Wellington Shields 100 YEARS

June 18, 2026

DJIA: 51,493

MARKET NOTE . . .

It's a great market… for the market averages. To be fair, it's not a bad market overall – new highs are better, the Advance/Decline Index is near its high. It's simply hard to compete with the market driven by large-cap Techs. As a practical matter, however, this Tuesday saw the Dow rally some 500 points, while advancing stocks versus declining stocks were minimally positive. So, while the averages told the story of a great day, your odds of making money on the NYSE were little more than 50–50. Sure, all was well in Tech-land, but even that changed Wednesday perhaps when fundraising began for the next SpaceX (SPCX – 192). The problem with the market isn't the basic technical stuff. It has climbed the proverbial "wall of worry" to the point leadership now is up against that wall of gravity.

We have never been fans of the Banks. In some unkind moments we have been known to refer to them as serial screw-ups — lending money to Third World countries, trying to rig LIBOR, liar loans, the list goes on and likely will. Then we say to ourselves, is that really what matters, or is it the charts? So, we're positive on the banks, including the regionals (KRE – 71), Financials generally (XLF – 54) even the KKRs (97) whose risk was greatly feared. Then there's the Russell 2000 which some love, but we think of as love among the rejects — companies not growing fast enough to join the grown-up indices. Here again, we find ourselves saying, does that matter or the positive charts? Finally, the averages more than the average stock have been the big winners, but even more so the averages equally weighted (RSP - 209). It's difficult to see much overall risk against this backdrop.

Frank D. Gretz

STATE STREET FINANCIALS ETF (XLF – 54)

STATE STREET REGIONAL BANK ETF (KRE – 71)

ISHARES RUSSELL 2000 ETF (IWM – 290)

INVESCO S&P EQUAL WTG ETF (RSP – 209)

EQUITIES PERSPECTIVE

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