism, with significant improvements in miles per intervention expected.
- Chinese EV makers like **BYD** and **Nio** are anticipated to report strong November delivery data, further boosting the sector.

Tesla has continued to ramp up incentives to drive 2024 deliveries beyond last year's totals, while Model Y discounts in China suggest an aggressive push to bolster sales.

Market Technicals

The broader stock market has consistently registered new all-time highs on both intraday and closing bases. The **S&P 500 Index (SPX)** leads, alongside the **Dow Jones Industrial Average** and **Russell 2000**. The **Nasdaq-100 (NDX)**, however, has yet to reach a new peak after achieving highs earlier in November.

Key support remains in the **5870-5770 range**, providing a critical floor for maintaining the bullish trend. A breach below 5870 could challenge the bullish outlook, with further support levels at **5670** offering additional stability.

Put-call ratios have reached their lowest levels of the year, indicating an overbought condition. However, this is not inherently bearish. Breadth has generally improved, despite occasional discrepancies between price movements and breadth trends.

The **VIX** has drifted close to its yearly lows, reflecting calm market conditions. Still, any sharp uptick in the **VIX** could signal potential risks to the rally's continuation.

Summary

The stock market rally remains robust, bolstered by widespread gains across indices and sectors. However, caution is warranted as technical indicators highlight overbought conditions, and volatility metrics suggest latent risks. As major economic reports and geopolitical developments unfold, market momentum will likely hinge on macroeconomic data and corporate performance