

EQUITIES PERSPECTIVE

October 17, 2025
DJIA: 45,952

Buy high ... sell higher. While always a good philosophy, in a bubble it is “THE” philosophy. To know the market of course is important. Rules change in different markets, stretched or extended chart patterns differ in different markets. In a trading range, 10% above a 50-day average may be time for a pause. In a market like this, which has taken on bubble characteristics, 10% is likely a starting place. There are stocks 50% and more above the 50-day average. The difference here is that they’re not isolated to, or necessarily in a particular group. Meanwhile, just what is Quantum Computing? When will it be viable, let alone profitable? We remember GTOs, but what are GPUs? In bubbles less is more – the less you know the more you will make. Even bubbles have corrections, but this Market has proven resilient. If indeed a bubble, that’s not really a bad thing.

If even bubbles have their setbacks, last Friday looked to be the start of one. The reversal from a high coupled with a spike in the VIX typically brings a correction. Though we should be used to no downside follow through, Monday’s recovery was impressive. It wasn’t Monday’s 500 Dow rebound, rather the more than good A/Ds. The Market has been remarkable in avoiding what we call bad up days -- those days up in the averages, but flat to down in the average stock. When there is money to push up the averages, but not the average stock, that typically is the beginning of problems. The other change on Monday was the Market finally reacted to some negative news, something of a rarity. Of course, it happens, and perhaps just overdue. Still, it is a change.

The new Gold these days seems the old Gold. Despite cries of gravity, of the Newtonian kind, it has been impervious. We suspect in part that’s due to a consistent and orderly sort of advance. It is, however, stretched but so is much of AI, and it makes just as much sense, if not more. Meanwhile, after a hopeful week last week, Bitcoin has turned less hopeful. In a market that has taken on a more speculative bent, that’s surprising. Time will tell, to coin a phrase. If there is a new Gold, it might well be Uranium – see the Uranium ETF (URNM - 63), and Uranium Energy (UEC - 16). The real Gold, however, might just be metals generally – SPDR Metal & Mining ETF (XME - 107), Global X Copper Miners ETF (COPX - 63), and even Peabody Energy (BTU - 33). And let us not forget our new favorite relative, Anti-mony (UAMY - 13).

Back in the real world, or what in 2000 they called the “old economy,” there are some signs of slowing. This observation, of course, is based not on economics, but rather on a look at the stocks of companies which might be thought to have their finger on the proverbial economic pulse. Grainger (GWW - 954), known these days to anyone with a TV, with a division called “Endless Assortment,” is one such name. Particularly weak of late has been Fastenal (FAST - 42), a maker of nuts and bolts. And there’s Parker Hannifin (PH - 726), a company said to have been used by Greenspan as an actual economic indicator. The latter is a bit better than the others, and all have excellent long-term uptrends, it’s the short-term patterns that may be of some concern. Then, too, this could just be a reflection of the Market’s split personality — the “AI new economy” and everything else.

Altogether the technical background is reasonably positive, though certainly not without its flaws. This is a Market trading at all-time highs with almost half of NYSE and S&P stocks below their 200-day averages, that is, in medium-term downtrends. A more normal bull market number is 70% or more. Even for the red-hot NASDAQ 100 the number is only 60%. Rather than worry this is a bubble, we should hope it is. Bubbles of course are very profitable. And in bubbles momentum overrides technical flaws. Of course, that’s true until it isn’t. We don’t quite seem at that point and with the Fed easing it could remain some time off. In any event, it’s not the first leg down that’s the problem, it’s the weak rally which may follow – those bad up days.

Frank D. Gretz

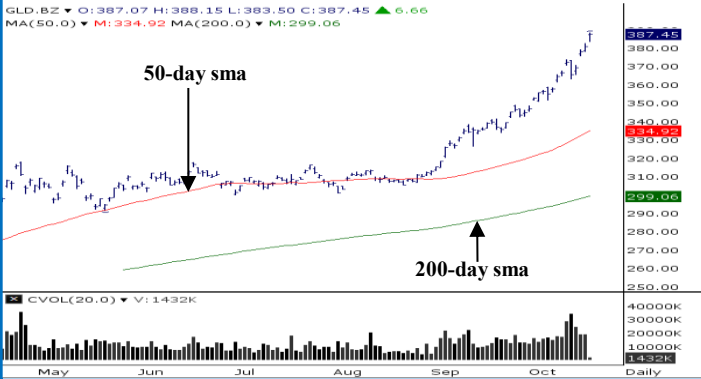
S&P 500 (SPX - 6629) - DAILY



NASDAQ 100 (NDX - 24657) - DAILY



SPDR GOLD TRUST (GLD - 388) - DAILY



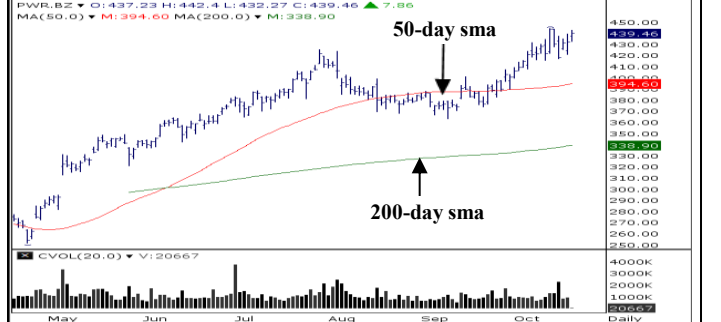
SPROUT FUNDS URANIUM ETF (URNM - 63) - DAILY



WW GRAINGER (GWW - 954) - DAILY



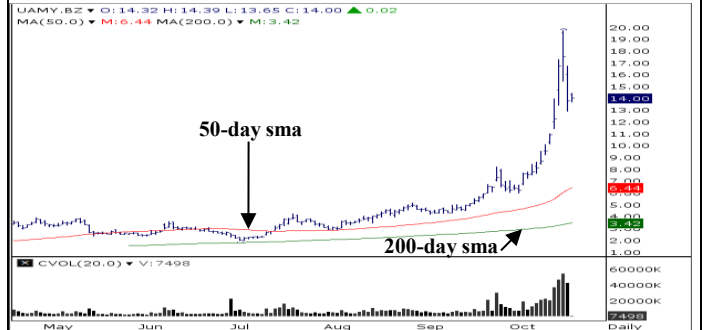
QUANTA SERVICES (PWR - 437) - DAILY



STERLING (STRL - 361) - DAILY



US ANTIMONY (UAMY - 13) - DAILY



BLOOM ENERGY (BE - 115) - DAILY



IREN LIMITED (IREN - 62) - DAILY

