

## Markets Close Out Strong: Jobs Report Ignites Optimism, Eyes Now on Inflation and Key Earnings

The trading week concluded on a high note, with equity markets enjoying a robust surge fueled by surprisingly positive employment figures and a renewed sense of hope surrounding upcoming trade discussions between the U.S. and China. As the dust settles, the financial world now eagerly anticipates crucial inflation metrics and the latest earnings reports from Oracle (ORCL), Chewy (CHWY) and Adobe (ADBE).

Leading the charge, the Nasdaq truly shined, leaping 1.2% on Friday alone, pushing its weekly gain to an impressive 2.2%. This tech-heavy index comfortably surpassed its short-term moving averages and now sits a full 6% above its significant 200-day benchmark, boasting a year-to-date climb of 1.1%.

Similarly, the S&P 500 delivered a powerful 1% increase, reclaiming the psychologically significant 6,000 mark—a level not seen since late February. This benchmark index wrapped up the week with a solid 1.5% advance, comfortably outpacing all its major moving averages and expanding its year-to-date gains to a respectable 2%.

Market sentiment was overwhelmingly positive, with advancing stocks significantly outnumbering those that declined. On the NYSE, gainers crushed losers by more than a 2-to-1 margin, while Nasdaq saw a favorable 5-to-3 ratio. Despite the broad enthusiasm, trading activity remained somewhat muted, with lower volumes recorded on both major exchanges.

The Dow Jones Industrial Average also joined the rally, climbing a substantial 443 points (1.1%) and decisively breaking above its crucial 200-day moving average, a key resistance level. Major companies like Salesforce (CRM), Amazon (AMZN), and UnitedHealth (UNH) were among the significant contributors to the Dow's impressive finish.

However, it was the small-cap sector that truly threw the biggest punch, with Russell 2000 rocketing up 1.7% to achieve its best closing level since February. Growth-oriented investments also saw strong performance, as the Innovator IBD 50 ETF (FFTY) rose 1.4%, pushing its yearly gains to an outstanding 7.9%.

### **Employment Data Fuels the Fire, Investors Advised to Stay Engaged**

The spark for Friday's bullish trend came from an encouraging employment report. In May, the U.S. economy defied expectations by adding 139,000 new jobs, surpassing analysts' forecasts of 129,000. While the unemployment rate remained steady at the anticipated 4.2%, labor force participation saw a slight dip from 62.6% to 62.4%. It's worth noting that revisions to prior months' data showed a reduction of 30,000 jobs for April (now 147,000) and a more substantial cut of 65,000 for March (now 120,000).

Given the current bullish sentiments and seasonality patterns in favor, Investors could increase their exposure to 8-100% level. The guidance emphasizes vigilance for stocks breaking above proper buy points, while also keeping a close eye on potential sell signals.

It is to be noted that we are currently in a slow (due to summer vacations) but overall bullish period till Mid-August and hence we could see major indices (S&P 500 and Nasdaq) hitting new highs during this period. In the weeks ahead, important news will continue to impact markets such as US-China Trade talks and their outcomes, upcoming Tesla robotaxi event, ever changing White House policies etc., however, bullish sentiments tend to overcome the wall of worries and continue to push market higher.

The performance of major US indices during the last week was as follows:

<b>Index</b>	<b>Friday (6/6)</b>	<b>Weekly</b>	<b>Monthly</b>	<b>YTD</b>	<b>1-Year</b>
S&P 500	1.03%	1.50%	7.02%	2.02%	12.09%
Dow Jones Industrial	1.05%	1.17%	4.74%	0.51%	9.97%
Nasdaq 100	0.99%	1.97%	9.96%	3.57%	14.41%
Nasdaq Composite	1.20%	2.18%	10.40%	1.13%	13.72%
Russell 2000	1.62%	3.33%	7.69%	-3.89%	5.31%

## S&P 500 Sector Performance

Weekly performance of 11 S&P 500 sector ETFs is summarized as follows:

<b>Sector</b>	<b>Weekly Performance Last One Month</b>	
Technology (XLK)	3.23%	11.56%
Energy (XLE)	2.31%	3.59%
Communications (XLC)	2.28%	6.23%
Materials (XLB)	1.67%	4.89%
Industrials (XLI)	1.48%	8.59%
Health Care (XLV)	1.31%	0.04%
Financials (XLF)	0.63%	4.31%
Real Estate (XLRE)	0.36%	0.70%
Discretionary (XLY)	-0.76%	7.40%
Utilities (XLU)	-0.89%	0.83%
Staples (XLP)	-1.38%	0.42%

There was some interesting action in S&P 500 sectors. Technology, which is an aggressive sector, led from the front as Nvidia and other chip stocks (except for Broadcom which fell on earnings) pushing it higher. XLK (the Tech ETF) broke out this week and looks much like how the major indices look. On the other hand, Discretionary (another aggressive sector) took a hit due to sharp drop in Tesla on Thursday amid the spat between Elon Musk and President Trump besides a noticeable performance by Amazon and Netflix. Materials and Financials have been green but overall lacking

compared to the aggressive sectors since the follow-through day in April. Real Estate basically just keeps pace with S&P 500 in recent weeks (along with the Healthcare). Consumer Staples eased last week along with Utilities. The utilities sector has traditionally been defensive but has recently gained strength due to its connection with AI data centers and related future businesses. Industrial sector is also breaking out due to renewed recent strength in GE, Boeing and Uber.

An outperformance in the aggressive areas and weak in defensive areas shows that investors are still in a risk-on mode and will likely keep pushing the major indices higher soon.

### **Important Economic events next week:**

Some important economic events for the upcoming week are:

Wednesday (06/11): CPI (MoM and YoY), Crude Oil Inventories, 10-Year Note Auction

Thursday (06/12): Initial Jobless Claims, PPI (MoM and YoY)

Friday (06/13): Michigan Consumer Sentiment, 1 – Year Inflation expectations

### **Important Earnings this week:**

Monday (06/09): Casey's General Stores

Tuesday (06/10): GameStop, United Natural Foods (UNFI)

Wednesday (06/11): Chewy (CHWY), Oracle (ORCL)

Thursday (06/12): Adobe (ADBE), RH (RH)

### **Long-Term Stock Picks:**

Our long-term stocks are those in which we have the conviction that they have strong business fundamentals and enjoy moats in their respective industries; hence the chances of long-term profits are high.

<b>NVDA:</b>	Nvidia continued its march by gaining 4.88% and is now 40% up since our pick in April. Nvidia is getting heavy support from top funds as Wall Street is continuing to accumulate its stock. It is now eyeing its previous high at 153.12. As mentioned last week, the next catalyst for NVDA stock could be its upcoming GTC Paris conference on June 10-12. Nvidia is a long-term leader, and its stock will surpass its recent high of 153 soon but a fresh entry at this point seems risky. Despite facing challenges, Nvidia typically performs well in July, and comparable results are expected this year.
<b>COST:</b>	Costco's same-store sales rose by 6% in the USA. Shares decreased last week and approached 1000. Although Costco remains a long-term leader, we think this is the time to take a pause and wait for a better entry.

### **Interesting new picks for Watchlists:**

<b>CHEF:</b>	Mentioned last week, CHEF was almost flat and still eyeing the buy point at 65.39. If it crosses it in volumes, then <b>it is a buy signal</b> with a stop loss below the 200-day EMA at 59.71
<b>HNGE:</b>	<p>Interested in an IPO which is trying to form a base? Hinge Health offers AI based software to automate care for joint and muscle health and currently eyeing <b>a buy point at 43.80</b>. If it crosses it, chances are that it could lead to 20-30% gain quickly depending upon its next earning reports.</p> <p>Caution: IPOs often could lead to enormous returns, but they are volatile in nature as well, hence even an entry is made, it should be made with caution and a small position size.</p>

### **Medium- and Short-Term Picks:**

These are newly picked stocks which have come out of bases during recent market correction.

<b>CIBR:</b>	Picked last week, the Cybersecurity ETF broke out to new highs (as hinted last week) with a 2.31% gain. This was besides the fact that one of the major components, CrowdStrike, failed to impress investors after its recent earnings and lost ground to test its 20-day EMA line. It was offset mainly by ZS (Zscaler) which gained 9.91%. Overall, we think that for long-term investors interested in AI players, semiconductors and cybersecurity, the Cybersecurity ETF CIBR is an interesting ticker and offers a potential entry at current prices.
<b>AU:</b>	Anglogold Ashanti gained 4.91% confirming our positive bias for the gold miner. It staged a breakout but retreated backwards along with a drop in gold prices from all-time highs.
<b>NOW:</b>	ServiceNow is trading in a tight range, eyeing a buy point at 1046. June-August is also traditionally a strong period for this software company and hence any move above 1046 is actionable.
<b>META:</b>	Meta was our pick two weeks ago and in two weeks it is more than 10% up. Although long-term trends seem to be in place and continue but it could have a pullback in the short term. Any pullback to 670 level could provide another entry.
<b>TSLA:</b>	Tesla's stock dropped 14.81% last week amid a feud between Elon Musk and President Trump. Right now, it has found support at the 200-day EMA line at 295.53 but if the dispute and exchange of accusations continue, it could go well below the current supports. Tesla plans to launch its robotaxi service in late June. Therefore, June has become a key month setting its direction for the near future as last earning report fell short of expectations and Tesla is continuously losing market share to BYD in China and Europe. We think its stock will remain volatile in the near future and hence investors should also avoid fresh entries till the situation clears.

<b>MSFT:</b>	Microsoft continued its advance beyond last week's breakout. We think at current levels it is now slightly extended, and we should wait for a pullback to get a proper buy point.
<b>GOOGL:</b>	Google gained 1.13% last week and continued to trade in a tight range. The current price level may present an <b>opportunity for entry</b> , with a recommended maximum stop loss set at 145.
<b>CVX:</b>	Chevron is continuing to trade in a tight range and finding support around its 200-day EMA. It is <b>still actionable</b> at current prices with a stop loss around 130. As mentioned earlier, it is not a growth stock and is not likely to move quickly but could provide a solid dividend (4.88%).
<b>ZS:</b>	Zscaler seems unstoppable as it gained 10% last week after posting strong Q3 results. It is currently overpriced; investors should wait for a pullback before buying. CIBR (another pick) offers a less volatile and safer bet for cybersecurity players.

### **Recently Picked Stocks:**

<b>BSX:</b>	Boston Scientific is trying to find support at its 50-day EMA and is currently <b>in a tight but actionable range</b> , eyeing recent high.
<b>T:</b>	AT&T gained another 1% last week as it continued to show a bullish flag pattern. As mentioned last week, a pullback to 20 or 50-day EMA was a buy which exactly it did as it found support at 50-day EMA. It is still in an actionable range for investors seeking dividend stocks (3.95% now).
<b>SMH:</b>	The VanEck Semiconductor ETF continues to consolidate in a tight range. Next two months are bullish in nature for semiconductors (particularly July) and hence aggressive investors could try an entry with a test of 269.66 in mind.
<b>ATGE:</b>	ATGE lost another 2.88% last week as it consolidates after a 1 year long run. Take some profit if you haven't already, as it may consolidate or pull back further.
<b>GDX:</b>	Gold miners ETF initially broke out but retreated by 3 USD to close at 51.62 with a 1.92% gain last week. Gold still has good prospects and any push to 48.36-50.51 range is likely to find support.
<b>MPLX/HESM:</b>	MPLX regained 0.63% while HESM gained 5.35% as it rebounded from the 200-day EMA line. Long-term investors could hold these stocks for a continuous stream of income.

<b>BABA:</b>	BABA recovered 4.87% and finished its recent three-week-long retreat. However, we still think that a pullback could provide a suitable entry at current levels.
<b>GLDM:</b>	Gold ETF gained 0.54% as gold tried to set a new all-time high last week. It is consolidating in the recent range, eyeing its recent highs. Aggressive investors could take a position at this level with a stop loss of around 8-10% as it is likely to show its strength in the upcoming days.
<b>ETR/NI:</b>	These two utilities, ETR and NI, gained 0.56% and 1.33% respectively last week. Given their good dividend payouts, these two utilities stocks are expected to move forward and test their recent highs at 87.25 and 40.74 respectively while continuing trending in a tight range.

### **Website:**

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Happy Trading and best regards,

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