

Why Nvidia's Earnings Weren't All That Great for Stocks

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The stock market, however, didn't need Nvidia to provide the pop. The [S&P 500 index](#) ↑ [SPX +0.35%](#), the [Nasdaq Composite](#) ↑ [COMP +0.16%](#), and the [Dow Jones Industrial Average](#) ↑ [DJIA +0.97%](#) each rose 1.5%, but even those gains obscure just how strong the stock market was. The [Invesco S&P 500 Equal Weight](#) ETF gained 2.3% as 425 of the index's stocks finished higher on the week, while the small-cap [Russell 2000 index](#) gained 3.3%.

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Still, the broadening market can't hide just how expensive stocks have become. The S&P 500 trades at 22.1 times 12-month forward earnings for the coming 12 months, the highest since 2020, when it hit 22.9 times. To see multiples meaningfully higher than that, one has to go back to the dot-com era, when the index traded at more than 25 times earnings. "It's very hard for us to justify a higher near-term multiple," says Wells Fargo's head of equity strategy, Chris Harvey.