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FINANCE | STOCKS

S&P 500 Rebounds After Worst Day Since September

Major indexes have advanced for seven straight weeks

By *Charley Grant*

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Chip maker Micron Technology was the S&P 500's best performer. PHOTO: DAVID PAUL MORRIS/BLOOMBERG NEWS

Stocks rose Thursday, putting the S&P 500 back on track for its eighth consecutive week of gains.

The benchmark index rose 1%. The tech-heavy Nasdaq Composite advanced 1.3%. The blue-chip Dow Jones Industrial Average gained 0.9%, or about 322 points. All three indexes are up so far this week.

All 11 sectors within the S&P 500 ended Thursday higher. Consumer-discretionary stocks were the top performer, rising 1.4%. Utilities were the day's laggard, gaining 0.1%.

Investor faith in a soft landing for the economy has increased sharply in recent weeks, sparking a rally in stocks, bonds and other assets. The advance paused on

Wednesday, when the S&P 500 fell 1.5%, its largest one-day decline in three months.

On Thursday, stocks rebounded after economic data showed the Federal Reserve's preferred inflation indicator rose by 2% in the third quarter, less than previously estimated. That marked the latest signal that the U.S. economy is cooling gradually, as policy makers have hoped.

The inflation data "is reaffirming that the Fed has this glide path," said Tom Hainlin, senior investment strategist at U.S. Bank. He added that the central bank is facing no immediate pressure to raise or cut interest rates.

The core personal-consumption-expenditures price index for November, expected Friday, is projected to have risen 0.1% from October and 3.3% from a year ago.

The yield on the benchmark 10-year Treasury note rose to 3.893% as the price fell. On Wednesday, the yield had dropped to the lowest level since July.

In the housing market, the average rate on the standard 30-year fixed mortgage fell about a quarter percentage point to 6.67%, reaching the lowest level since June, according to a survey of lenders released by Freddie Mac.

The year-end rally in stocks has left some investors bracing for volatility to pick up in 2024.

"There's a high level of complacency in the market at the moment," said Joseph Zappia, principal and co-chief investment officer of LVW Advisors. He expects fresh volatility will present new buying opportunities in the new year.

Crude-oil futures fell 0.4% to settle at \$73.89 a barrel. Gold futures rose 0.2%, advancing for the fifth time in seven sessions.

Chip maker Micron Technology was the S&P 500's best performer, rising 8.6% after earnings. The PHLX Semiconductor index gained 2.8%.

Shares of cruise-line operators rallied after Carnival Corp. reported fourth-quarter results. Carnival rose 6.2%, while Royal Caribbean Group advanced 5.2%.

The weakest performer in the S&P 500 was Paychex, which fell 7% after reporting earnings.

In overseas markets, Japan's Nikkei 225 Index fell 1.6%, the largest decline since Dec. 8. The Stoxx Europe 600 index dipped 0.2%, snapping a two-day win streak.

Write to Charley Grant at charles.grant@wsj.com

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