

# Nasdaq posts new record close; S&P, Dow end slightly higher

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U.S. stocks ended slightly higher Tuesday, with the Nasdaq posting a fresh record close, as investors kept an eye on falling oil prices.

"Certainly oil coming in and the close in the European session contributed" to stocks coming off their highs, said Jeremy Klein, chief market strategist at FBN Securities. "If Europe is grinding higher, we usually go higher with them." European stocks closed higher, with the Stoxx 600 index rising 0.92 percent.

The Nasdaq and the benchmark S&P 500 broke above their previous respective all-time intraday highs of 5,231.94 and 2,185.54 in mid-morning trade, before easing from those levels.

There are "really just very few alternatives for investors around the world," said Jeff Kravetz, regional investment strategist at the Private Client Reserve at U.S. Bank. "Investors are looking for return and yield, and the U.S is the best option for that."

Sentiment is "more risk on than risk off," said Randy Warren, chief investment officer at Warren Financial. "The play here is that we're going to have a decent second half."

The Dow Jones industrial average closed nearly 4 point higher, well off session highs, with Walt Disney contributing the most gains. The S&P briefly erased gains in afternoon trade, as energy lagged, before closing less than a point higher. The Nasdaq composite outperformed, rising about 0.25 percent.

Stocks have held in a narrow range recently, and the **CBOE Volatility Index (VIX)** ([^VIX](#)), ([^VIX](#)) widely considered the best gauge of fear in the market, is trading around its lowest levels in a year. On Tuesday, the VIX traded near 11.6.

"It's August. There's not a log of news and we're done with most earnings," said Maris Ogg, president at Tower Bridge Advisors. "The difficult thing about this market is valuation. It's not expensive, but it's not super cheap, so it's hard for people to get excited and buy."

LPL Financial Research said in a Tuesday report the S&P recorded its fourth-tightest trading range of the year on Monday. "What made yesterday even more unique though is the S&P 500 also made an intra-day new all-time high (although it didn't close at a new high). The last time the S&P 500 made an intra-day new high and traded in a smaller daily range was Christmas Eve 2014," [the firm said](#).

"I think the path of least resistance is higher," said Mark Luschini, chief investment strategist at Janney Montgomery Scott. "The rally that we've had and the sudden ricochet since the Brexit vote has been eerily steady."

U.S. crude (**New York Mercantile Exchange: @CL.1**) futures settled 0.58 percent lower, at \$42.77 a barrel, failing to build on Monday's strong gains.

OPEC [said Monday an "informal meeting"](#) between member countries will take place on the sidelines of the International Energy Forum in Algeria next month.

"Will OPEC change it's strategy? Absolutely not; it's working perfectly," Tower Bridge's Ogg said.

On the economic data front, second-quarter U.S. productivity fell unexpectedly by 0.5 percent. Economists polled by Reuters expected a gain of 0.4 percent.

"The lack of productivity directly relates to the slow economic recovery seen since the recession. Combine this with a good pace of hiring and higher labor costs as a percent of revenue will only continue to increase," said Peter Boockvar, chief market analyst at The Lindsey Group.

In corporate news, luxury-goods maker Coach ([COH](#)) posted mixed quarterly results, missing expectations on revenue, but with profits coming in better than expected. Embattled drug maker Valeant Pharmaceuticals (**Toronto Stock Exchange: VRX-CA**), on the other hand, missed Wall Street expectations on both the top and bottom line.

Delta Air Lines, meanwhile, is issuing refunds for canceled flights as well as [\\$200 travel vouchers for certain passengers](#).

Later this week, department store retailers Macy's and Nordstrom will be posting quarterly results.

Barbara Miller, portfolio manager at Federated Investors, said she expects department stores to "be under pressure by e-commerce," among other factors. "I don't think we're going to see a shift in that trend."

Retail sales data for July are due Friday at 8:30 a.m. ET.

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U.S. Treasuries traded slightly higher, with the two-year note yield holding near 0.71 percent and the benchmark 10-year yield around 1.54 percent.

The U.S. dollar traded 0.24 percent lower against a basket of currencies, with the euro near \$1.111 and the yen around 101.9. The British pound fell 0.27 percent against the greenback, and hit a one-month low earlier in the session.

"We're not seeing gold react to that. Right now, it's something to look at, but it won't spark a sell-off" yet, said Peter Cardillo, chief market economist at First Standard Financial.

The **Dow Jones industrial average (Dow Jones Global Indexes: .DJI)** rose 3.76 points, or 0.02 percent, to close at 18,533.05, with Disney leading advancers and Caterpillar the greatest laggard.

The **S&P 500 ([^GSPC](#))** gained 0.85 points, or 0.04 percent, to end at 2,181.74, with health care leading six sectors higher and energy lagging.

The **Nasdaq ([^IXIC](#))** closed 12.34 points higher, or 0.24 percent, at 5,225.48.

About five stocks advanced for every four decliners at the New York Stock Exchange, with an exchange volume of 734 million and a composite volume of 3.258 billion at the close. Gold futures for December delivery settled \$5.40 higher at \$1,346.70 per ounce.

***On tap this week:***

\*Planner subject to change.

**Tuesday**

Earnings: Disney, SolarCity, Red Robin Gourmet Burgers, Scripps Networks, Mylan Laboratories, WageWorks, Yelp, CyberArk

**Wednesday**

Earnings: Michael Kors, Ralph Lauren, Wendy's, Shake Shack, Blue Buffalo, Flowers Foods

10 a.m. JOLTS

1 p.m. \$24 billion 10-year note auction

2 p.m. Federal budget

**Thursday**

Earnings: Alibaba, Macy's, Kohl's, Nordstrom, Petrobras, Planet Fitness, Ruby Tuesday

8:30 a.m. Initial claims

8:30 a.m. Import prices

1 p.m. \$15 billion 30-year auction

**Friday**

8:30 a.m. Retail sales

8:30 a.m. PPI

10 a.m. Consumer sentiment

10 a.m. Business inventories

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