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The 5 Stocks That Rule This Market—and Make Investors Nervous

By Al Root [Follow](#) May 19, 2023 7:53 pm ET

Orde



Apple's market capitalization, at \$2.76 trillion, tops the combined market cap of the entire Russell 2000 index of small-cap stocks.

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That might seem like an odd thing to say. The S&P 500 index **SPX -0.14%** ▼ rose 1.6% this past week, while the Dow Jones Industrial Average **DJIA -0.33%** ▼ gained 0.4% and the Nasdaq Composite **COMP -0.24%** ▼ rose 3%. Apple (ticker: AAPL), which was up 1.5% for the week, certainly did

its part.

And it gets worse. Today's five biggest stocks—Apple, [Microsoft \(MSFT\)](#), [Alphabet \(GOOGL\)](#), [Amazon.com \(AMZN\)](#), and [Nvidia \(NVDA\)](#)—have a combined market cap of about \$8.7 trillion, almost 25% of the S&P 500 cap and about 3.2 times the \$2.7 trillion Russell cap.

What's more, those top five stocks have returned an average of 50% in 2023, accounting for roughly 80% of the S&P 500's 8% gain. The median stock in the index has gained less than 2%, and less than half are trading above their 200-day moving averages—a level that signals a long-term uptrend. It's a lousy rally.

The top five stocks are also expensive: They trade for an average of 31 times estimated 2024 earnings, while the index trades at 17.4 times earnings.

This concentration of gains is "contributing to investor anxiety," says Arone, adding that it's why investors have had an uneasy feeling about the market rebound since October.