Wellington Shields

July 3, 2025

DJIA 44,484

MARKET NOTE . . .

Change partners… and dance. Tuesday's market certainly seemed to take heed of that Fred Astaire advice. It's not that it was a bad day all together, A/Ds were nicely positive, it was a different day. It was a "sell your winners day," likely an end of the quarter phenomenon rather than a durable change. And stocks like the Semis on average are up some 50% from their April low, deserving of a rest. Three important cyclical sectors made new highs last Friday – Technology, Financials, and Industrials. This sort of leadership invariably leads to higher prices. However, nothing goes straight up, nor do they go from new highs to straight down.

Pity the poor fundamental analyst. Tariffs, inflation, deficits, war and pestilence, it's hard to be bullish. Even the likes of Jamie Dimon and Paul Tudor Jones are worried, yet the market moves higher. As for the economy, an economically sensitive stock like Parker Hannifin (PH - 712) broke out just the other day. The market's driver as always is money. When we all wish we had more money to invest but we don't, when the money is in, by definition that's the top. Cash in money market funds is a guide, but a poor one. We have long noticed that when markets want to go up the money is always there, and all the sideline cash in the world doesn't help when markets want to go down. The best guide to investable cash and whether it's being put to work are those advance/decline numbers, stocks up and stocks down each day. It takes money to push most stocks up most days. So far so good.

Precious metals have been stellar performers all year. For Silver the best may be yet to come, at least it's best month. While Silver's July win rate is a seemingly not so spectacular 64%, up July's have tended to be more up than down July's down. SIL (49) & SILJ (15) are among the relevant ETFs.

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EQUITIES PERSPECTIVE

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