

MARKET NOTE . . .

EQUITIES RESEARCH

FOMO on steroids thanks to TACO... it's perfectly clear. What does it say when you can define a market in anagrams? At least they haven't gotten around to CAPE. That would be Shiller's Cyclically Adjusted Price-to-Earnings Ratio, where both elevated yields and valuations offer a worrisome picture. More friendly is the market trend with the S&P now back on the good side of the 200-day. And despite less than settling news, the VIX is back below 20, a more calm and stock-friendly level. Always important is participation. The averages were down all day on Monday while the advance/decline numbers were positive all day. Granted that's unusual, and thanks to strength in the multitude of Financial and Oil shares, but how you get there doesn't much matter. It's simply important that the average stock gets there.

We have alluded to the market's ability to ignore bad news, calling the "failure to fail" a positive sign. We are not completely convinced, but something similar could be happening in terms of the Oil stocks. With peace such as it is at hand, we've noticed much of the Oil sector doesn't seem to believe it, or doesn't seem to care. In other words, the stocks have held together surprisingly well. The non-caring, of course, has to do with the non-ownership here. If you don't own them, why would you care, and you're not about to swap your Nvidia (NVDA - 200) for Exxon Mobil (XOM - 151). Meanwhile, it's still Tech's world, but don't tell that to GE Vernova (GEV - 1149) Wednesday, Caterpillar (CAT - 835) Thursday or Bloom Energy (BE - 238) last week. Quanta Services (PWR - 634) is another of these power builders that looks attractive.

Frank D. Gretz

STERLING INFRASTRUCTURE (STRL - 496)



PLANET LABS (PL - 38)



ROUNDHILL MAG 7 ETF (MAGS - 65)



STATE STREET OIL & GAS E&P ETF (XOP - 170)

