

ENGINEERING THE MARKETS:

PRECISION, PATTERNS, & PROFITABILITY

Is the turn-around at hand?

March 26, 2025



POWERED BY:



by TERRY LONG

Is the turn-around at hand?

The trading week started on a positive note, with all major indexes closing in the green. The Consumer Discretionary sector emerged as the clear leader, surging by 3.46%. This impressive performance was largely fueled by Tesla's remarkable 12% jump, which significantly boosted the sector's overall gains.

Code	Last	%Chg
SPX	5,767.57	1.76%
NDY	20,180.44	2.16%
IWM	208.86	2.49%

Code	Last	%Chg
XLV	204.29	3.46%
XLK	217.63	1.72%
XLI	134.29	1.54%
XLF	50.15	1.40%
XLC	98.69	1.12%
XLB	86.54	0.87%
XLRE	41.82	0.75%
XLV	147.15	0.38%
XLE	92.85	0.36%
XLP	79.40	0.09%
XLU	78.17	-0.74%

The Nasdaq and Russell Small Cap indexes both outperformed the S&P 500, demonstrating strong upward momentum. The Technology, Industrials, and Financial sectors also exhibited robust growth, with each sector gaining over 1.40% on Monday.











In contrast, the Energy, Staples, and Utilities sectors lagged behind, posting only marginal gains. The Utilities sector, represented by the **XLU ETF**, even experienced a slight decline of 0.74%. This divergence in sector performance highlights the varying market dynamics at play during the week's opening session.

Monday saw notable gains among Consumer Discretionary stocks, with ROST rising 4.57%, VFC climbing 3.85%, and both HD and AMZN advancing 3.59%

Code	Name	Last	%Chg ▼	RS Ratio
CNT: 30				
TSLA	Tesla Inc	278.39	11.93%	99.5
ROST	Ross Stores, Inc.	129.18	4.57%	93.7
VFC	VF Corp.	17.00	3.85%	104.6
HD	Home Depot, Inc.	363.77	3.59%	96.8
AMZN	Amazon.com, Inc	203.26	3.59%	103.2
XLY	SPDR Consumer Discretionary	204.29	3.46%	100.5
GM	General Motors Company	51.46	3.33%	96.7
TJX	TJX Companies, Inc.	119.60	3.00%	100.3
BBY	Best Buy Co. Inc.	75.67	2.87%	92.4
EXPE	Expedia Group Inc	178.29	2.58%	105.5
LOW	Lowe's Companies, Inc.	232.89	2.56%	94.6
F	Ford Motor Co.	10.25	2.50%	94.2

Economic Calendar

This week's Economic Calendar contains a few important data releases that could impact the market. The recent economic indicators paint a concerning picture of a potential economic slowdown.



Time	Cur.	Imp.	Event	Actual	Forecast	Previous
Monday, March 24, 2025						
08:45	 USD	★ ★ ★	S&P Global Manufacturing PMI (Mar) P	49.8	51.9	52.7
08:45	 USD	★ ★ ★	S&P Global Services PMI (Mar) P	54.3	51.2	51.0
Tuesday, March 25, 2025						
09:00	 USD	★ ★ ★	CB Consumer Confidence (Mar)	92.9	94.2	<u>100.1</u>
09:00	 USD	★ ★ ★	New Home Sales (Feb)	676K	682K	<u>664K</u>
Wednesday, March 26, 2025						
07:30	 USD	★ ★ ★	Durable Goods Orders (MoM) (Feb) P	0.9%	-1.1%	<u>3.3%</u>
09:30	 USD	★ ★ ★	Crude Oil Inventories		1.500M	1.745M
Thursday, March 27, 2025						
07:30	 USD	★ ★ ★	GDP (QoQ) (Q4)		2.3%	3.1%
07:30	 USD	★ ★ ★	Initial Jobless Claims		225K	223K
Friday, March 28, 2025						
07:30	 USD	★ ★ ★	Core PCE Price Index (MoM) (Feb)		0.3%	0.3%
07:30	 USD	★ ★ ★	Core PCE Price Index (YoY) (Feb)			2.6%

The Manufacturing Purchasing Managers' Index (PMI) has dipped below the critical 50-point mark, signaling a contraction in the manufacturing sector. This decline suggests that factory activity is slowing down, which could have ripple effects on employment and overall economic growth.

Adding to the gloom, the Consumer Confidence Index has also taken a hit, falling below the forecasted level and settling at 92.9. This drop indicates that consumers are feeling less optimistic about the current and future economic conditions. Weaker consumer confidence can lead to decreased spending, which could further dampen economic activity.

The housing market is also showing signs of weakness, as February's new home sales figures failed to meet expectations. This could be attributed to rising mortgage rates, high home prices, and affordability concerns. A slowdown in the housing market can have a negative impact on construction activity, employment, and related industries.

These combined indicators suggest that the economy may be losing momentum and could be heading towards a period of slower growth or even a recession. Policymakers and businesses will be closely monitoring these trends and may need to adjust their strategies accordingly.

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Thursday: The final reading of Q4 GDP will provide a clearer picture of economic growth at the end of last year. Additionally, Initial Jobless Claims data will offer insights into the labor market and potential signs of economic slowdown.
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Friday: The release of Core PCE, the Federal Reserve’s preferred measure of inflation, will be closely watched for indications of whether inflationary pressures are easing or persisting. This data could influence the Fed’s future monetary policy decisions.

Overall, these economic indicators will be crucial in shaping market sentiment and expectations for the coming months. Investors will be paying close attention to these releases for clues about the health of the economy and potential risks on the horizon.

Earnings Calendar

The release of Q4 earnings reports is slowing down, and most of the companies reporting now have lower market caps. Many of these companies are in the Consumer Discretionary sector, but there’s a mix across various sectors. None of them stand out to me as potentially “market moving,” regardless of their reported results.

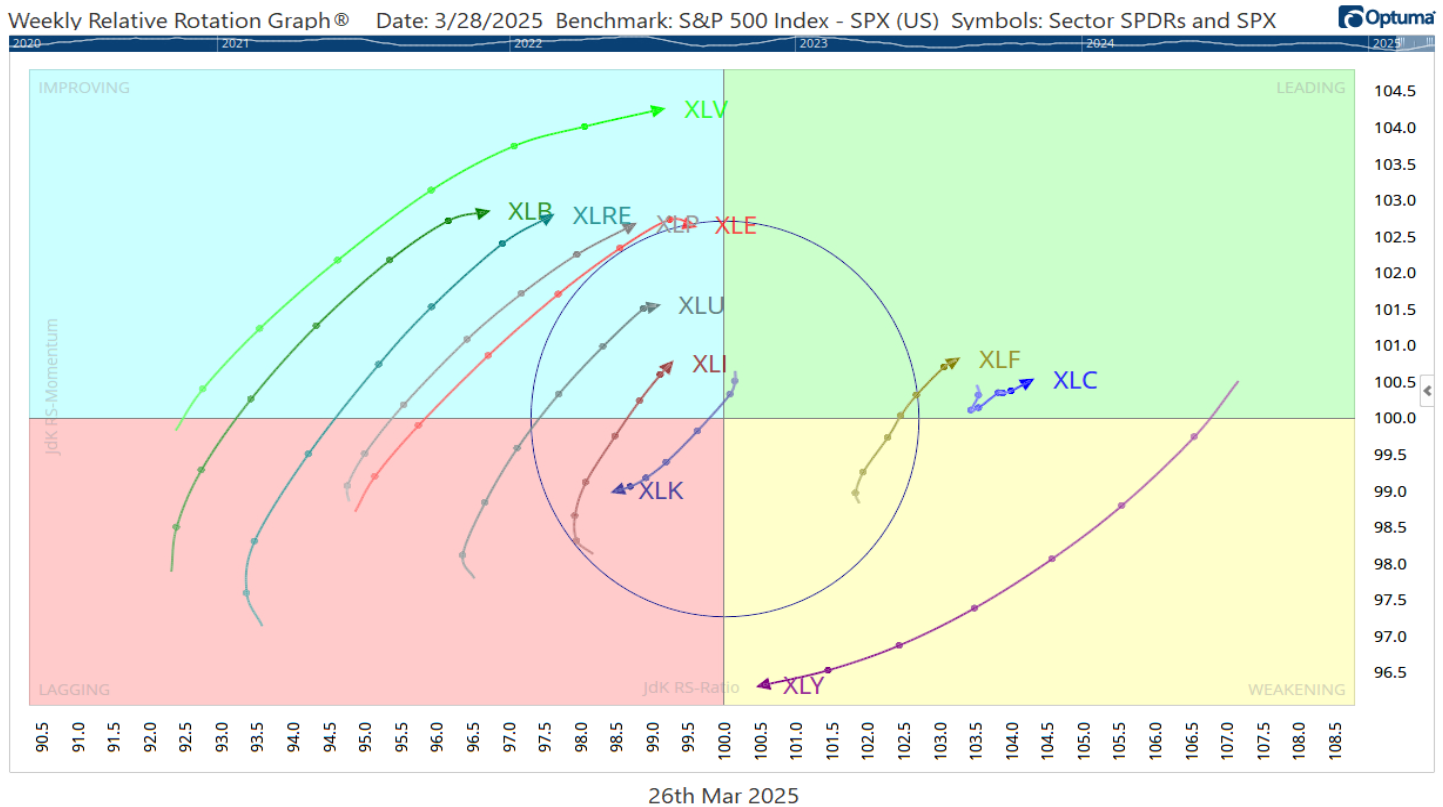
EARNINGS WHISPERS		Most Anticipated Earnings Releases									
		for the week beginning March 24, 2025									
Monday		Tuesday		Wednesday		Thursday		Friday			
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close
LUNR INTUITIVE MACHINES	OKLO	CSIQ CanadianSolar	GME GameStop	DLTR DOLLAR TREE	MVIS MicroVision	BITF Bitfarms	LULU lululemon	IPA IpA			
LCID Lucid	KBH kb HOME	ATAT ATOUR GROUP	SURG SurgePays	CHWY chewy	CNXC CONCENTRIX	WGO WINNEBAGO	KULR KULR	KPLT Katapult			
DFLI dragonfly	RUM rumble	RUM rumble	WOR WORTHINGTON INDUSTRIES	TH TARGET HOSPITALITY	USIO USIO	SNX TD SYNnex	BRZE braze	SLE SLER			
EPAC ENERPAC TOOL GROUP	MKC McCormick	MKC McCormick	GCT GCT	JKS JinKO Solar	WOOF petco	SACH SACHEM CAPITAL	FTLF FITLIFE	ZSPC zSpace			
INLX	CRMD CorMedix	CRMD CorMedix	KGBR KOLIBRI	PAYX PAYCHEX	VRNT VERINT	IPHA Innate pharma	ABL ABACUS LIFE	LIQT LIQTECH			
INTL Intellinetics	PAVM PAVmed	PAVM PAVmed	NGAH NOVA HOLDINGS	DOOG BRP	IVA inventiva	TEN TEN LTD	OXM OXFORD	SBC SBC			
ABVX	PONY pony	PONY pony	BENX Beta Bionics	CTAS CINTAS	JEF Jefferies	PDSB PDS Biotechnology	BRFH barfresh				
SKYY SKYY PLATFORMS	SFD SFD	SFD SFD	PAYS paysign	CAN Canaan	ITRG INTEGRA RESOURCES	ADCT ADC THERAPEUTICS	PSVY PLUS THERAPEUTICS				
ASNS Actelis	CNM CORE & MAIN	CNM CORE & MAIN	CRVS CORVUS PHARMACEUTICALS	CLGN CollPlant	FUL H.B. Fuller	ABOS Acumen	SKYH Sky Harbour				
OCX ONCOCYTE	HDL 海底捞	HDL 海底捞	ACC ACCESS NEWSWIRE	ALUR Allurion	MLKN MillerKnoll	ICCM IceCure	SPRO SPER THERAPEUTICS				

http://eps.sh/cal © 2025 Earnings Whispers

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

Sector Rotation

The overarching weekly trends across sectors remain largely stable. However, the energy sector, represented by **XLE**, is exhibiting signs of potential further decline, as evidenced by its downturn before entering the Leading Quadrant. This suggests that investors may continue to shift away from energy stocks in the near term.



While the Technology sector remains positioned within the Lagging quadrant, the deceleration observed in its Relative Momentum could be indicative of an impending hook reversal. This potential reversal pattern suggests that Technology stocks may be nearing a bottom and could be poised for a rebound in the near future.

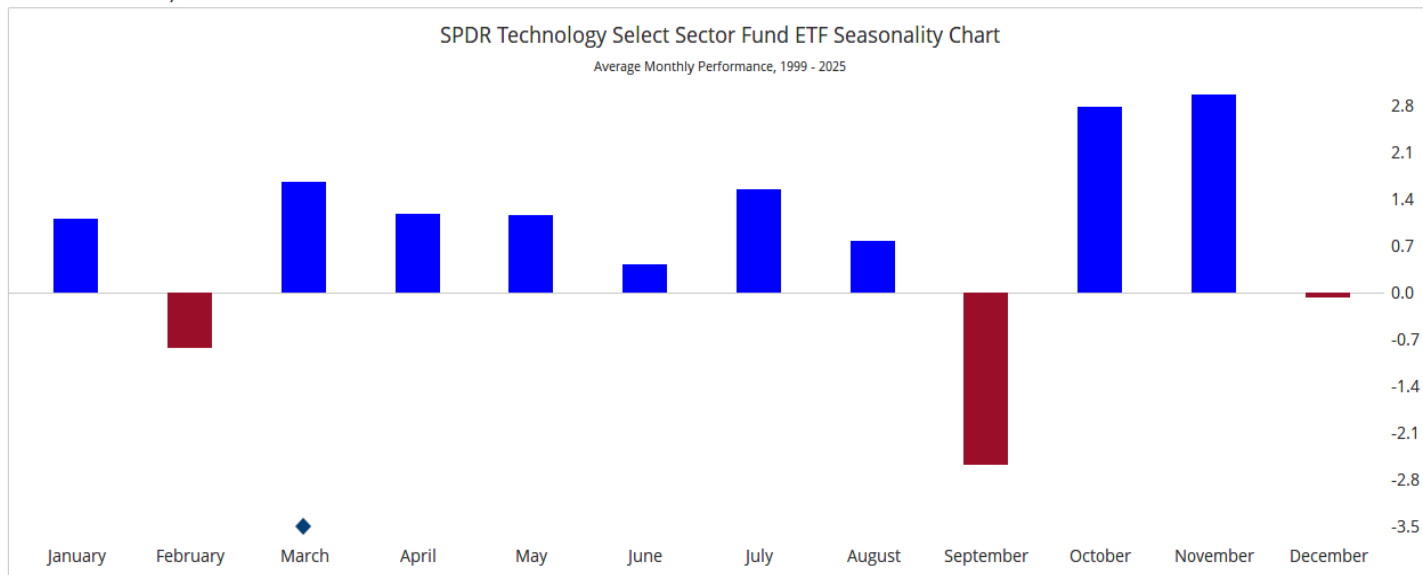
In the Financial and Utilities sectors, represented by **XLF** and **XLU** respectively, upward price momentum has stalled. This suggests that these sectors may be experiencing a period of consolidation or a potential pullback.

In contrast, the Healthcare Sector continues to demonstrate robust performance. It is exhibiting a steady increase in both Relative Strength and Relative Momentum, with no indications of a slowdown. This suggests that Healthcare stocks are currently outperforming the broader market and may continue to do so in the near term. The rising Relative Strength indicates that the sector is gaining strength compared to the overall market, while the increasing Relative Momentum suggests that the upward price trend is accelerating.

One final thought to consider:

Although the **XLK** remains down in the Lagging Quadrant on our Weekly Relative Rotation Graph, there's a hint of the very earliest beginnings of what could soon become a "hook reversal". The Seasonality Chart for the **XLK**, shown below, based on the past 25 years of data, indicates that the Tech Sector generally experiences positive returns over the next six months.

XLK - Seasonality Chart - USD



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Disclaimer: This analysis is for informational purposes only and not investment advice. Past performance does not guarantee future results. Please conduct your own research before making any investment decisions.