TA TRADING ANALYSIS

ENGINEERING THE MARKETS:

PRECISION, PATTERNS, & PROFITABILITY

Opportunities in a Bear Market Correction

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TRADINGANALYSIS.COM

Opportunities in a Bear Market Correction

Code	Last	%Chg
SPX	5,282.70	-1.50%
NDY	18,258.09	-2.31%
IWM	186.48	1.15%

Code	Last	%Chg
XLRE	40.45	3.93%
XLE	81.50	3.31%
XLU	77.77	1.90%
XLP	81.87	1.89%
XLB	80.75	0.31%
XLF	46.65	-0.04%
XLI	125.30	-0.29%
XLV	135.49	-1.01%
XLC	90.21	-1.16%
XLY	185.40	-2.28%
XLK	192.86	-2.77%

In the holiday-shortened trading week, the SPX declined a net 1.50% and the NDX fell 2.31% while Small Caps, represented by the IWM, saw a net weekly gain of 1.15%.

Real Estate and Energy Sectors saw the largest weekly gains, while Technology and Consumer Discretionary were the week's laggards.

The recent market plunge has certainly rattled investors' resolve. As global recession fears mount amid escalating trade tensions, many investors are freezing in panic. But seasoned investors know that bear markets create opportunity—if approached with the right strategy.

Dollar-cost averaging (DCA) is such a strategy that offers a disciplined approach, transforming market fear into potential future gains.

Dollar-cost averaging is an investment strategy that involves investing a fixed amount of money at regular intervals, regardless of the share price. This strategy results in buying more shares when prices are low and fewer shares when prices are high.

During a bear market, it's important to put cash back to work to avoid missing out on long-term returns. By investing a percentage of available cash at regular intervals, you can take advantage of dollar-cost averaging and endure the consolidation period of the bear market.

Why DCA makes particular sense now

✔ **Emotion removal -** DCA eliminates the impossible task of timing market bottoms, replacing gut decisions with systematic investing

✔ **Volatility advantage -** Today's extreme price swings work in your favor, allowing the acquisition of quality assets at discounted prices

✔ **Psychological comfort** - Breaking investments into smaller portions reduces the anxiety of committing large sums during uncertainty

✔ **Proven historical effectiveness** - Previous bear markets have rewarded patient, systematic investors who continued buying during downturns

Even Jim Cramer recently encouraged stock purchases, declaring,

"This Is A Great Time To Buy!"

While no strategy eliminates risk entirely, DCA does provide a structured approach to capitalize on temporary market pessimism.

Remember Warren Buffett's wisdom:

"Be fearful when others are greedy and greedy when others are fearful."

With banking indices plummeting 30% over three sessions and gold miners trading at 24% discounts to spot prices, systematic buying of quality assets now could position portfolios advantageously when sentiment eventually shifts.

Economic Calendar

This week's most important data should be New Home Sales, coming out on Wednesday and Existing Home Sales on Thursday.

Time	Cur.	Imp.	Event	Actual	Forecast	Previous
			Wednesday, April 23, 2025			
08:45	🇺🇸 USD	★ ★ ★	S&P Global Manufacturing PMI (Apr) P		49.3	50.2
08:45	🇺🇸 USD	★ ★ ★	S&P Global Services PMI (Apr) P		52.9	54.4
09:00	🇺🇸 USD	★ ★ ★	New Home Sales (Mar)		680K	676K
09:30	🇺🇸 USD	★ ★ ★	Crude Oil Inventories			0.515M
			Thursday, April 24, 2025			
07:30	🇺🇸 USD	★ ★ ★	Durable Goods Orders (MoM) (Mar) P		1.5%	1.0%
07:30	🇺🇸 USD	★ ★ ★	Initial Jobless Claims			215K
09:00	🇺🇸 USD	★ ★ ★	Existing Home Sales (Mar)		4.14M	4.26M

The New Home Sales report, which measures the annualized number of new single-family homes sold in the previous month, can impact the USD. A higher-than-expected reading is generally bullish for the USD, while a lower-than-expected reading is bearish. This report tends to have a greater impact when released before the Existing Home Sales report, due to the close correlation between the two.

The Existing Home Sales report measures the change in the annualized number of existing residential buildings sold in the previous month. It is a key indicator of the U.S. housing market's strength and overall economic health. A higher-than-expected reading is positive/bullish for the USD, while a lower-than-expected reading is negative/bearish for the USD.

Earnings Calendar

We're in the heat of the Earnings Season now. I'm looking forward to many of these reports this week:

- ✔️ Before the Open on Tuesday: **GE, LMT**, and **RTX**

- ✔️ After the Close on Tuesday: **TSLA** and **ISRG**

- ✔️ Before the Open on Wednesday: **BA** and **T**

- ✔️ After the Close on Wednesday: **NOW, CMG**, and semis **TXN** and **LRCX**

- ✔️ After the Close on Thursday: **INTC**, **GOOGL**, and **TMUS**

Source: https://earningswhispers.com/calendar

GE Aerospace Beat Expectations

Tuesday, April 22, 2025 at 6:30 AM ET

GE Aerospace (GE) reported earnings of $1.49 per share on revenue of $9.94 billion for the first quarter ended March 2025. The consensus earnings estimate was $1.26 per share on revenue of $8.97 billion. The Earnings Whisper number was $1.28 per share. The company beat expectations by 16.41% while revenue fell 38.11% compared to the same quarter a year ago.

The company said it continues to expect 2025 earnings of $5.10 to $5.45 per share. The current consensus earnings estimate is $5.41 per share for the year ending December 31, 2025.

GE Aerospace is a global aerospace propulsion, services, and systems leader with an installed base of approximately 45,000 commercial and 25,000 military aircraft engines.

Earnings Whisper Grade	Power Rating
🔒	🔒

Reported Earnings
$1.49
Earnings Whisper*
$1.28
Consensus Estimate
$1.26

Earnings Surprise: **16.4%**
Earnings Growth: **81.7%**

Reported Revenue
$9.94 Bil
Revenue Estimate
$8.97 Bil

Revenue Surprise: **10.8%**
Revenue Growth: **-38.1%**

Lockheed Martin Beat Expectations

Tuesday, April 22, 2025 at 7:29 AM ET

Lockheed Martin (LMT) reported earnings of $7.28 per share on revenue of $17.96 billion for the first quarter ended March 2025. The consensus earnings estimate was $6.34 per share on revenue of $17.76 billion. The Earnings Whisper number was $6.65 per share. The company beat expectations by 9.47% while revenue grew 4.47% on a year-over-year basis.

The company said it continues to expect 2025 earnings of $27.00 to $27.30 per share on revenue of $73.75 billion to $74.75 billion. The current consensus earnings estimate is $27.16 per share on revenue of $74.18 billion for the year ending December 31, 2025.

Lockheed Martin Corp is a security and aerospace company. The Company is engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.

Earnings Whisper Grade	Power Rating
🔒	🔒

Reported Earnings
$7.28
Earnings Whisper*
$6.65
Consensus Estimate
$6.34

Earnings Surprise: **9.5%**
Earnings Growth: **15.0%**

Reported Revenue
$17.96 Bil
Revenue Estimate
$17.76 Bil

Revenue Surprise: **1.1%**
Revenue Growth: **4.5%**

RTX Beat Expectations

Tuesday, April 22, 2025 at 6:55 AM ET

RTX (RTX) reported earnings of $1.47 per share on revenue of $20.31 billion for the first quarter ended March 2025. The consensus earnings estimate was $1.35 per share on revenue of $19.71 billion. The Earnings Whisper number was $1.40 per share. The company beat expectations by 5.00% while revenue grew 5.19% on a year-over-year basis.

The company said it continues to expect 2025 earnings of $6.00 to $6.15 per share on revenue of $83.0 billion to $84.0 billion. The current consensus earnings estimate is $6.13 per share on revenue of $84.28 billion for the year ending December 31, 2025.

Raytheon Technologies Corporation is an aerospace and defense company that provides advanced systems and services for commercial, military and government customers worldwide.

Earnings Whisper Grade	Power Rating
🔒	🔒

Reported Earnings
$1.47
Earnings Whisper*
$1.40
Consensus Estimate
$1.35

Earnings Surprise: **5.0%**
Earnings Growth: **9.7%**

Reported Revenue
$20.31 Bil
Revenue Estimate
$19.71 Bil

Revenue Surprise: **3.0%**
Revenue Growth: **5.2%**

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Sector Rotation

In the longer-term Monthly RRG, **Communications, Financials, Discretionary**, and **Utilities** remain inside the Leading Quadrant while **Technology, Materials**, and **Healthcare** remain in the Lagging Quadrant.

In the shorter-term Weekly RRG, Bear Market Leadership consists of **Staples, Utilities**, **Healthcare, Real Estate**, and **Energy** Sectors, while **Financials** is showing a turn south and may soon move into the Weakening Quadrant following the **Communications** Sector, which has just exited the Leading Quadrant.

Industrials and **Materials** Sectors continue to gain Relative Strength versus the Benchmark **SPX**, on track from the Improving Quadrant towards the Leading Quadrant. Meanwhile, the **Technology** and **Discretionary** sectors remain the most underperforming in this time horizon.

Monthly and Weekly RRG for the Sectors
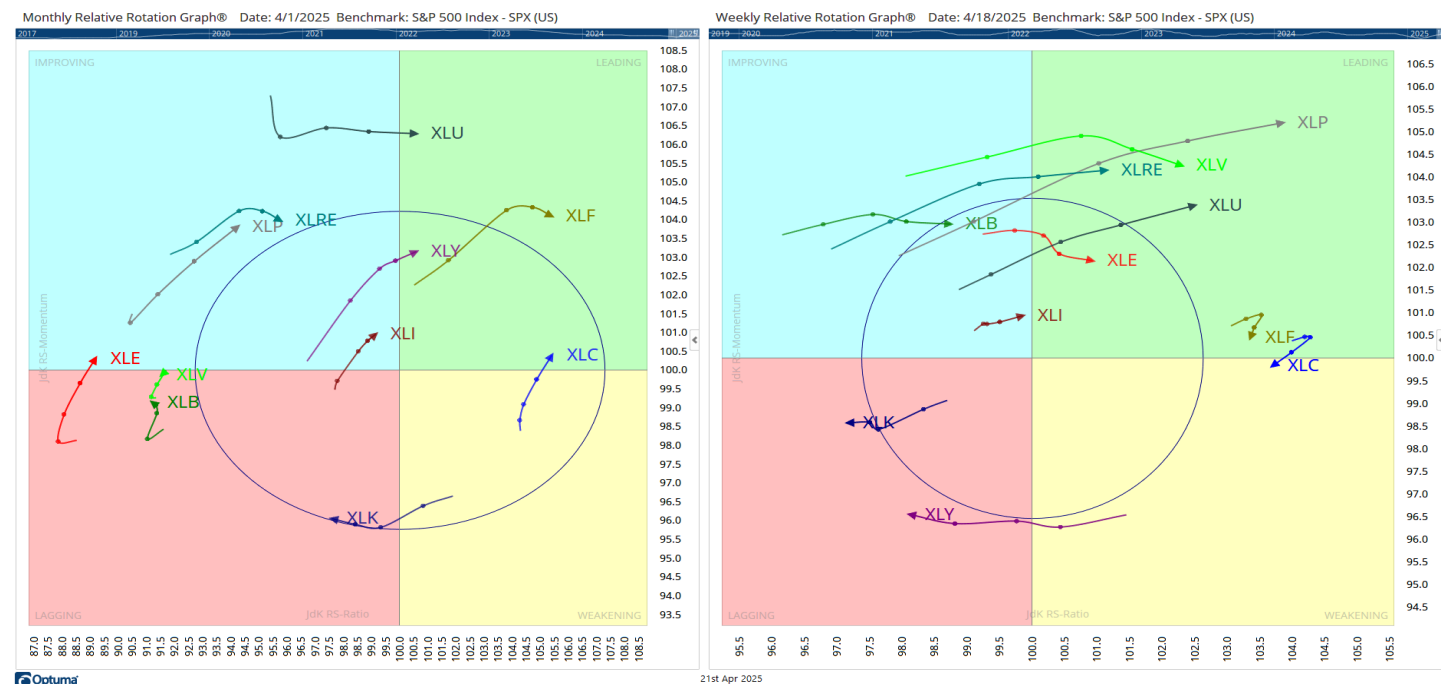
Weekly RRG for the selected stocks with Earnings Reports this week

**GE, LMT, RTX, TSLA, ISRG, BA, T, NOW, CMG, TXN, LRCX, INTC, GOOGL,** and **TMUS**
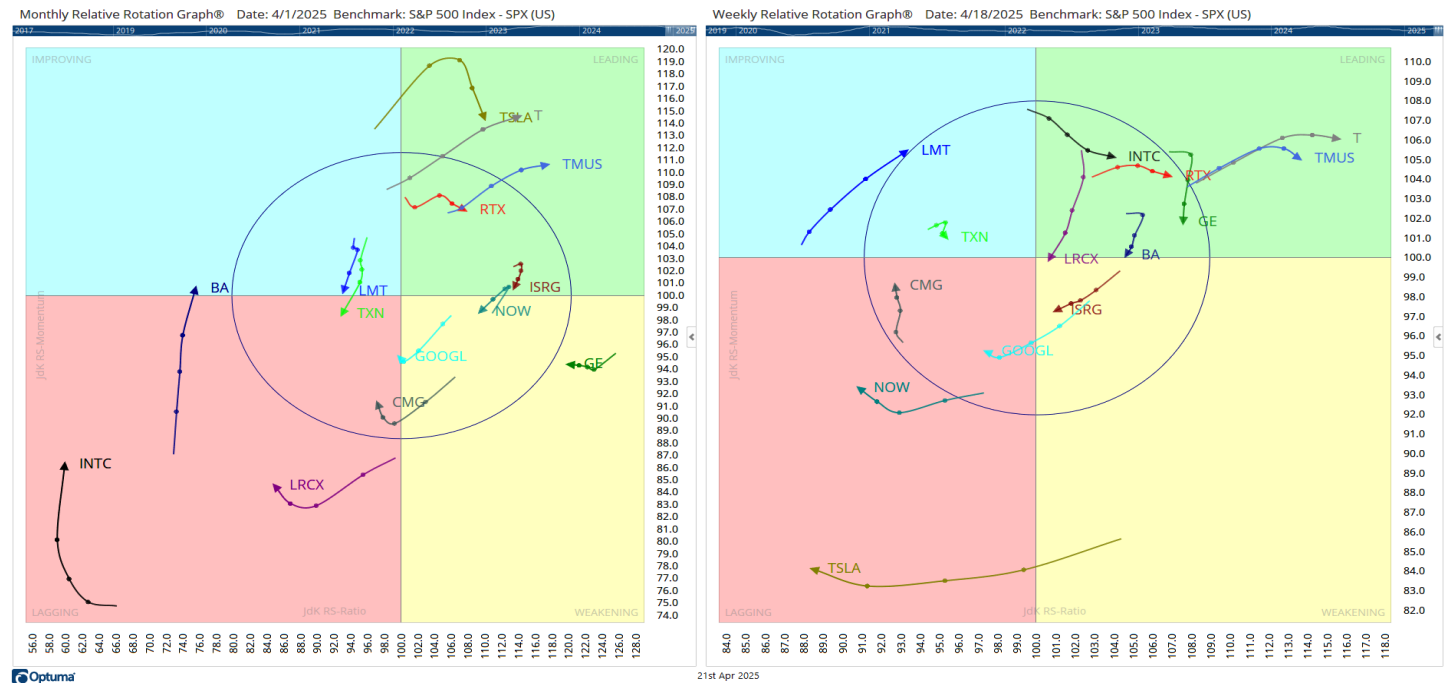
I find seeing **T, TMUS**, and **RTX** in the Leading Quadrant on both the Monthly and Weekly RRG charts very interesting. These companies have undoubtedly continued to outperform the benchmark **SPX** before and during the current bear market correction. On the Monthly RRG, hook reversal patterns have set up in **GOOGL, LRCX**, and **CMG. GOOGL** also happens to have a hook reversal showing now in the Weekly RRG
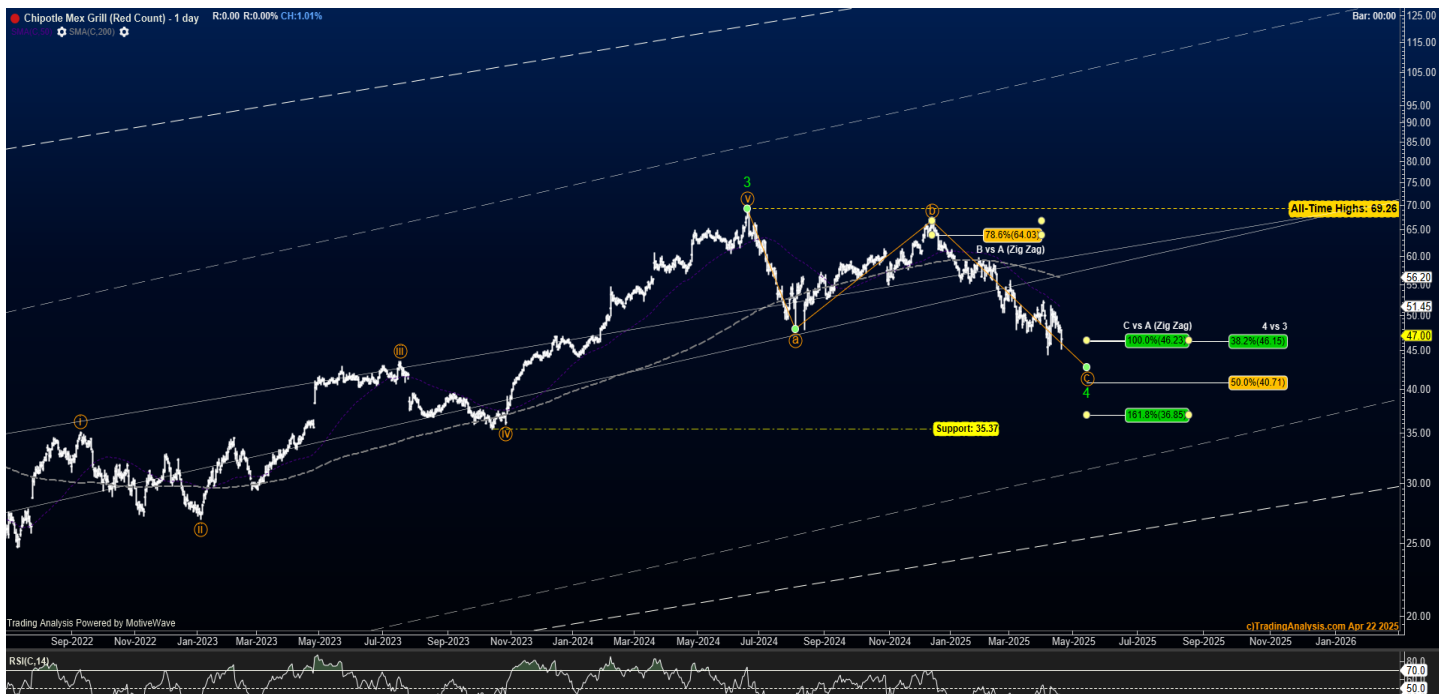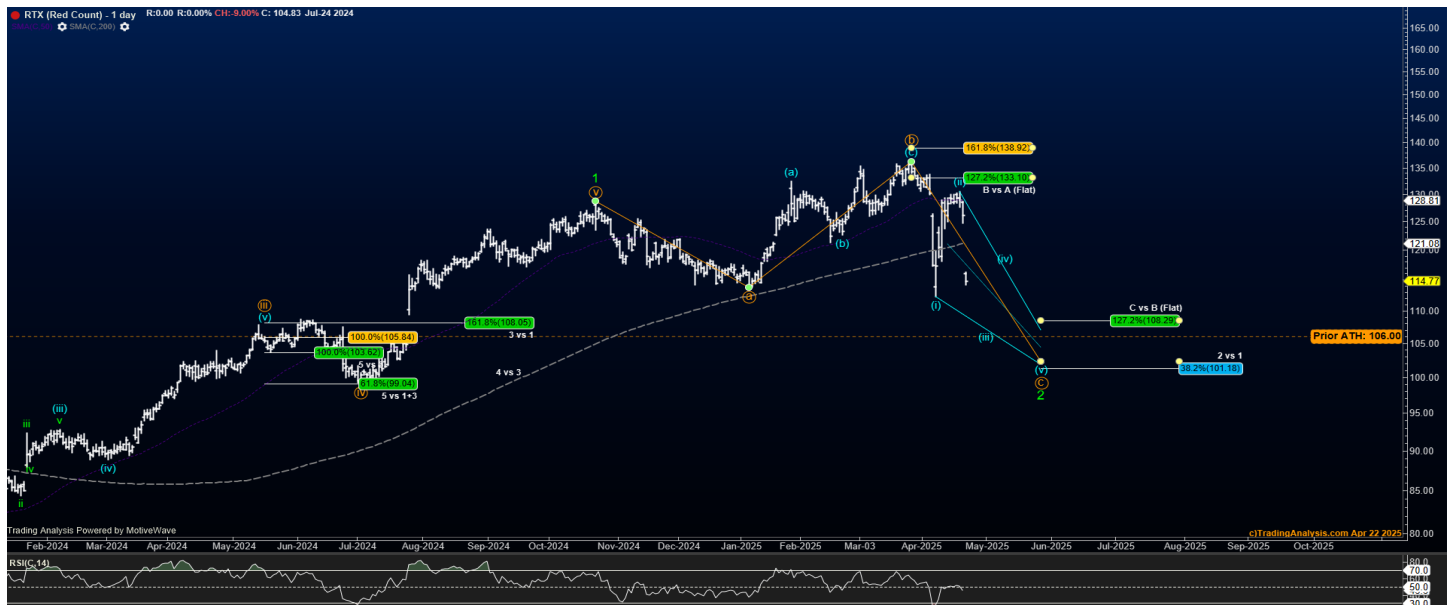
GOOGL

LRCX

CMG

RTX
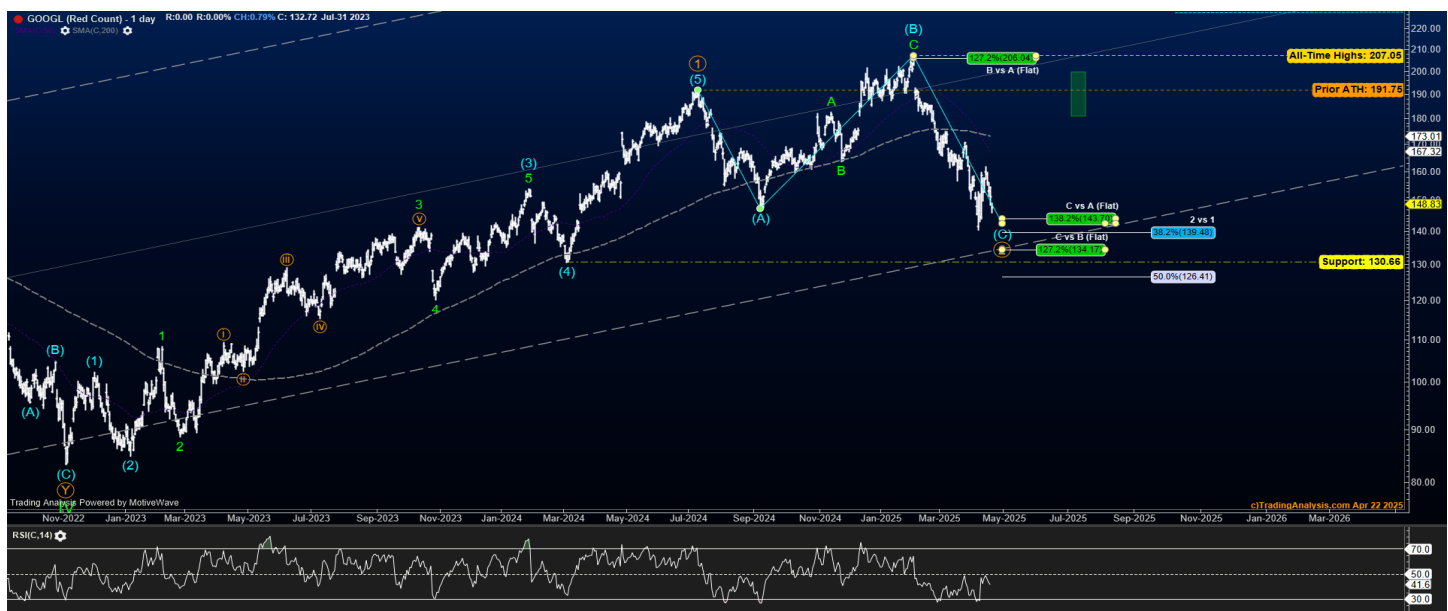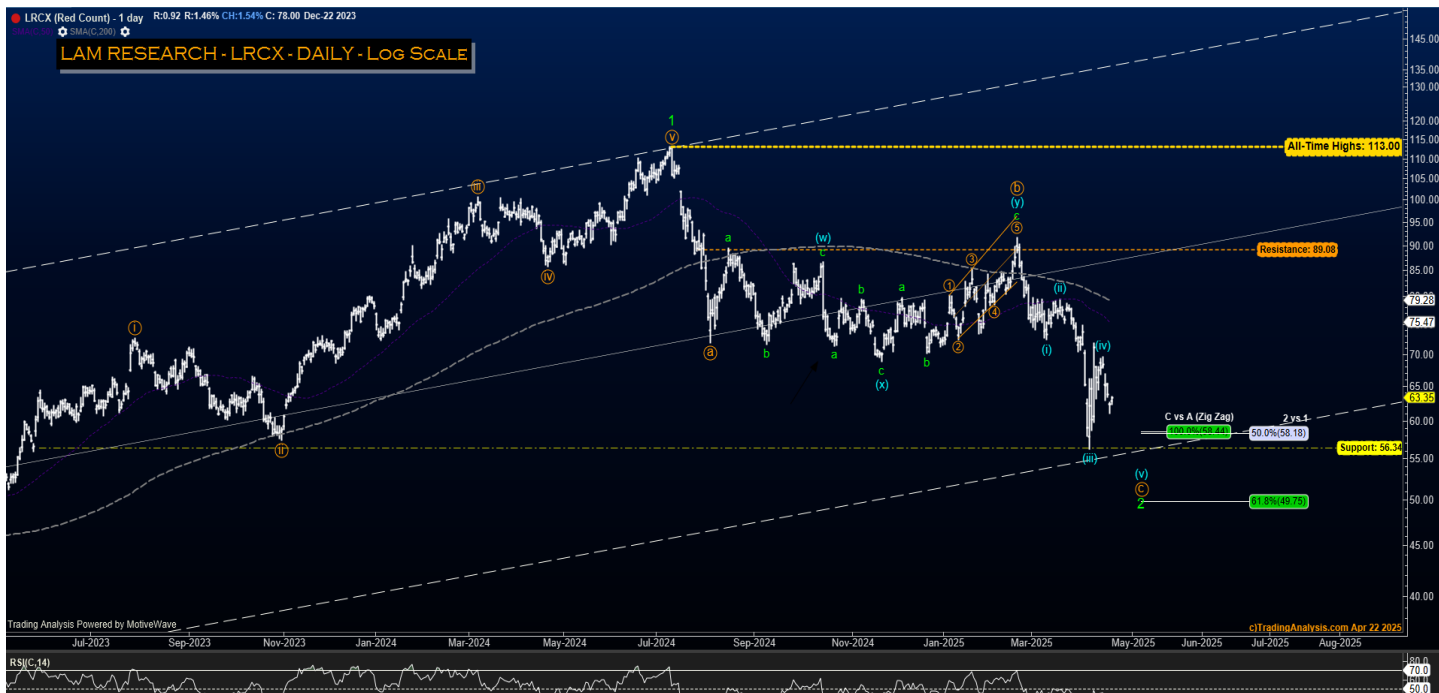
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