

[What's New]

Stock Market Rally Extends Gains as Major Indexes Hit Record Highs, But Elevated VIX Remains a Concern

Stock Market Rally Continues

The stock market rally extended its upward momentum, with major indexes posting gains for the sixth consecutive week. The Dow Jones Industrial Average increased by nearly 1% over the week, reaching yet another record high on Friday. Similarly, the S&P 500 rose by 0.85%, marking a new all-time high on Thursday and closing at a record level on Friday. The Nasdaq composite also advanced, rising 0.8% and nearing its record levels. Meanwhile, the small-cap Russell 2000 surged 1.9%, reaching a two-year high on Wednesday.

More speculative sectors, including nuclear energy, bitcoin, and Chinese equities, saw notable movement. However, many traditional growth, defensive growth, and more conservative sectors across a variety of industries also demonstrated strength. The yield on the 10-year Treasury remained steady at 4.07%, having briefly tested the 4% mark earlier in the week. U.S. crude oil futures, however, fell sharply by 8.4%, closing at \$69.22 per barrel.

ETFs Performance

Among growth-focused exchange-traded funds (ETFs), the iShares Expanded Tech-Software Sector ETF (IGV) dipped by 0.5%, with ServiceNow being a key component. The VanEck Vectors Semiconductor ETF (SMH) dropped by 2%, with Nvidia being its largest holding.

ARK Innovation ETF (ARKK) gained 3% over the week, while ARK Genomics ETF (ARKG) remained unchanged. Tesla remains a key holding across Ark's funds, with Cathie Wood also having built a significant position in Nvidia in recent months. Ark also holds a smaller stake in BYD stock.

The SPDR S&P Metals & Mining ETF (XME) rose by 3.1%, while the U.S. Global Jets ETF (JETS) soared 7.2%. The SPDR S&P Homebuilders ETF (XHB) gained 3.5%. On the other hand, the Energy Select SPDR ETF (XLE) retreated by 2.6%, and the Health Care Select Sector SPDR Fund (XLV) declined by 0.6%. The Industrial Select Sector SPDR Fund (XLI) increased by 0.6%, and the Financial Select SPDR ETF (XLF) rose by 2.4%.

Market Technical

The S&P 500 Index (\$SPX) continued to hit new all-time highs, with improved market internals offering positive confirmation of these gains. The index now finds support in the 5670-5770 range.

The volatility index (\$VIX) remains in a key range, as it continues to trade above its 200-day moving average, currently around 15.40 and rising, signaling that its upward trend is intact.