

# Nasdaq ekes out 3-day winning streak ahead of Yellen

U.S. stocks closed narrowly mixed Thursday, with investors looking ahead to comments from Federal Reserve Chair Janet Yellen.

Yellen is expected to answer questions Friday afternoon as she receives an award at Harvard University.

"I expect her to say some pretty dovish things, but I may be in the minority," said Randy Warren, chief investment officer at Warren Financial, adding he does not expect the U.S. central bank to hike next month. "We don't have the growth rate [to hike]."

He also said the last time the Fed raised rates with economic growth this weak was in 1960.

Market expectations for a Fed rate hike were 26 percent on Thursday, according to the CME Group's [FedWatch](#) tool.

Investors also kept an eye on U.S. oil prices, which topped \$50 a barrel to hit its highest in intraday trade

since early October, before settling 8 cents lower at \$49.48 a barrel.

"I think the fact oil was up over \$50 and now in the low \$49s is just (causing) a little bit of weakness. But that's all noise," said James Meyer, chief investment officer at Tower Bridge Advisors. He said stocks were pausing amid lack of major news as the major averages held near recent highs.

The S&P 500 and Dow Jones industrial average closed about 2 percent below their 52-week intraday highs, while the Nasdaq composite was more than 6 percent below its 52-week intraday high.

Katie Stockton, chief technical strategist at BTIG, said in a morning note that S&P futures were in short-term overbought territory.

"Overbought conditions can likely be sustained for 3-4 days before giving way to a pullback, but this would not be enough time for a breakout from the long-term downtrend channel to be confirmed," she said. "We are watching for the VIX to push out of its trading range as an indication of increased downside volatility for equities."

The [CBOE Volatility Index \(VIX\)](#), widely considered the best gauge of fear in the market, traded lower near 13.8.

All three major averages gave up opening gains to hold around the flatline in afternoon trade. The Nasdaq composite outperformed, boosted by a near 1 percent gain in Apple, as well as strong gains in Dollar Tree.

The S&P 500 declined less than a point, with materials leading decliners.

"Some would say [we're] treading water," said Kim Forrest, senior equity analyst at Fort Pitt Capital. "On the 'good-news-is-bad news' front, we got some decent data that make a Fed rate hike seem more likely."

"On the 'good-news-is-good news' front, oil prices are going up," she said. "You take those two together and you go nowhere."

The Dow Jones industrial average closed about 25 points lower, as [Goldman Sachs](#) had the greatest negative impact on the blue chips index.

"I think the market ... is pausing to digest Tuesday's and Wednesday's rally," said Adam Sarhan, CEO of Sarhan Capital.

U.S. stocks posted sharp gains on Tuesday and Wednesday, with the Dow rising triple digits on both sessions.

The U.S. dollar index pared earlier losses to trade about 0.2 percent. Commodity-related currencies

were stronger against the dollar. The euro was near \$1.119 and the yen traded near 109.7 yen against the greenback as of 4:03 p.m. ET.

U.S. stock index futures held slightly higher after early morning data reports.

[Durable goods orders](#) jumped 3.4 percent last month, the Commerce Department said. However, non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, fell 0.8 percent for a third-straight month after an upwardly revised 0.1 percent drop the prior month.

[Initial jobless claims fell](#) to a seasonally adjusted 268,000 for the week ended May 21.

Pending home sales rose 5.1 percent in April from the previous month to hit their highest level in a decade.

Federal Reserve Governor Jerome Powell, a voting member, said in a speech that [an interest rate hike could be appropriate fairly soon](#), adding that he supports gradual hikes if data underpin forecasts of an improving economy.

Treasury yields held lower, with the 2-year yield around 0.88 percent and the 10-year yield around 1.83 percent.

The Treasury held a seven-year note auction, which saw strong demand.

St. Louis Federal Reserve President James [Bullard said Thursday](#) in a speech in Singapore that U.S. labor markets are relatively tight and may put upward pressure on inflation.

He noted while market-based forecasts of Fed policy see "almost no normalization," the committee expects "data-dependent 'slow-normalization.'"

European stocks were closed slightly higher, with the pan-European STOXX 600 index gaining 0.1 percent. Asian stocks closed mostly higher, with the Nikkei 225 up about 0.1 percent and the Shanghai composite about 0.3 percent higher.

The [Dow Jones industrial average](#) fell 23.22 points, or 0.13 percent, to 17,828.29, with DuPont leading decliners and Apple the greatest advancer.

The [S&P 500](#) fell 0.44 points, to trade at 2,090.10, with materials leading four sectors lower and utilities leading advancers.

The [Nasdaq](#) composite rose 6.88 points, or 0.14 percent, at 4,901.77.

Advancers ended a step ahead of decliners on the New York Stock Exchange, with an exchange volume of 780 million and a composite volume of 3.14 billion at the close.

Gold futures for June delivery settled at \$1,220.40 an ounce, down \$3.40.

—*Reuters contributed to this report.*

***On tap this week:***

**Thursday**

Earnings: Palo Alto Networks, GameStop, Splunk

**Friday**

Earnings: JA Solar

8:30 a.m. Real GDP Q1 (second)

10 a.m. Consumer sentiment

1:15 p.m. Fed Chair Janet Yellen receives award, in Q&A at Harvard

\*Planner subject to change.

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