

MARKET NOTE . . .

EQUITIES RESEARCH

This time is different... it will take two to TACO. After wildly inconsistent announcements it's tempting to ignore the president, but for many reasons that's hard to do. It does seem clear he is ready to end the war and avoid an escalation, despite the armada headed that way. That's obviously a positive and the market is doing its best to buy in. And to quote Marco Papić of BCA Research: "the reality is that he's reached his constraints and he's becoming aware of them." Perhaps that's what is keeping the hope alive. In this case, however, there is the other side. While most of us, even the Russians, believe in this lifetime, the Iranians believe in the next. It is hard to TACO against a motivated opponent that has the leverage of the Strait. As usual, predicting is a waste of time, and even the market's story is a bit confusing. The market is trying to believe, those oil stocks not so much.

We used to say Semis good, Software bad. While still the case, now you sort of have to say which Semis? One that caught our attention recently is AMD (204), hardly a new name and thought of as a competitor to Nvidia (NVDA - 171). It's a tough market for even the best of Tech, and if this does end in a washout little will be immune. What we like about AMD was the upside gap on Wednesday, a move which at least then changed the trend by moving above the 50-day. Price gaps are a technical pattern, and perhaps more than any other are about pure buying or selling. Given the market there seems no rush to buy but it's worth a look. ARM Holdings (ARM - 155) recently had a similar pattern, as did Dell Technologies (DELL - 176).

Trump's announcement Monday to delay the escalation was viewed by Markets as a step toward making a deal. That was Monday, Wednesday and Thursday were different. Prediction markets, which were right about the start of this conflict, give no better than a 50-50 chance of a cease-fire by the end of next month. In other words, they're not feeling it in their bones.

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ADVANCED MICRO DEVICES (AMD - 204)



FIVE BELOW INC (FIVE - 227)



GE VERNOVA (GEV - 873)



PLANET LABS PBC (PL - 32)

