

Markets


## Stock Rotation Hits Megacaps on Bets Fed Will Cut: Markets Wrap

- Inflation broadly cools, bolstering bets on US policy easing
- Russell 2000 beats Nasdaq 100 by the most since November 2020

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Wall Street traders betting the Federal Reserve will be able to cut rates soon sent bond yields tumbling – while driving a big rotation out of the tech megacaps that have powered the bull market in stocks.

Further signs that inflation is slowing down fueled speculation the Fed will be able to move as early as September. Optimism over lower rates sparked a shift into riskier corners of the market – as money exited the long-favored safety trade of big tech. The Russell