

Stock Market Today: S&P 500 closes above 5,200 for first time as Fed leans dovish

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Investing.com-- The S&P 500 closed above a 5,200 for the first time on Wednesday, as the Federal Reserve kept interest rates unchanged and continued to signal that three rate cuts this year, easing fears that the recent bout of inflation would force the central bank to lean less dovish.

At 16:00 ET (20:00 GMT), the S&P 500 rose 0.9% to at a record of 5,223.46, the NASDAQ Composite was 1.3% higher, and the Dow Jones Industrial Average rose 1% or 401 points. The Dow and Nasdaq also closed at record highs.



Fed keeps three cuts in view for 2024; Treasury yields fall

The Fed kept interest rates on hold, and continued to see its benchmark rate falling to 4.6% next year, suggesting three rate cuts in 2024, unchanged from the prior projection in December.

Ahead of the decision, many were worried that hotter inflation readings since the turn of the year would force the Fed to take a rate cut off the table. The Fed, however, seemingly believes that its battle against inflation remains on track, though the central bank did lower the number of rate cuts beyond 2024.

Following the decision, RBC said it continues to expect a cut in June a "economic growth will slow enough, and inflation will ease enough."

The unchanged rate path for 2024, pushed Treasury yields sharply lower, with the 2-year Treasury yield now trading at 4.62%, down 7.5 basis points.

"Our view is that as long as bond yields can consolidate around current levels, the equity market does have the green light to go higher, and we expect a broader participation in that rally, which we've already started to see," Phillip Colmar global macro strategist at MRB Partners told Investing.com's Yasin Ebrahim on Wednesday.

Intel gets nearly \$20B in government grants to boost chip output; Tesla price hikes in focus

In corporate news, Intel (NASDAQ:INTC) stock fell 0.4% even after the Biden administration announced it is awarding the

company nearly \$20 billion in grants and loans, as it seeks to boost the country's chip output.

Tesla (NASDAQ:TSLA) stock rose more than 2% after the EV manufacturer confirmed it will raise the price of China-produced Model Y vehicles from April 1. The news followed recent announcement of price hikes in Europe in the U.S. and marked a reversal in strategy from the series of cuts that Tesla delivered throughout 2023.

General Mills in earnings delight; Chipotle splits stock, Boeing warns of cash burn

General Mills (NYSE:GIS) stock was 1% higher after the processed foods giant posted a smaller-than-expected drop in quarterly sales, backed by higher prices for its breakfast cereals, snack bars and pet food products that helped cushion a blow from slowing demand.

Chipotle Mexican Grill (NYSE:CMG) stock rose over 3% after the burrito chain's board approved a 50-for-1 split of its common stock, its first ever stock split, opening up the opportunity for more potential investors to buy into the company.

Boeing (NYSE:BA) stock rose more than 3% despite the aircraft manufacturer's CFO Brian West indicating that cash flow will be worse than the company had expected even back in January as the troubled plane maker focuses on quality after a spate of incidents.

Signet Jewelers (NYSE:SIG) stock slumped 12% after the world's largest retailer of diamond jewelry reported a sharp drop in sales in the important fourth quarter, particularly in North America.

Crypto stocks mixed as Bitcoin bounces

Crypto-related stocks were higher as miners including Marathon Digital Holdings Inc (NASDAQ:MARA), and Riot Platforms (NASDAQ:RIOT) advanced, while MicroStrategy Incorporated (NASDAQ:MSTR) also jumped as bitcoin rebounded after falling to near \$60,000.

Riot Platforms gained more than 11% after JPMorgan upgraded the stock to overweight from neutral on optimism about the crypto miner's ability to scale operations.

(Peter Nurse, Ambar Warrick contributed to this article.)