

## Stock Market Performance in 2024

### U.S. Market Overview

The year 2024 was a remarkably strong one for equities, with the U.S. stock market extending the robust gains seen in the prior year. The benchmark S&P 500 index delivered roughly a 25% total return for 2024 (around +23% in price terms)

- . This marked the second consecutive year of over 20% returns for the S&P 500 - a feat not observed since the late 1990s

- . The tech-heavy Nasdaq Composite outpaced the broader market, jumping nearly 29% for the year

- . In contrast, smaller-cap stocks had more modest performance: the S&P 500 Equal-Weight index and the Russell 2000 (small-cap benchmark) each rose about 10-11% in 2024

- . The disparity underscored that 2024's rally was not evenly distributed across the market. A key theme was the dominance of mega-cap technology stocks. A group of seven powerhouse companies often dubbed the "Magnificent 7" - Apple, Microsoft, Alphabet (Google), Amazon, Meta (Facebook), Nvidia, and Tesla - collectively surged by roughly 64-67% on average in 2024

- . These few firms contributed disproportionately to the S&P 500's gains. In fact, they accounted for over half of the index's return for the year (about 54% of S&P 500 performance)

- . By year's end, many of these leaders had reached record-high share prices amid investor enthusiasm for transformative technologies like artificial intelligence (AI). Meanwhile, more traditional and value-oriented sectors lagged behind, and many diversified portfolios trailed the S&P's 25% gain as a result

- . Overall, 2024's market climate was one of bullish sentiment driven by technology and growth stocks, albeit with narrow market breadth focused on the largest companies.

### Major Tech Stock Performances

#### Apple Inc. (AAPL) - 2024 Performance

Apple's stock had an outstanding 2024, climbing approximately 36% over the course of the year . The iPhone maker's share price reached new all-time highs, ending the year around \$252 per share (up from about \$185 at the start of 2024). This rally lifted Apple's market capitalization to nearly \$4 trillion by year-end

, reaffirming its status as the world's most valuable publicly traded company. Apple's gains were driven by solid demand for its products - the company saw successful launches of the iPhone 15 series and other hardware updates - as well as continued growth in high-margin services. The company also expanded its presence in emerging markets, fueling investor optimism about future growth. Despite only moderate earnings increases in 2024 (Apple's net income grew in the high single digits), the stock's rapid appreciation led to an expansion in valuation. By the end of 2024 Apple was trading at about 40 times its trailing earnings

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, well above its historical average P/E in the mid-20s. This elevated P/E ratio reflected substantial optimism from investors and a willingness to pay a premium for Apple's steady cash flows and ecosystem advantages. In short, Apple's combination of robust stock price growth and relatively modest earnings growth pushed its valuation to a lofty level going into 2025.

#### Alphabet (Google) (GOOGL) - 2024 Performance

Alphabet Inc., the parent of Google, also delivered strong results for shareholders in 2024. Alphabet's stock price rose by nearly 40% over the year

, closing around \$189 per share - close to record highs for the company. This performance added roughly \$600 billion in market value, pushing Alphabet's market capitalization above \$2 trillion by December 2024. Key to this rally was Alphabet's core strength in digital advertising (still a major revenue driver) and its strides in artificial intelligence. The company demonstrated innovation in AI, including the introduction of its Gemini 2.0 AI model and breakthroughs in quantum computing chips

, which reassured investors that Google "still has its mojo" in the evolving tech landscape. Google's cloud computing division also continued to grow, contributing to the overall positive sentiment

. Alphabet's financial results helped justify its stock gains. The company's revenues and earnings saw healthy growth in 2024, thanks to a rebound in ad spending and efficiency efforts. By year-end, Alphabet's valuation remained relatively reasonable compared to its peers - about 23x trailing earnings

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. This was roughly unchanged from its P/E a year prior, indicating that Alphabet's ~36% stock price increase was largely matched by an increase in its earnings over the same period. In summary, Google's parent company enjoyed a robust 2024 rally built on both improved fundamentals and investor excitement about its leadership in AI and technology innovation.

#### Amazon.com Inc. (AMZN) - 2024 Performance

Amazon's stock staged an impressive rebound in 2024, advancing roughly 48% for the year

. The e-commerce and cloud computing giant saw its share price rise from about \$152 at the end of 2023 to around \$219 by December 2024

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. This surge added on the order of \$600-700 billion to Amazon's market capitalization, bringing it back into the vicinity of \$1.7-\$1.8 trillion. Multiple factors drove Amazon's strong performance. On the retail side, demand remained solid - Amazon's online shopping volumes and Prime membership base continued to grow, even as consumers navigated a post-pandemic environment. Meanwhile, Amazon Web Services (AWS), the company's cloud division, maintained its leadership and high profitability in the cloud computing market, benefiting from the digital transformation and AI needs of businesses. These dual engines (e-commerce and cloud) reassured investors of Amazon's long-term growth trajectory. Crucially, Amazon's earnings improved significantly in 2024 after a slump in 2022-2023. Cost cutting and efficiency measures, along with revenue growth, led to a sharp rise in operating income. By the end of 2024, Amazon's trailing price-to-earnings ratio had declined to about 40

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- down from a very elevated ~52 P/E at the end of 2023 - reflecting the fact that earnings rose faster

than the stock price. Even at 40x earnings, Amazon's valuation was still on the higher side compared to the broader market, but investors seemed comfortable paying a premium for its dominant market positions. Overall, 2024 marked a return to form for Amazon's stock, as the company regained its footing with investors and recouped a substantial portion of the market value it had lost in the prior year.

#### Meta Platforms (Facebook) (META) - 2024 Performance

Meta Platforms, the parent company of Facebook, Instagram, and WhatsApp, was one of 2024's standout performers. Meta's stock price skyrocketed about 72% during the year, making it one of the best-performing large-cap stocks. The share price surged from roughly \$352 at the end of 2023 to around \$585 by December 2024

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. In the process, Meta's market capitalization climbed back above the \$1 trillion threshold - a remarkable turnaround after the company's challenges just two years prior. Several catalysts powered Meta's rally. The company's core advertising business recovered strongly, with 2024 advertising revenue reaching roughly \$160 billion, about 22% higher than the prior year

. Meta's focus on cost discipline and efficiency (following its "Year of Efficiency" initiatives) led to dramatically improved profitability: full-year earnings jumped approximately 60% year-over-year

. These better-than-expected results, combined with enthusiasm for Meta's investments in artificial intelligence (to improve content delivery and ad targeting), boosted investor confidence. By year's end, Meta's valuation remained quite reasonable despite the stock nearly doubling. Thanks to its surge in earnings, Meta's trailing P/E ratio was only in the mid-20s at the end of 2024

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- only slightly higher than its P/E a year prior and generally in line with the broader market. In other words, Meta's huge stock price increase was underpinned by equally impressive earnings growth, keeping its valuation multiples in check. This combination of value and growth made Meta an outlier among mega-cap tech stocks. The company did continue heavy spending on its metaverse and virtual reality initiatives (Reality Labs), but investors largely looked past those losses in 2024,

focusing instead on the core business rebound and the exciting potential for new AI-driven features. Meta's 72% stock gain underscored a broader trend in 2024: a return to favor for online advertising and social media companies, especially those that managed to significantly boost their earnings and cash flow.

### Tesla, Inc. (TSLA) - 2024 Performance

Tesla's stock experienced a roller-coaster year in 2024, but ultimately delivered strong gains. The electric vehicle leader's share price ended the year up approximately 63%

. This sizable annual rise belies the volatility Tesla faced during the year: in the first half of 2024, Tesla's stock actually declined amid concerns about slowing EV demand and tighter profit margins. By mid-year, shares were down substantially from their late-2023 levels, as the company cut vehicle prices to stoke demand (pressuring its margins). However, the trend reversed dramatically in the final months of 2024. Virtually all of Tesla's yearly gains came in the fourth quarter, with the stock skyrocketing after the U.S. presidential election in November 2024

. The election outcome (which resulted in a more business-friendly administration) bolstered market sentiment, particularly for high-growth and tech names. Tesla's shares rallied sharply on this wave of optimism, and on hopes that economic conditions in 2025 would allow for renewed demand and pricing power in the EV market. By December 2024, Tesla's stock was trading near record highs. It briefly touched an all-time closing high of around \$480 per share in mid-December

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, doubling from its lows earlier in the year. At its year-end price (in the low \$400s), Tesla's market capitalization was in excess of \$1.2 trillion - firmly cementing its status as one of the most valuable automakers in history. However, Tesla's fundamentals in 2024 did not rise in tandem with its stock price. In fact, the company's earnings per share for the full year 2024 fell by over 50% compared to 2023

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. Higher costs and the impact of vehicle price reductions meant Tesla's profit margins and net income declined even as unit sales grew. The result was that Tesla's valuation became even more

stretched: by the end of 2024, the stock was trading at well over 100 times its trailing earnings (a rough estimate, as the company's EPS for the year was around \$2) - an extremely high multiple

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. This disconnect between Tesla's soaring share price and its shrinking earnings was noted by analysts as a risk factor. Nonetheless, 2024 demonstrated the market's willingness to bet on Tesla's long-term growth story (in areas like autonomous driving, energy storage, and global EV adoption), even if in the short term the financial results did not justify the exuberant stock price. Tesla's 63% gain was a significant contributor to the S&P 500's performance and exemplified the late-year risk-on fervor that characterized the market's finish to 2024.

### High-Growth Tech Startups and Noteworthy Stock Movers

Beyond the established giants, 2024 also featured eye-popping gains in a number of high-growth tech companies and recent startups, both in the U.S. and internationally. Perhaps the most striking example was Palantir Technologies (PLTR), a data analytics and AI software firm. Palantir's stock soared by about 340% in 2024, making it the single best-performing stock in the S&P 500 index for the year

. Palantir began 2024 at a relatively low base (its shares had languished in prior years), but investor sentiment flipped dramatically as the company showed its first profitable quarters and positioned itself as a key player in artificial intelligence for government and enterprise. By the end of 2024, Palantir's share price had climbed into the mid-\$20s from single-digit levels a year earlier. This enormous rally was fueled in part by excitement over Palantir's AI platforms and speculation that increased government spending on defense and data intelligence (in a more geopolitically tense environment) would benefit the company. It's worth noting that a considerable portion of Palantir's 2024 gains came late in the year, during the broad tech rally in Q4. The stock, however, remained volatile, and its valuation by year-end - well above 20 times sales - reflected very high expectations for future growth. Another notable high-growth winner was IonQ (IONQ), a U.S.-based quantum computing startup. IonQ's stock price finished 2024 up about 237% for the year

. Investors bid up IonQ shares aggressively as the company reported technical progress in its

quantum computing systems and as interest in quantum technology spiked following some high-profile breakthroughs (including those touted by larger firms like Alphabet's quantum unit). IonQ's revenue, while still very small (tens of millions of dollars), nearly doubled in 2024, and the company raised its future outlook - factors which contributed to the stock's surge. Like many early-stage tech firms, IonQ remained unprofitable, but in 2024 the market showed a willingness to overlook current losses and focus on the long-term potential of quantum computing. By year-end, IonQ's market cap had swelled to several billion dollars, a sign of the speculative fervor in certain niche tech areas. It's worth mentioning that IonQ shares experienced a steep pullback in early 2025 after their 2024 run-up, illustrating the risk that accompanies such explosive stock moves

. Still, in the context of 2024, IonQ was a prime example of how smaller tech innovators rode the wave of optimism around next-generation technologies. On the international front, one of the most significant tech stock stories was Arm Holdings (ARM). Arm, a British-based semiconductor IP and chip design company, returned to the public markets with a highly anticipated IPO in late 2023. In 2024, Arm's stock gained about 64% for the full year

, as investors rallied around its unique position in the chip industry. Arm's designs are used in virtually all smartphone processors and increasingly in data center and AI accelerators, giving it a critical role in the semiconductor ecosystem. The stock's strong performance in 2024 - it rose from its IPO price in the low \$50s to around \$80-\$90 by year-end - was driven by optimism about Arm's growth prospects in AI, Internet-of-Things devices, and automotive chips. Notably, Arm's share price more than doubled in the first half of 2024 amid a burst of post-IPO enthusiasm, though it later settled back after some profit-taking

. By the end of the year, Arm's market capitalization was around \$120 billion, making it one of the largest tech companies in Europe. Its successful debut and stock climb underscored how global the 2024 tech boom was - extending beyond U.S. borders to include major players in Europe and Asia. In addition to these, many other tech stocks saw remarkable climbs in 2024. The AI boom was a rising tide that lifted numerous boats. For instance, Nvidia - while not a startup but certainly a

high-growth company - saw its stock skyrocket by approximately 170% in 2024 on the back of insatiable demand for its AI-focused chips

. This contributed enormously to its market value (which hit \$1+ trillion) and exemplified the market's enthusiasm for AI beneficiaries. Even some long-established companies outside the traditional "Big Tech" roster enjoyed tech-fueled rallies; for example, Netflix (a communication services/tech hybrid) saw its stock price nearly double (+92% in 2024) as it found success with a new ad-supported streaming tier and password-sharing crackdowns

. On the other hand, not every tech name soared - Chinese technology giants like Alibaba and Tencent, for example, had relatively muted stock performance in 2024 amid regulatory and economic headwinds in China. But broadly speaking, investors in 2024 rewarded any companies with strong growth narratives, especially those tied to transformational tech trends such as artificial intelligence, cloud computing, and quantum technology.

## Conclusion

In summary, 2024 was a banner year for stocks, led overwhelmingly by the technology sector. The S&P 500's roughly 25% gain

for the year - coming on the heels of a similar advance in 2023 - was fueled by spectacular performances from both mega-cap titans like Apple, Alphabet, and Meta and high-flying newer companies riding the tech innovation wave. Market darlings in AI, chips, and software posted eye-popping returns, driving major indices to record or near-record highs. This surge in stock prices brought with it significantly increased valuations. By year-end, many leading stocks were trading at rich multiples, pricing in a lot of optimism for future growth. The exuberance of 2024 did create a "frothy" sentiment environment, as analysts at Schwab noted

, meaning investors had become very bullish and perhaps complacent. This backdrop raised some concern that volatility could return if the anticipated growth failed to materialize or if macroeconomic factors turned unfriendly. As 2025 began, market participants were balancing the excitement about technology-driven growth against the reality of elevated price levels. The strong 2024 stock performance undoubtedly rewarded investors, but it also set a high bar for future earnings and



innovation to justify those prices. In essence, 2024's legacy is that of a tech-dominated rally that delivered substantial wealth gains, while also concentrating market leadership and stretching some valuation metrics. Investors and analysts heading into 2025 remained watchful: optimistic that the trends propelling 2024's gains (such as AI adoption and economic resilience) would continue, yet cautious of potential corrections given how far and fast many stock prices climbed. 2024 will be remembered as a year when Wall Street fully embraced the promise of next-generation technology - a year of exceptional stock market performance, underpinned by both real improvements in corporate fortunes and a robust appetite for risk in the face of those opportunities."