Wellington Shields 100 YEARS

June 12, 2026

DJIA: 50,849

MARKET NOTE . . .

Blame Newton… and the technical indicator he called gravity. The spread between the NASDAQ 100, where Tech lives, and its 50-day moving average was recently the widest since 2002. Terms like overbought and oversold are thrown around quite a bit, we prefer stretched, and that's what it was and pretty much remains. Sure, it could become more stretched, and the index could just go into a trading range while the moving average catches up. Or the index could take a hit. For now, this stretched condition helps explain some of the recent disappointments. It doesn't leave a lot of room, for example, for even good news to be rewarded. And the good has been anticipated and discounted to the point where anything less is punished. This heads you don't win, tails you lose, has made it a difficult environment – not bad just difficult.

Roller bearings don't sound very techy, but become much more so when you realize robots find them helpful. Timken's (TKR - 137) divisions include Engineered Bearings and Industrial Motion, and the stock's price action has been quite positive. Another company with exposure here is Applied Industrial Technologies (AIT - 319). This, too, has acted well recently and like Timken has the added appeal of a long-term uptrend, unusual in what would seem the cyclical nature of their business. If you are, indeed, a long-term investor, why buy a stock in a long-term trading range? And even if not a long-term investor, why not have that long-term tailwind at your back.

Frank D. Gretz

TIMKEN CO. (TKR – 137)

APPLIED INDUSTRIAL TECH (AIT – 319)

CREDO TECH GROUP (CRDO – 265)

BLACKBERRY LTD (BB – 9))

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