

ENGINEERING THE MARKETS:

PRECISION, PATTERNS, & PROFITABILITY

**A New Quarter:
Earnings Cycle Begins Again**

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POWERED BY:



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TRADINGANALYSIS.COM

A New Quarter: Earnings Cycle Begins Again

The US markets experienced a significant rebound last week, recovering from the volatility caused by on-again, off-again tariff announcements.

Code	Last	%Chg
SPX	5,363.36	5.70%
NDY	18,690.05	7.43%
IWM	184.36	1.75%








The S&P 500 saw a substantial increase of 5.70%, and the tech-heavy NDX had an even stronger rebound of 7.43%. However, small caps only saw a more moderate gain of 1.75%.

Code	Last	%Chg
XLK	198.35	8.76%
XLI	125.67	6.55%
XLF	46.67	5.59%
XLC	91.27	4.63%
XLY	189.72	3.79%
XLB	80.50	3.36%
XLP	80.35	2.41%
XLU	76.32	2.40%
XLV	136.87	1.18%
XLE	78.89	0.17%
XLRE	38.92	-0.10%

This positive movement wasn't uniform across all sectors. While the Technology, Industrial, and Financial Sectors experienced the most significant gains, the Real Estate and Energy Sectors failed to join the upward trend. These varying performances highlight the complex and uneven impact of market fluctuations and economic policies on different sectors of the economy

Economic Calendar

This week's Economic Calendar presents a relatively light schedule of major data releases. The highlight will be the Core Retail Sales figures, expected to be released on Wednesday morning. Given the importance of this data, the week's market narrative is likely to focus heavily on retail companies, particularly those within the Consumer Staples and Consumer Discretionary Sectors.

Time	Cur.	Imp.	Event	Actual	Forecast	Previous
Wednesday, April 16, 2025						
07:30	 USD	★ ★ ★	Core Retail Sales (MoM) (Mar)		0.4%	0.3%
07:30	 USD	★ ★ ★	Retail Sales (MoM) (Mar)		1.4%	0.2%
09:30	 USD	★ ★ ★	Crude Oil Inventories			2.553M
12:15	 USD	★ ★ ★	Fed Chair Powell Speaks 			
Thursday, April 17, 2025						
07:30	 USD	★ ★ ★	Initial Jobless Claims		225K	223K
07:30	 USD	★ ★ ★	Philadelphia Fed Manufacturing Index (Apr)		3.1	12.5
Friday, April 18, 2025						
All Day		Holiday	United States - Good Friday			

Investors and analysts will be keen to dissect the Core Retail Sales data for insights into consumer spending trends and overall economic health. Strong retail sales figures could boost confidence in the economy and drive up stock prices for retail-related companies. Conversely, weak retail sales could raise concerns about a potential economic slowdown and lead to a sell-off in the retail sector.

In addition to the Core Retail Sales data, market participants will also be paying close attention to a speech by Federal Reserve Chairman Jerome Powell on Wednesday. Powell's remarks will be scrutinized for any clues about the future direction of monetary policy, particularly regarding interest rates and the Fed's ongoing efforts to combat inflation. Any hints of a hawkish stance from the Fed could rattle markets and lead to a decline in stock prices.

On Thursday, the Labor Department will release its weekly report on Initial Jobless Claims, a key indicator of the health of the labor market. A significant increase in jobless claims could raise concerns about rising unemployment and a potential economic downturn.

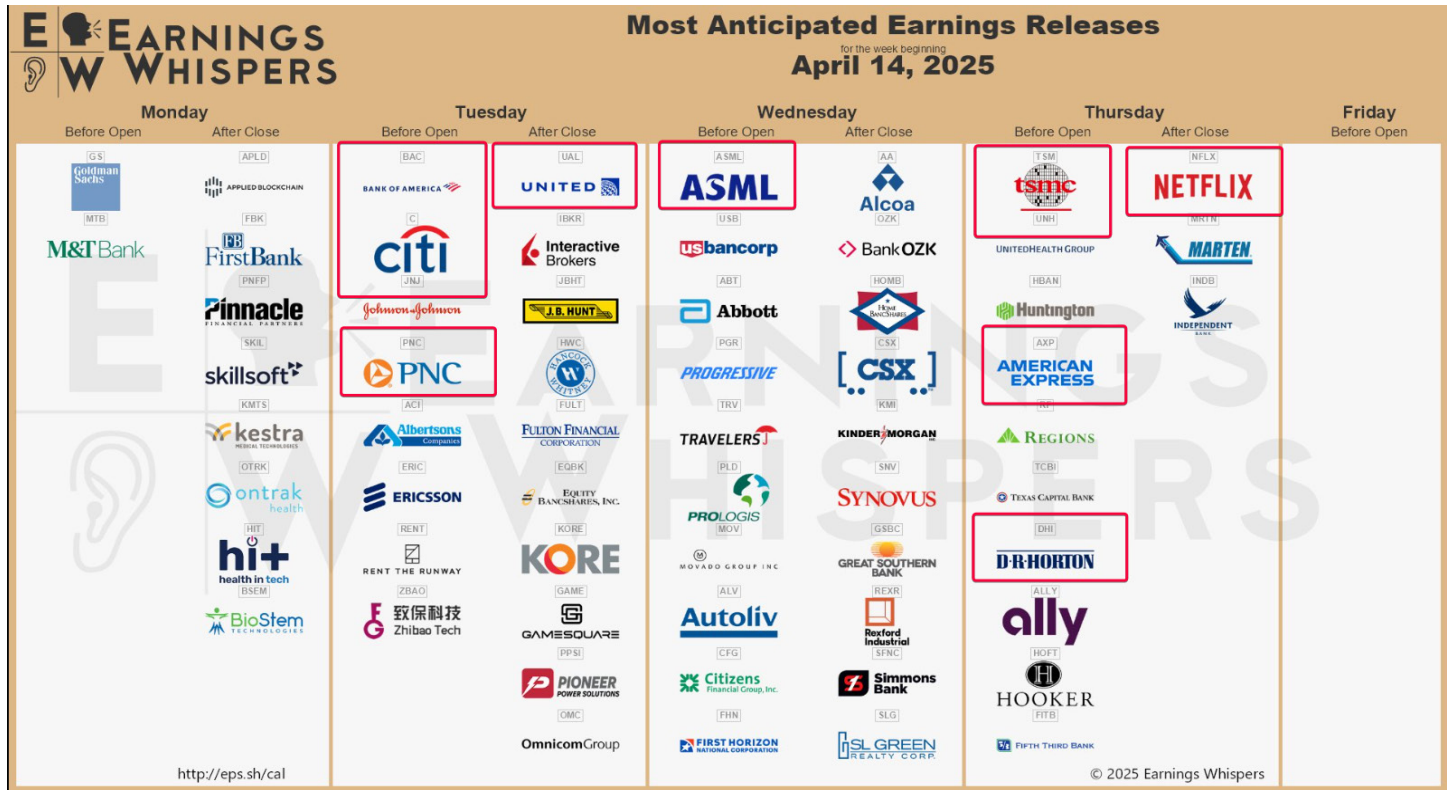
Finally, financial markets will be closed on Friday in observance of Good Friday. This shortened trading week could lead to increased volatility and thinner trading volumes as investors adjust their positions ahead of the long weekend.

Earnings Calendar

The start of the Q1 earnings season kicked off last Friday with major banks reporting, starting the information cycle once again. Earnings reports are fundamental to stock market price movements. While various events can influence the market, a company's financial health and outlook ultimately determine its stock's future direction.

As Q1 Earnings Season gets into gear, I've highlighted several companies reporting this week that I want to keep an eye on.

BAC, C, PNC, UAL, ASML, TSM, AXP, DHI, and NFLX



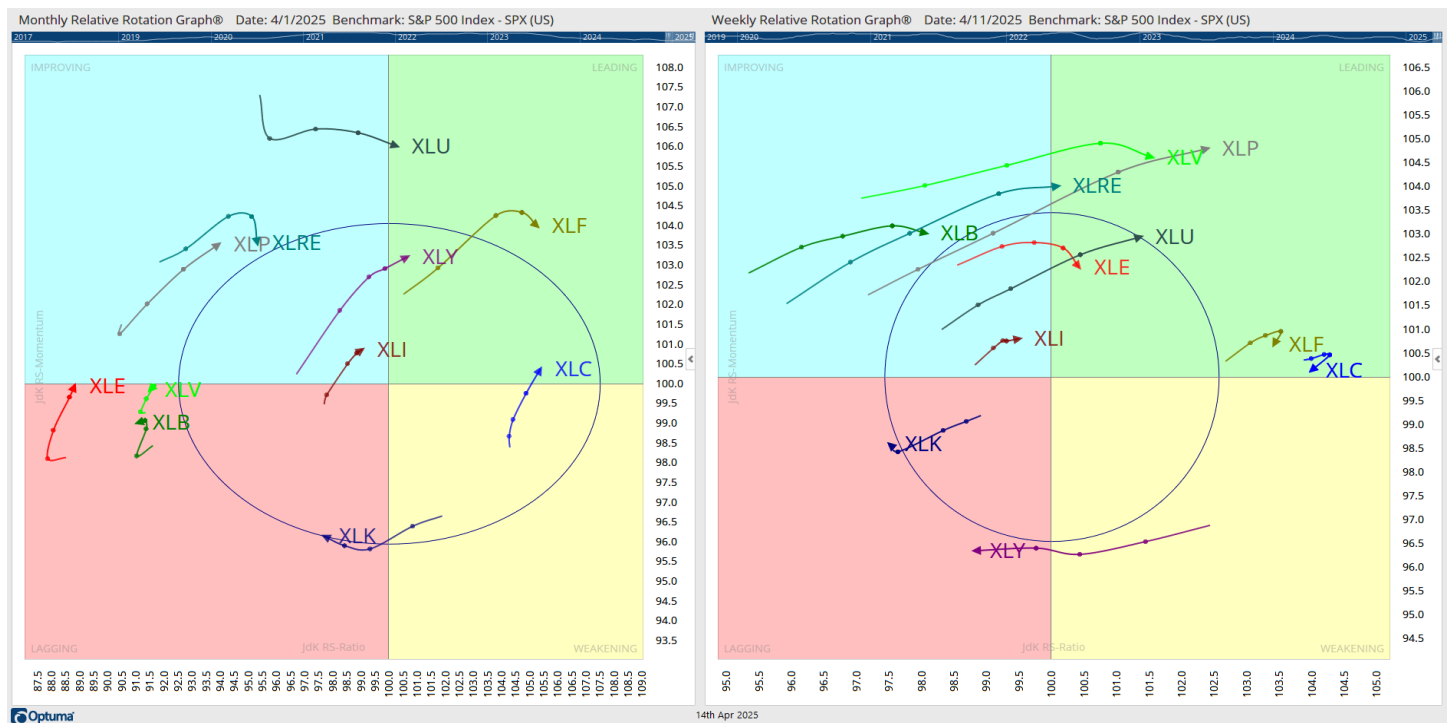
Source: <https://earningswhispers.com/calendar>

Sector Rotation

Stocks within similar sectors tend to move together like fish in a school, so we analyze the overall sector direction, then delve into industry subgroups, and finally pinpoint the “leading” stocks. These leaders, akin to the first fish to make a turn in a school, indicate the direction for the rest to follow.

We leverage Relative Rotation Graphs as a technical tool to map the ebb and flow of stocks and identify these potential market leaders. We monitor stocks in our portfolio to ensure they maintain their leadership position and make decisions about whether to keep or cut those that show weakening behavior and less earning or growth potential.

Monthly and Weekly RRG for the Sectors

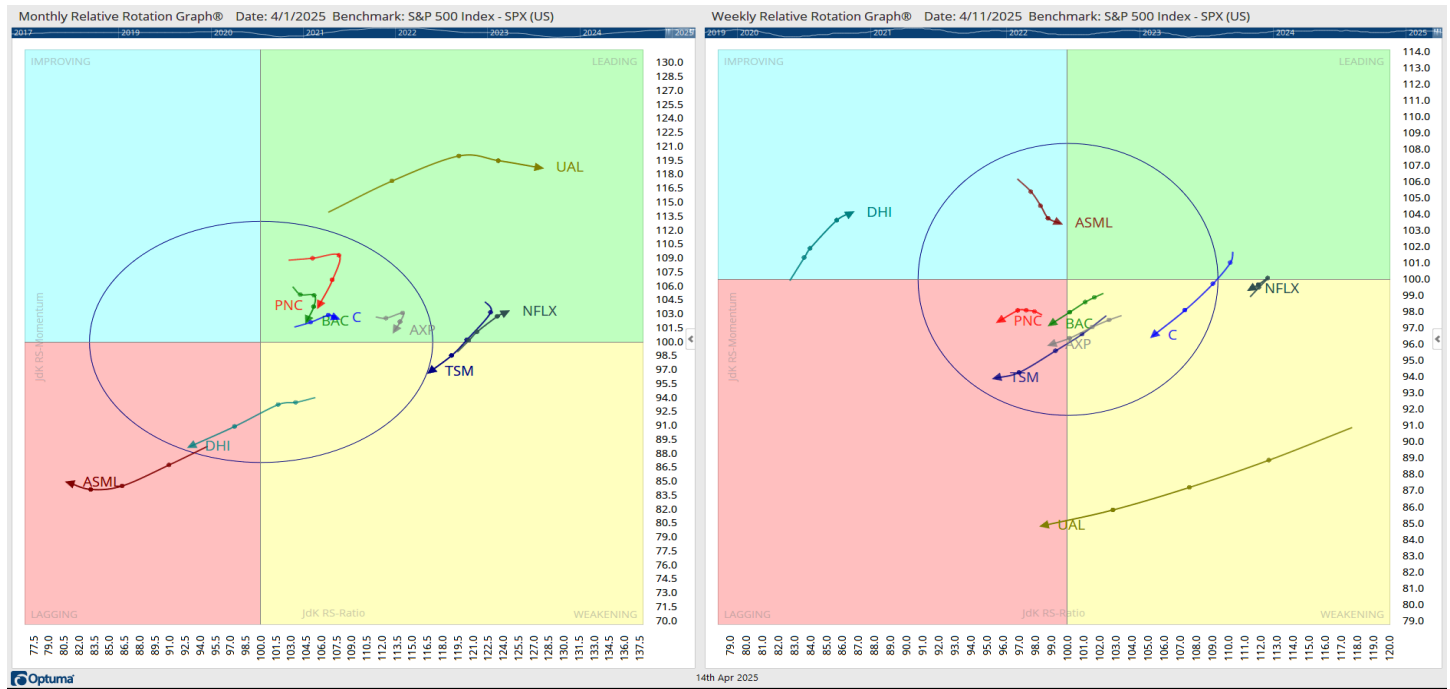


For those with an intermediate trading timeframe, Weekly Relative Rotation Charts (right) can help identify strengths and weaknesses in sectors, industry groups, and individual stocks. Long-term traders and investors may find Monthly RRGs (left) more useful. We share both types of charts with our subscribers to provide a broader perspective of market dynamics.

The timing of individual portfolio adjustments will depend on individual trading and investing needs and risk tolerance. Long-term investors should avoid rash decisions and consider consulting with a Financial Planner like Kyle Wasson at InsideEdge if they are uncomfortable with the current portfolio volatility.

Contact Kyle at kyle@insideedge.com for a personal portfolio evaluation.

Here's the Weekly RRG for the selected stocks with Earnings Reports this week:



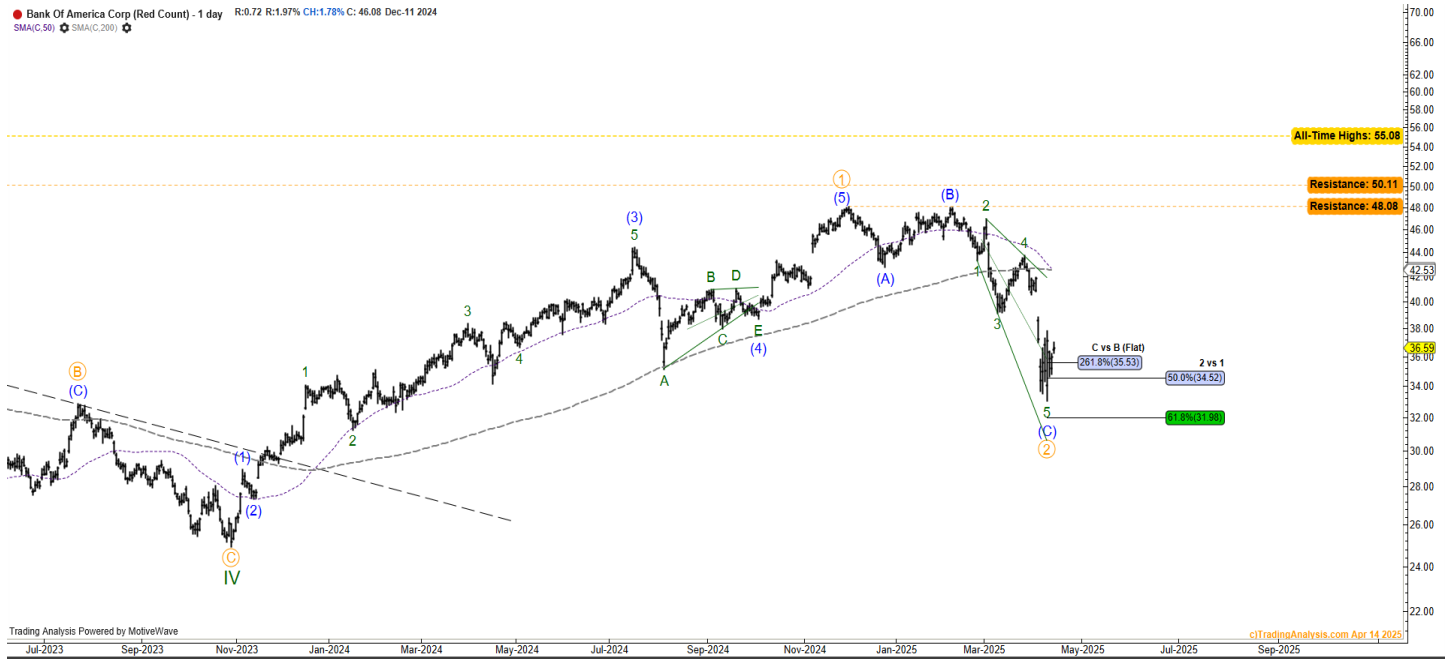
In the longer-term Monthly RRG, **UAL**, **NFLX**, **TSM**, **AXP**, **C**, **PNC**, and **BAC** have been outperforming the benchmark SPX with their placement seen in the Leading Quadrant. In the shorter term, with the market in correction, None of these stocks are seen inside the Leading Quadrant on the Weekly RRG. However, **NFLX** and **C** both do remain with above average Relative Strength.

Laggards in the Monthly RRG include **DHI** and **ASML**, but in the shorter-term Weekly RRG, we see **DHI** with Rising Relative Momentum and making some gains in Relative Strength, positioned now inside the Improving Quadrant. **ASML** is also inside the Improving Quadrant, much closer to a move into the Leading Quadrant, though Relative Momentum has been declining over the past few weeks.

Here's our interpretation of the Elliott Wave Theory applied to this week's stock selection:

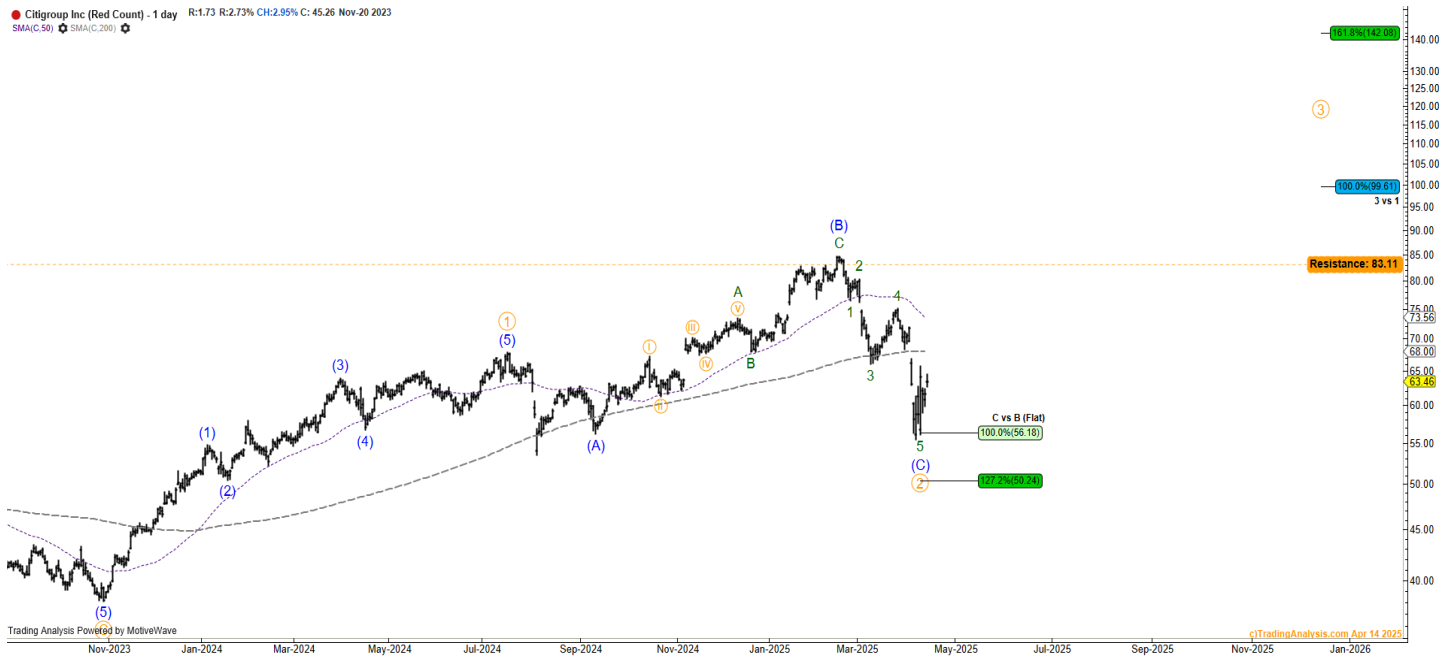
BAC

Bank Of America Corp (Red Count) - 1 day R:0.72 R:1.97% CH:1.78% C: 46.08 Dec-11 2024
 SMA(C:50) SMA(C:200)

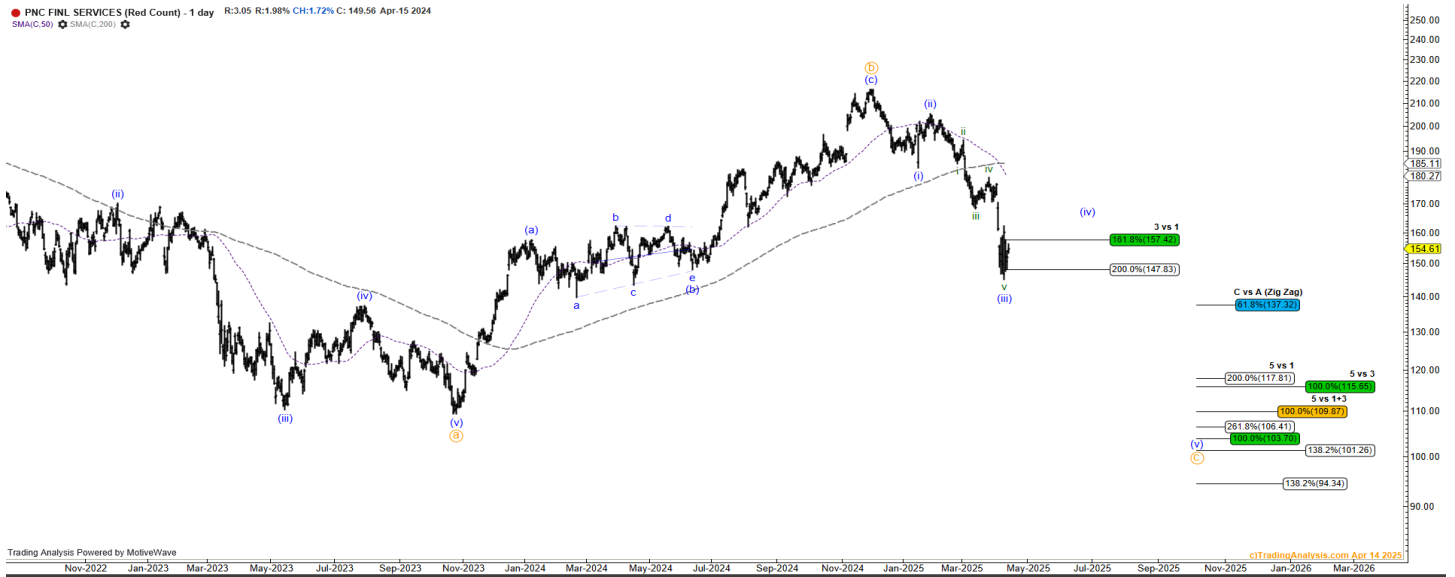


C

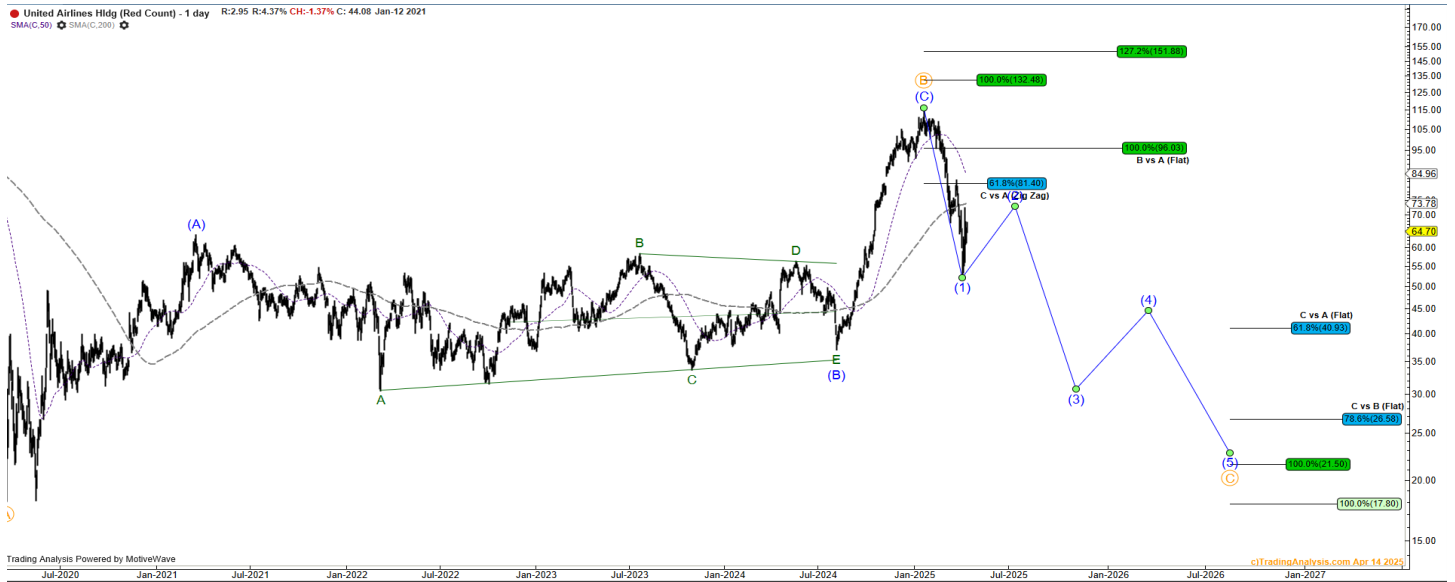
Citigroup Inc (Red Count) - 1 day R:1.73 R:2.73% CH:2.95% C: 45.26 Nov-20 2023
 SMA(C:50) SMA(C:200)



● PNC FINL SERVICES (Red Count) - 1 day R:3.05 R:1.98% CH:1.72% C: 149.56 Apr-15 2024
 SMA(C:50) SMA(C:200)

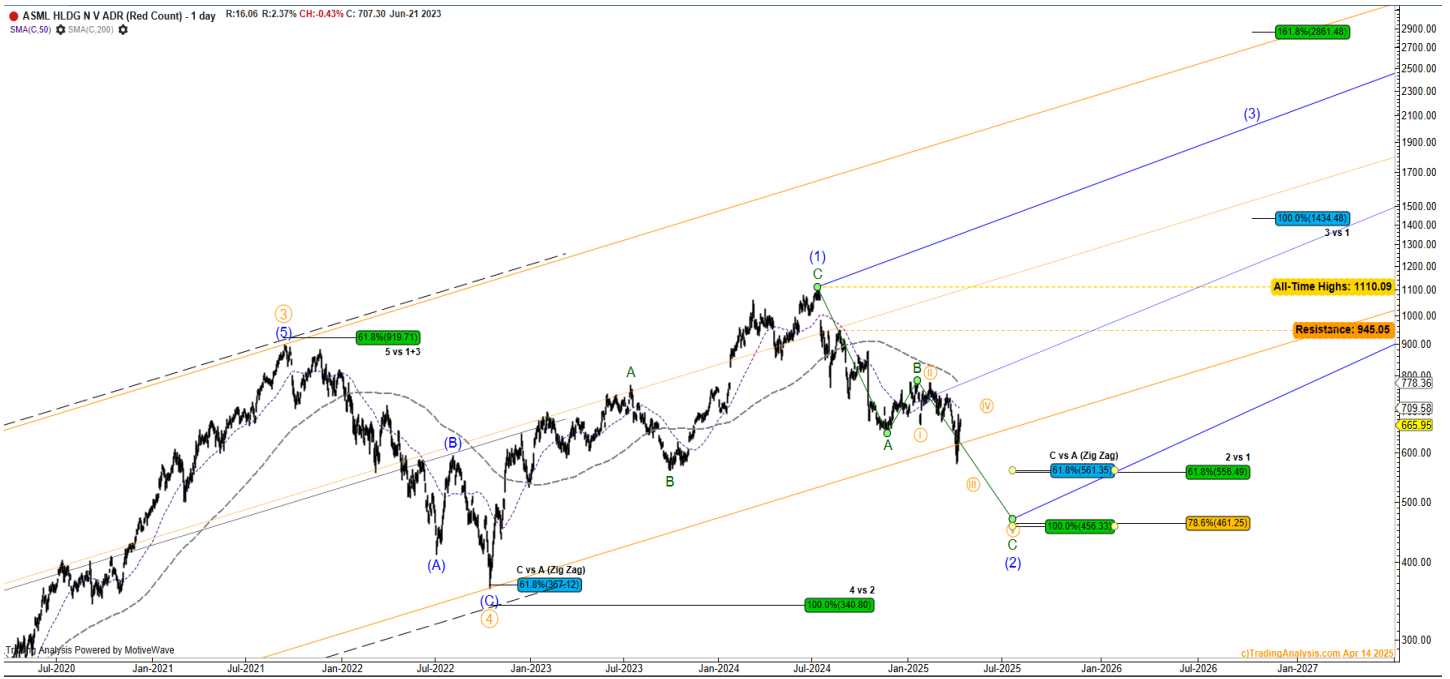


● United Airlines Hldg (Red Count) - 1 day R:2.95 R:4.37% CH:-1.37% C: 44.08 Jan-12 2021
 SMA(C:50) SMA(C:200)



ASML

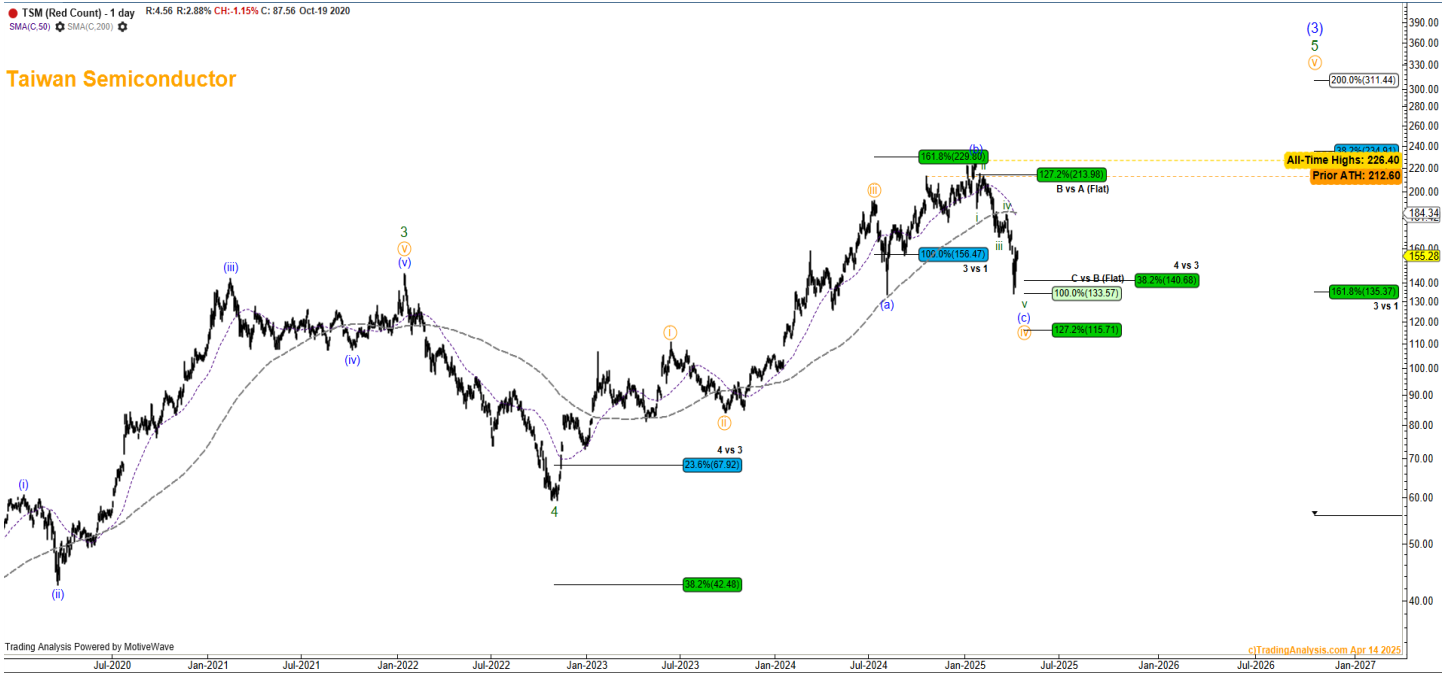
● ASML HLDG N V ADR (Red Count) - 1 day R:16.06 R:2.37% CH:0.43% C:707.30 Jun-21 2023
 SMA(C,50) SMA(C,200)

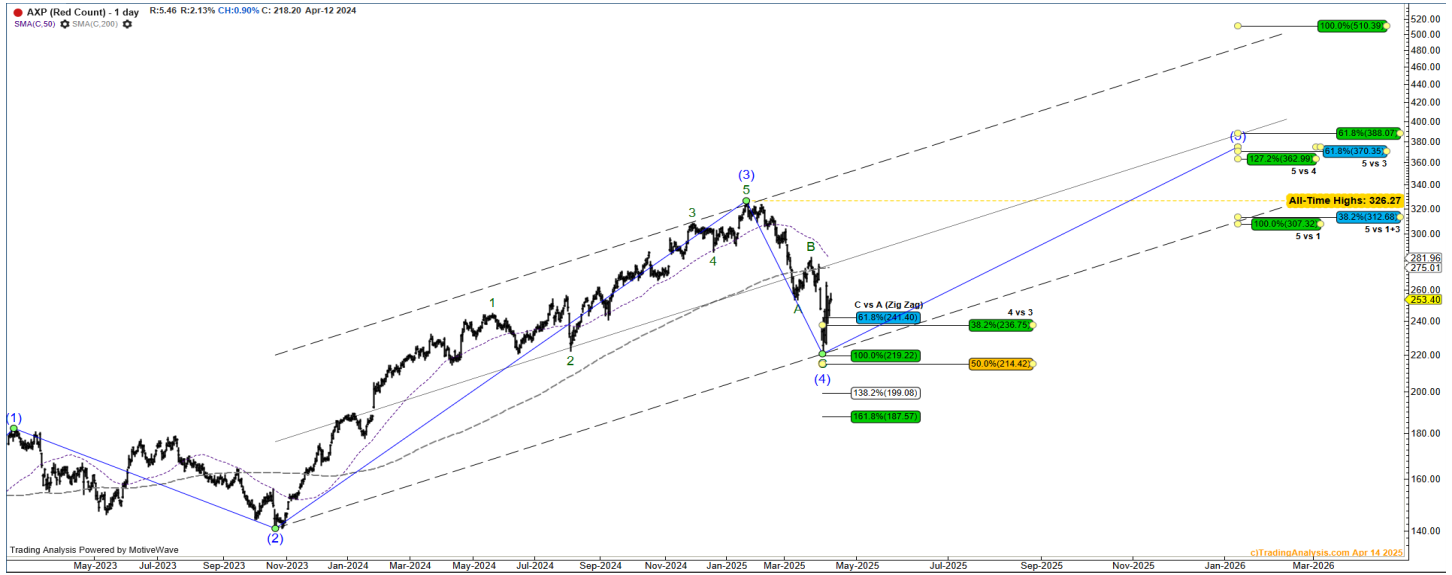


TSM

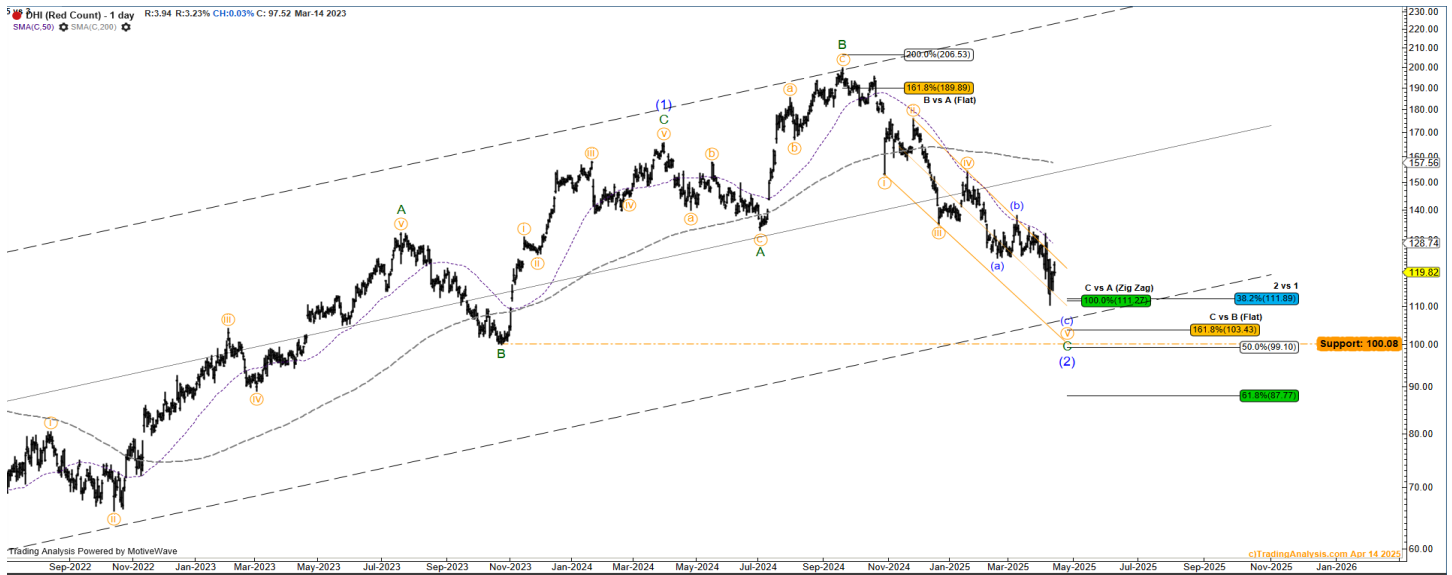
● TSM (Red Count) - 1 day R:4.56 R:2.88% CH:1.15% C:87.56 Oct-19 2020
 SMA(C,50) SMA(C,200)

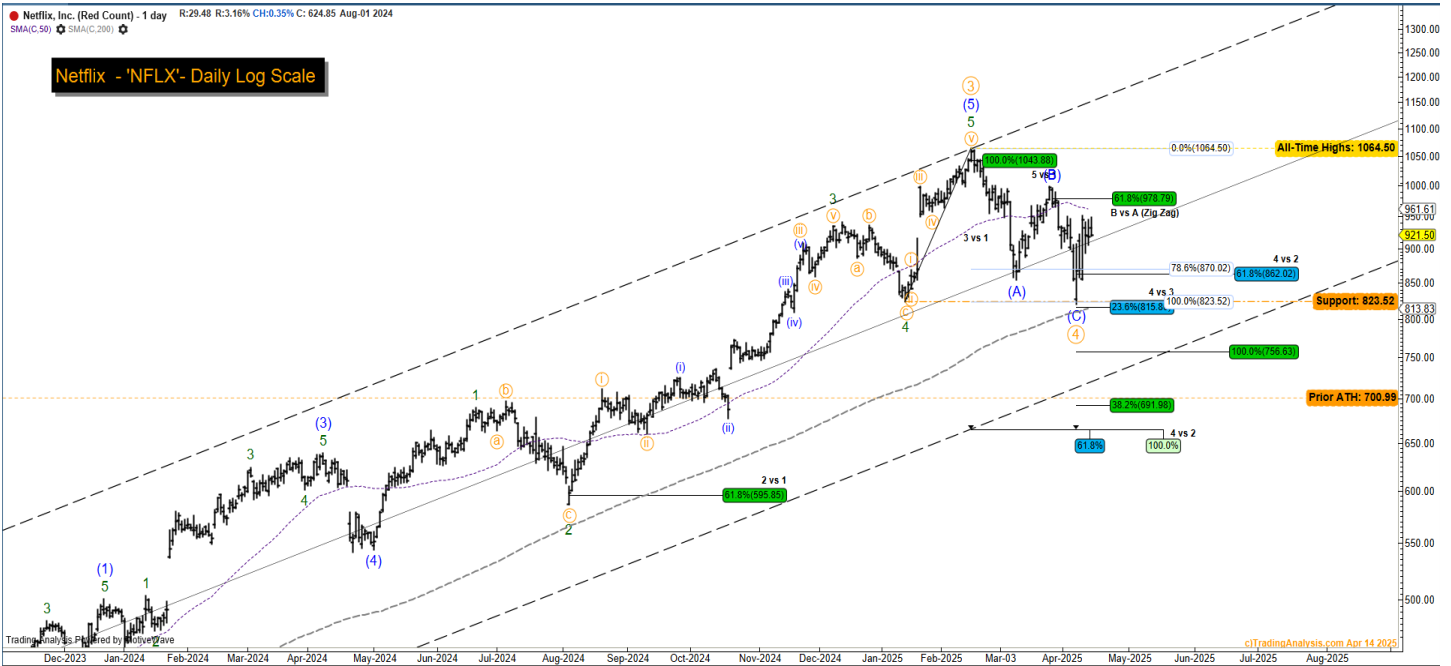
Taiwan Semiconductor





DHI





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