

# MarketWatch

## Nasdaq closes at record while S&P 500, Dow slip amid political uncertainty

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S&P 500 on longest 0.5%-or-less daily change streak since 1969



The tech-heavy Nasdaq closed at a record for a second session in a row Tuesday as the Dow industrials and S&P 500 finished fractionally lower amid political uncertainty in the U.S.

The S&P 500 index SPX, +0.09% declined 1.65 points, or less than 0.1%, to finish at 2,400.67, for its 15th straight session with a daily change of 0.5% or less, the longest such streak since February 1969, according to Dow Jones data.

Earlier in the session, the benchmark eked out an all-time intraday high of 2,405.77. While nine of the 11 primary S&P 500 sectors opened higher, only two finished in the green by the close, with tech stocks gaining 0.5%. The telecom and utilities sectors were the worst performers.

Meanwhile, the Nasdaq Composite Index COMP, +0.42% rose 20.20 points, or 0.3%, to end at a record 6,169.87, after touching an intraday record of 6,170.16.

The Dow Jones Industrial Average DJIA, +0.11% slipped 2.19 points, or less than 0.1%, to close at 20,979.75. While shares of Microsoft Corp. MSFT, +1.04% and International Business Machines Corp. IBM, -0.24% boosted the average with 1% or more gains, shares of Nike Inc. NKE, +0.18% UnitedHealth Group Inc. UNH, -0.38% and Pfizer Inc. PFE, -0.13% dragged the blue-chip gauge lower.

Stocks have been propelled higher recently by some strong corporate results and hopes that President Donald Trump's administration will pass tax reform and other legislative initiatives that are seen as market friendly. However, the rally has shown signs of stalling of late, despite marking records. Benchmarks have made slight daily moves, a sign that investors see few reasons to keep pushing shares higher. By some metrics, valuations are at their highest levels in more than a decade.

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"Prices aren't at all justified by valuations or economic data. Wall Street can still rise over the coming days or even months, but I think you're taking a lot of risk by staying in the S&P 500," said Adam Strauss, portfolio manager at Appleseed Fund. "In general, U.S. stocks are unattractive, though there are some idiosyncratic value opportunities within the market."

Investors were also assessing reports that Trump had shared sensitive intelligence obtained from a close U.S. ally with Russia's foreign minister and ambassador. In a news briefing, White House National Security Adviser H.R. McMaster defended Trump's conversations with the Russians as "wholly appropriate." The new controversy comes mere days after Trump fired James Comey, the now-former director of the Federal Bureau of Investigation .

"I think the market's done with politics for now, not until you get a real story, not 'he said, she said,'" remarked **Joe Saluzzi**, co-head of equity trading at **Themis Trading**, in an interview.

Following a nice run-up in stocks, investors are willing to be patient until there are indications of more growth, or something more concrete out of Washington on health care, taxes or infrastructure, **Saluzzi** said. One indicator **Saluzzi** likes to follow is CNN's Fear & Greed Index, which follows seven investor-sentiment metrics, and is currently in "greed" territory.