

# EQUITIES PERSPECTIVE

January 16, 2026  
DJIA: 49,442

When bad news breaks... good markets fix it. So it goes, good markets make the news. The residual weakness from Monday's decline was a bit surprising, but not technically harmful. That seems particularly so when weakness is relegated to the averages and not so much to the average stock. And the advanced/decline index recently made a new high, and it typically leads at market downturns. Overall, the backdrop has had a couple of important improvements recently. NYSE stocks above their 200-day average had been stuck in a mediocre 50–60% range pretty much since the April low. It jumped to 65% from 59% last week. Weekly 12-month new highs also moved back to their peak, doubling both on the NYSE in NASDAQ. Healthy markets are about this kind of participation.

Tech is here to stay – you might want to write that down. A recent Barons article pointed out 33% of the S&P is correlated with AI, our news is not new. The big guys make money, though now seem bent on spending it, the others, who knows? The concern isn't about the money or the multiples, though many argue that's why there's no bubble. Either they were born last night or have forgotten the nifty 50, certainly a bubble and certainly stocks that made money. The concern, rather, is who is left to buy? So far so good for most of the Semis, not so good for most of Software. The same might be said even of the MAG 7. There's the good – Amazon (AMZN - 238) and Google (GOOG - 333), and the not so good – Microsoft (MSFT - 457) and Meta Platforms (META - 621).

On the other side of the ownership spectrum is Oil, at something like 3% of the S&P by market cap. Let us be among the many who will say, with good reason. Pick your term - awash, glut, surfeit – there's no good reason to buy Oil. Yet there is in a sense the same rationale for not buying Tech - for Tech who is left to buy, for Oil who is left to sell. Granted and for sure, this is no call to arms, so to speak, a time to sell Tech and buy Oil. This is, however, a time to be aware, and possibly prepared. In this somewhat risky world, if something were to go wrong, when it comes to Oil everyone is on the wrong side of the boat. And, by the way, the charts are much improved. When it comes to the mess in Venezuela, rather than the guys who might pony up billions for a return decades away, SLB Ltd (SLB - 47) and Halliburton (HAL - 33) might be a better choice.

While Commodities are at the forefront of our attention these days, a couple of other areas seem worthy of a look. The recent Healthcare conference brought some interesting interviews, among those companies Novo-Nordisk (NVO - 57). Our go to stock here has been Lilly (LLY - 1033), but even Pfizer (PFE - 26) is now applying itself to this area. Hard to forget what happen when they applied themselves to the vaccine. Not a Biotech but related in its way is Thermal Fisher (TMO - 625). After a four-year hiatus, what those technical analysts call a base, the stock has our favorite chart pattern – a spike out of the base and a high-level consolidation. And then there's the Defense stocks. To look at the ETFs like XAR (289) they are more than a little stretched. Doubtful this is about Venezuela, more likely worries about Taiwan.

Precious metals have far outstripped stocks since the US election. Silver, especially, has rallied enough to bring about those conspiracy theories. Then, too, when Geopolitical pressures mount, and there are a few, Precious Metals tend to benefit. And now the trade has expanded to most, if not all Commodities. Getting back to the market, and basics, while the averages have been all over the place this week the average stock has not. The advance-decline numbers have been remarkably consistently positive. You might argue better action in the Financials, and there are many, or better action in the Oil shares, of which there are many – how you get to the good numbers doesn't matter. The A/Ds of course only measure direction, stocks up versus stocks down. In that regard, the breakout in stocks above their 200-day seems an important confirmation.

Frank D. Gretz

### S&P 500 (SPX - 6945) - DAILY



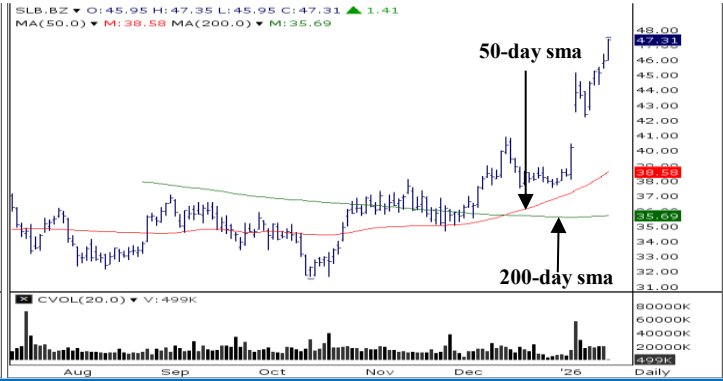
### NASDAQ 100 (NDX - 25547) - DAILY



### STATE STREET METALS & MIN ETF (XME - 124) DAILY



### SLB LTD (SLB - 47) - DAILY



### STATE STREET ENERGY SPDR ETF (XLE - 48) - DAILY



### GLOBAL X COPPER ETF (COPX - 82) - DAILY



### VANECK RARE EARTH & SPEC MET ETF (REMX - 91) - DAILY



### VANECK STEEL ETF (SLX - 92) - DAILY



### GE AEROSPACE (GE - 320) - DAILY



### GLOBAL X SILVER MINERS ETF (SIL - 96) - DAILY

