

USA Market Outlook - 05 January 2022

After moving higher over the way of the previous session, the major U.S. stock indexes turned a bluntly mixed performance during trading on Tuesday. While the Dow climbed to a new record closing high, the tech-heavy Nasdaq showed a significant pullback.

The Dow ended the session off its best levels of the day but still closed up 214.59 points or 0.6 percent at 36,799.65. Meanwhile, the Nasdaq tumbled 210.08 points or 1.3 percent to 15,622.72 and the S&P 500 edged down 3.02 points or 0.1 percent to 4,793.54 after reaching a record intraday high.

The strong pullback by Nasdaq partly reflected considerable weakness among software and biotechnology stocks.

Reflecting the weakness in the sectors, the Dow Jones U.S. Software Index and the NYSE Arca Biotechnology Index fell by 2.5 percent and 2.1 percent, respectively.

Healthcare and pharmaceutical stocks also moved particularly lower on the day, while energy stocks improved amid a continued increase by the price of crude oil. Crude for February delivery jumped \$0.91 to \$76.99 a barrel.

Oil service stocks posted exceptionally strong gains on the day, resulting in a 4.5 percent spike by the Philadelphia Oil Service Index.

The major strength was also visible among banking stocks, as reflected by the 3.4 percent jump by the KBW Bank Index.

The continued advance by the Dow also came as traders remain optimistic about the economic outlook even as the U.S. reported more than 1 million new Covid cases on Monday.

The employment index edged up to 54.2 in December from 53.3 in November, implying a slight quickening in the rate of job growth in the manufacturing sector.

Activity in the U.S. manufacturing sector grew at a slower rate in the month of December, its manufacturing PMI slid to 58.7 in December from 61.1 in November.

The quits level surged to 4.53 million for the month, according to the department's Job Openings and Labor Turnover Survey, representing an 8.9% increase from October and breaking September's high-water mark of 4.36 million.

Top Gainers

| Name | Last Price | %Change |
|----------------------------|------------|---------|
| Ford Motor Co. | \$24.31 | 11.67% |
| General Motors Co. | \$65.74 | 7.47% |
| Occidental Petroleum Corp. | \$33.38 | 7.47% |
| Coterra Energy Inc. | \$20.93 | 6.95% |
| Diamondback Energy Inc. | \$119.20 | 6.58% |

Top Losers

| Name | Last Price | %Change |
|--------------------------------|------------|---------|
| PerkinElmer Inc. | \$183.45 | -4.55% |
| Generac Holdings Inc. | \$332.08 | -4.55% |
| Bio-Rad Laboratories Inc. Cl A | \$702.09 | -4.53% |
| Etsy Inc. | \$200.99 | -4.26% |
| Twitter Inc. | \$40.85 | -4.24% |

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