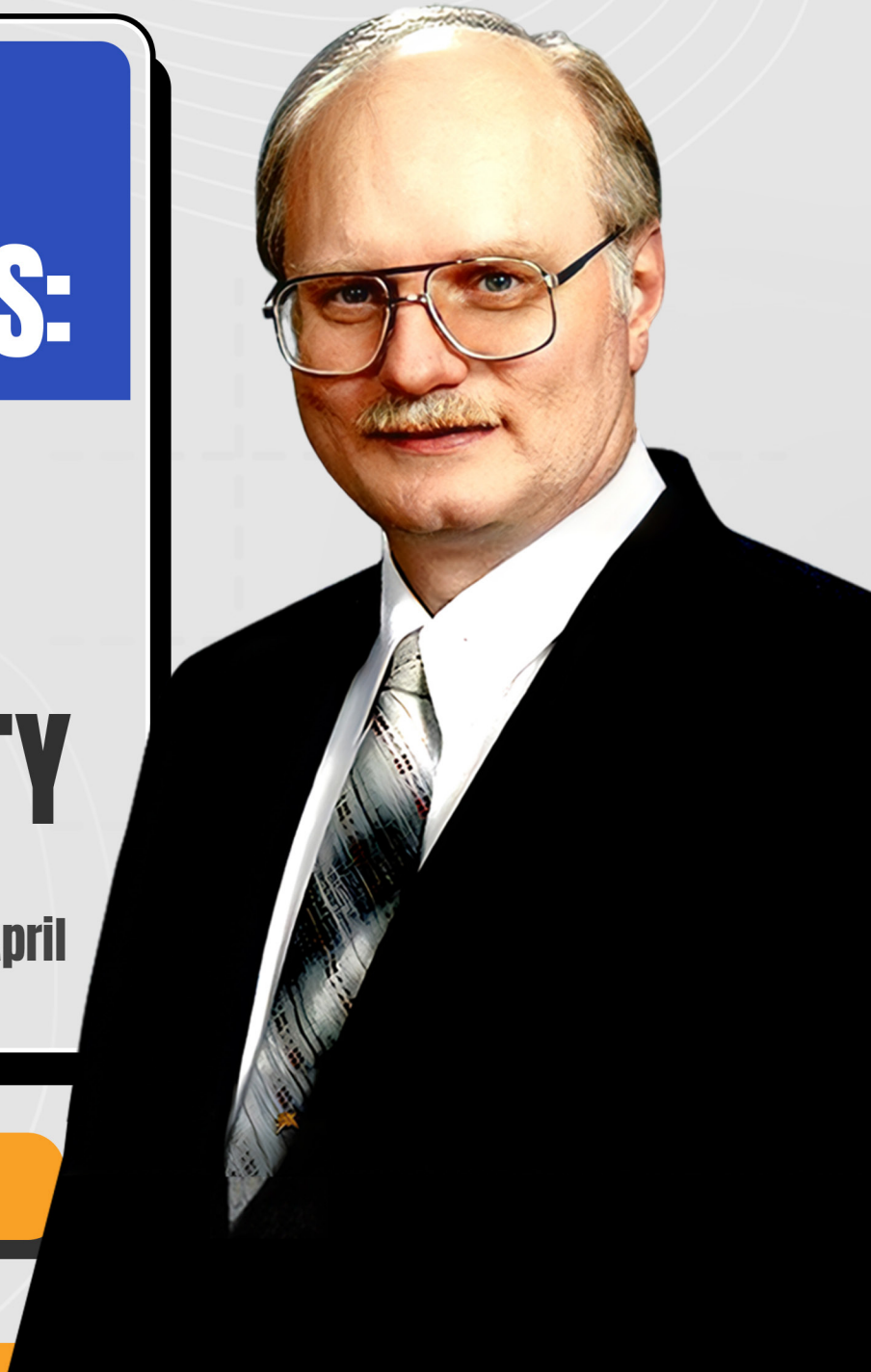


ENGINEERING THE MARKETS:

PRECISION, PATTERNS, & PROFITABILITY

High Volatility Continues into April

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POWERED BY:



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TRADINGANALYSIS.COM

High Volatility Continues into April

Last week was a rough one for the market, with all sectors experiencing a significant correction and major indexes dropping just under 10%. The Volatility Index, VIX, which is used to measure the volatility of the SPX, showed that last week's movement was similar to the sharp decline in the SPX last August.

<input type="checkbox"/>	Code	Last	%Chg	+
<input type="checkbox"/>	SPX	5,074.08	-9.08%	
<input type="checkbox"/>	NDY	17,397.70	-9.77%	
<input type="checkbox"/>	IWM	181.19	-9.61%	

<input type="checkbox"/>	Code	Last	%Chg	+
<input type="checkbox"/>	XLP	78.46	-2.43%	
<input type="checkbox"/>	XLU	74.53	-4.42%	
<input type="checkbox"/>	XLRE	38.96	-5.92%	
<input type="checkbox"/>	XLV	135.28	-6.39%	
<input type="checkbox"/>	XLV	182.79	-7.23%	
<input type="checkbox"/>	XLB	77.88	-8.43%	
<input type="checkbox"/>	XLC	87.23	-8.89%	
<input type="checkbox"/>	XLI	117.94	-9.38%	
<input type="checkbox"/>	XLF	44.20	-10.18%	
<input type="checkbox"/>	XLK	182.37	-11.63%	
<input type="checkbox"/>	XLE	78.76	-14.79%	

Extremely high VIX readings indicate rapid and significant price fluctuations in both directions, which can easily wipe out a short-term trader's portfolio. Therefore, traders should exercise caution before establishing substantial positions, much like a sailor waiting for calmer seas before setting sail. It is wise to wait for the market to stabilize and provide greater conviction before re-engaging.

Although it may be tempting to "buy the dip," it is prudent to exercise caution, as trying to "catch a falling knife" can be detrimental to your portfolio.

Here is a chart of the VIX over the past year, showing a high reading of 65.73 on August 5, 2024.











The VIX reached an intraday high of 60.13 on Monday, April 7, 2025. Such extreme VIX spikes typically correlate with peak fear and uncertainty in the markets. While only time will tell if this level is sufficient to trigger a market reversal, you can follow Todd Gordon's Strategy of the Day videos for a full report on the future outlook.

Economic Calendar

This week's Economic Calendar will include the release of the FOMC meeting minutes on Wednesday, and Inflation figures will come out on Thursday and Friday.

- ✔ Forecast CPI year-over-year figures are expected to come in at 2.6% vs the prior 2.8%.
- ✔ Month-over-month CIP is forecast to fall from 0.2% from the prior period to 0.1% in the current month.
- ✔ Producer Price index for March month-over-month is expected to rise to 0.2% versus a 0.0% change in the prior month.

Time	Cur.	Imp.	Event	Actual	Forecast	Previous
Wednesday, April 9, 2025						
09:30	 USD	★ ★ ★	Crude Oil Inventories			6.165M
13:00	 USD	★ ★ ★	FOMC Meeting Minutes 			
Thursday, April 10, 2025						
07:30	 USD	★ ★ ★	Core CPI (MoM) (Mar)		0.3%	0.2%
07:30	 USD	★ ★ ★	CPI (YoY) (Mar)		2.6%	2.8%
07:30	 USD	★ ★ ★	CPI (MoM) (Mar)		0.1%	0.2%
07:30	 USD	★ ★ ★	Initial Jobless Claims		223K	219K
Friday, April 11, 2025						
07:30	 USD	★ ★ ★	PPI (MoM) (Mar)		0.2%	0.0%

Earnings Calendar

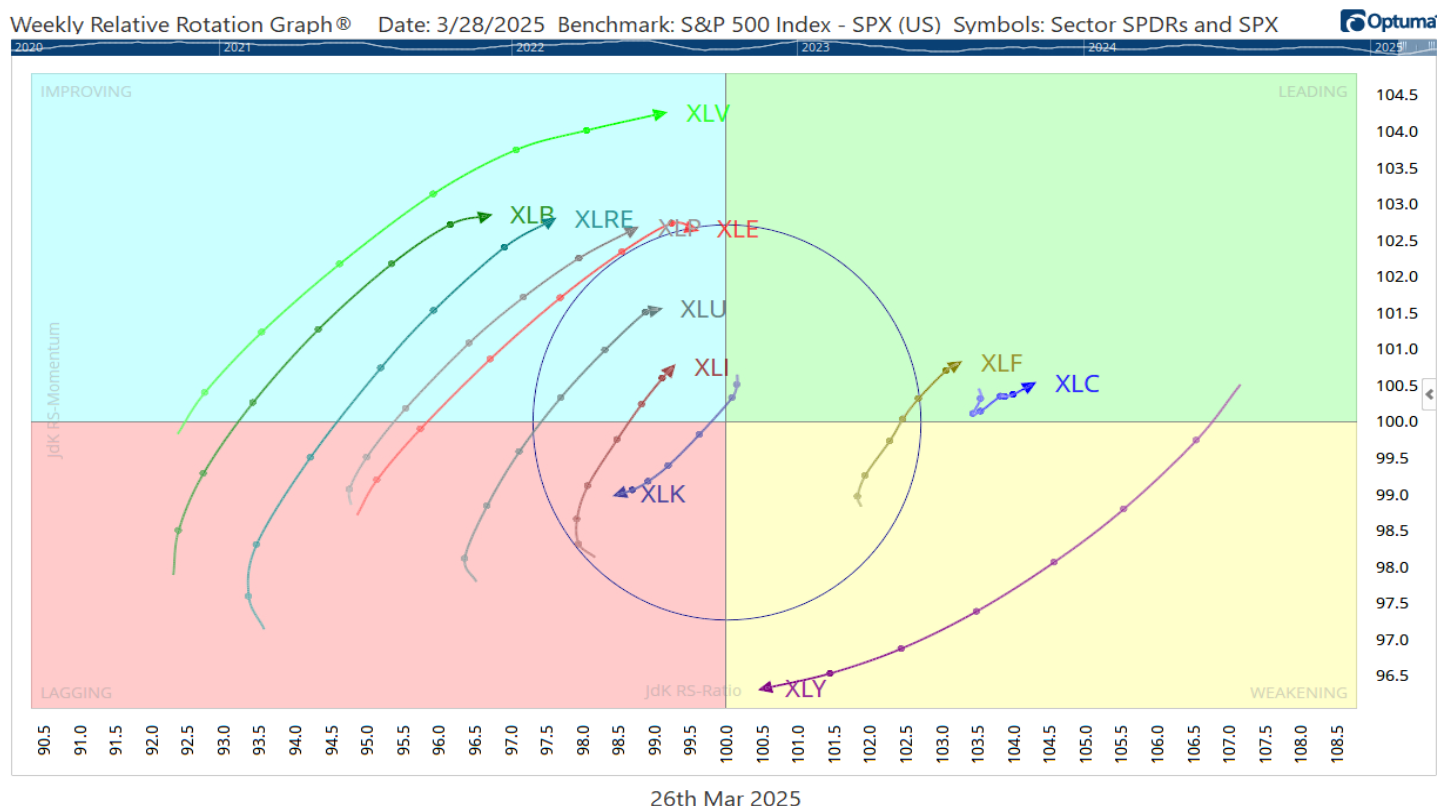
The Q4 earnings season has ended, and large-cap banks will begin reporting Q1 earnings this Friday morning. JP Morgan, BlackRock, Wells Fargo, Bank of NY, and Morgan Stanley will all release their reports on Friday.

EARNINGS WHISPERS									
Most Anticipated Earnings Releases									
for the week beginning April 07, 2025									
Monday		Tuesday		Wednesday		Thursday		Friday	
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close
	<div>LEVI</div> <div>LEVI'S</div> <div>PLAY</div> <div>WV</div> <div>WV</div> <div>THE GREENBRIER COMPANIES</div>	<div>TLRY</div> <div>TILRAY</div> <div>WBA</div> <div>Walgreen Boots Alliance</div> <div>RPM</div> <div>WFC</div> <div>WD-40 COMPANY</div>	<div>CALM</div> <div>EM</div> <div>Cal-Maine Foods, Inc.</div> <div>MAMA</div> <div>Mama's CREATIONS</div> <div>AHR</div> <div>AEHR</div> <div>KRUS</div> <div>KURA</div> <div>KRMN</div> <div>KARMAN</div>	<div>DAL</div> <div>DELTA</div> <div>SIMPL</div> <div>Simply Good</div> <div>NEOG</div> <div>NEOGEN</div> <div>THTX</div> <div>THERA technologies</div>	<div>STZ</div> <div>Constellation Brands</div> <div>LAKE</div> <div>Lakeland</div> <div>PSMT</div> <div>PriceSmart</div> <div>RELL</div> <div>Richardson Electronics</div> <div>TBBB</div> <div>B BB</div>	<div>KMX</div> <div>CARMAX</div> <div>BYRN</div> <div>byrna</div> <div>LOVE</div> <div>LOVESAC</div> <div>BSVN</div> <div>BAN</div> <div>NTIC</div> <div>NTI</div>	<div>JPM</div> <div>JPMORGAN CHASE & CO.</div> <div>BLK</div> <div>BlackRock</div> <div>WFC</div> <div>WELLS FARGO</div> <div>BNK</div> <div>BNY</div> <div>MS</div> <div>Morgan Stanley</div> <div>FAST</div> <div>FASTENAL</div>		
http://eps.sh/cal								© 2025 Earnings Whispers	

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

Sector Rotation

The Weekly RRG shows that Value Sectors are gaining favor, while Growth Sectors like Technology and Consumer Discretionary have moved into the Lagging Quadrant. However, Communications, also a Growth Sector, remains in the Leading Quadrant with Financials. Notably, within the Consumer Discretionary sector, there's a rotational upward movement, suggesting a potential resurgence of Relative Momentum in XLY. Although this isn't a complete trend reversal, it's an early indication of an impending change.



Finally, I'll leave you with a research report outlining a historical analysis comparing today's situation in 2025 versus 1930 when the Smoot-Hawley Tariff Act was introduced. Pundits have been using this historical record to suggest the US Market is headed in the same direction. But is it really? There are quite a few significant differences between the US Global trade position then versus now.

Smoot-Hawley vs. Trump Tariffs: Historical Echoes with Critical Differences

The recent Trump tariff program has drawn comparisons to the infamous Smoot-Hawley Tariff Act of 1930, with Goldman Sachs noting that current tariff rates “will exceed 20%, reaching levels not seen since the 1930s Smoot-Hawley Tariff Act.” While both represent significant protectionist shifts, their economic contexts and potential impacts differ substantially.

Historical Context & Implementation

Smoot-Hawley (1930):

- ✔ Implemented during the early Great Depression, this act raised tariffs on over 20,000 imported goods to record levels, with some exceeding 50%.
- ✔ It was a broad, blunt instrument applied universally with little strategic targeting.

Trump Tariffs (2025):

- ✔ The current program features targeted but substantial tariffs of 32–49% on Southeast Asian nations and approximately 20% on EU trading partners.
- ✔ Unlike Smoot-Hawley, today’s approach includes strategic exemptions for goods containing at least 20% U.S.-origin materials, particularly benefiting Latin America and Mexico.

Key Economic Differences from 1930 to 2025

1. Global Economic Integration

- ✔ 1930s: No international trade governance existed to moderate tariff disputes.
- ✔ 2025: The WTO provides a regulatory framework, though with limitations. As noted in context, Mexico could legally raise tariffs to 36% under WTO rules.

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Key Economic Differences from 1930 to 2025

1. Global Economic Integration

- ✔ 1930s: International trade represented a much smaller portion of GDP, with less complex supply chains.
- ✔ 2025: Today’s deeply integrated global economy features intricate supply chains and significantly higher trade dependency. Vietnam, facing 46% tariffs, exports \$142 billion to the US (30% of its GDP).

2. Institutional Framework

- ✔ 1930s: No international trade governance existed to moderate tariff disputes.
- ✔ 2025: The WTO provides a regulatory framework, though with limitations. As noted in context, Mexico could legally raise tariffs to 36% under WTO rules.

3. Economic Conditions

- ✔ 1930s: Implemented during a severe economic downturn, exacerbating deflationary pressures.
- ✔ 2025: Implemented during relative economic stability but with inflation concerns. Recent consumer inflation expectations reached their highest point in almost 2.5 years.

4. Response Mechanisms

- ✔ 1930s: Immediate retaliatory tariffs from trading partners deepened the global trade collapse.
- ✔ 2025: More measured responses thus far, with Southeast Asian nations pursuing negotiations rather than immediate retaliation. Malaysia has explicitly stated it would not pursue retaliatory measures.

5. Political Countermeasures

- ✔ 1930s: Limited domestic political opposition to tariffs.
- ✔ 2025: Active congressional pushback with the bipartisan “Trade Review Act of 2025” seeking to limit presidential tariff powers and require congressional approval within 60 days.

Economic Impact Outlook

The current tariff program risks triggering inflation resurgence while potentially slowing growth. Goldman Sachs warns that fiscal policy timing mismatches mean tax measures won't effectively offset tariff impacts, as any fiscal package would likely pass months after tariff implementation.

Summary Points:

- ✓ Both tariff programs represent significant protectionist shifts, but today's global economic integration creates different vulnerabilities
- ✓ Modern tariffs are more strategically targeted with exemptions and carve-outs versus Smoot-Hawley's blanket approach
- ✓ Unlike the 1930s, today's economy faces inflation risks rather than deflation from tariff implementation
- ✓ International institutions and frameworks provide moderation mechanisms absent in the 1930s
- ✓ Congressional counterbalancing through legislation represents a significant difference in political response

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