

EQUITIES PERSPECTIVE

July 10, 2026

DJIA: 52,487

Location, location, and... location. It's not just true of real estate, when it comes to the market where you're in has become as important as whether you're in. Our illustrious career in technical analysis, which began all those three or four years ago, emerged out of a keen insight that when the market went up, our stocks typically went up. Sadly, and to our great annoyance, the opposite also proved true. Academic studies found long ago that as much as 70–80% of the movement in an individual stock is the function of the overall market trend. And that remains the basic premise of IBD. Over the last couple of years our view here has changed a bit. Certainly, market trend remains important to most stocks, that's why stocks above their 200-Day Moving Average regularly fluctuate between 30% and 70%. Meanwhile, while there always will be leaders and laggards, the last couple of years have made it clear that group or sector performance is more important than ever. Much of the market's performance has been driven by Tech, but there is evidence of some change.

Semiconductors have become sketchier of late, but the Mark Twain quip about his own demise seems appropriate here. Almost ironically, it's Nvidia (NVDA - 203) with a poor pattern, remaining below its 50-Day for a couple weeks now. Meanwhile, AMD (547) seems like the counter party there. If there is a group or sector influence at play here, it's worth noting the SMH ETF (608) is down to its 50-Day for the first time since early April. Our impromptu observation is that last week most food stocks outperformed most Semis. Then, too, this speaks to the better action in Staples like Food. There have been many false dawns here, but the charts are not a fluke. When it comes to change, however, the real story seems about Healthcare and especially the Financials.

We are not exactly fans of the Banks, and in our darker moments have called them serial screw ups. Turning positive on Banks and other Financials isn't so much about buckling under to a belief, as it is standing up for another – go with the charts. What particularly impresses us about the Financials is the breath of participation. It's JPM (335) and the rest but it's the Regionals as well – good news in turn for the Russell 2000. It's Investment Bankers like Morgan Stanley (MS - 222), Brokers, like, Interactive Brokers (IBKR - 95), even the boyz in the HOOD (115). The most striking group, however, might be the Insurers (IAK - 146), which seem to be screaming something about rates, or how AI will help rather than put them out of business as was once thought. The Financial ETF (XLF - 56) seems a reasonable way for participation here.

Getting back to the overall market, the backdrop here is positive. Healthy markets are not just about the market averages, they're about participation. Markets don't get into trouble with the Advance/Decline Index dancing around its highs as is the case now. Of late some of that can be attributed to the better action in Financials, considering the numbers there. And a healthy Financial sector is a positive sign in and of itself. If you would like to simplify market analysis even further, look at 7 or 8 years of a monthly chart of the S&P. Analysis here may require a complicated tool sometimes called a ruler, which you apply to the low points along an uptrend and the peaks along a downtrend. Too simple, Throw in a moving average or two. Market Analysis may not be easy, but most of us make it too complicated.

More fighting in Iran — didn't see that coming, or should we say who didn't see that coming. Apparently, Oil did not, having come down rather sharply, seeming not to understand the Memo of Understanding. Markets typically are pretty good at getting this sort of thing. It did react the other day, rallying the most since early April, but so far, it's still a rather subdued response. The real risk is escalation, troops on the ground and resulting damage to oil infrastructure, but this doesn't seem on the table. Oil is dealing with all the noise and stocks as well. The devil is always dancing somewhere in the Middle East, and markets have learned to deal with it. They will again and investors will as well.

Frank D. Gretz

S&P 500 (SPX – 7544) - DAILY

\$SPX ▼ O:7,491.60 H:7,546.89 L:7,483.57 C:7,540.67 ▲ 57.96
MA(50.0) ▼ M:7,431.22 MA(200.0) ▼ M:6,964.29



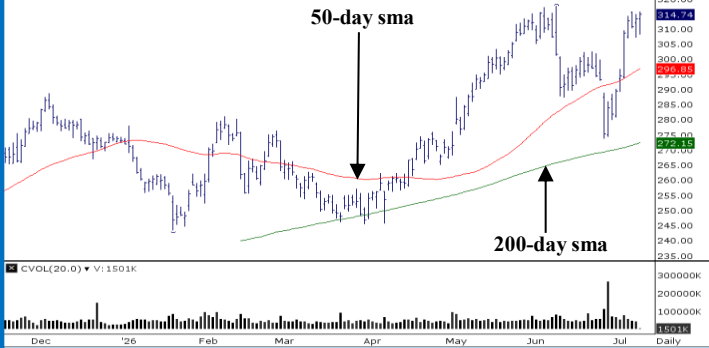
NASDAQ 100 (NDX – 29727) - DAILY

\$NDX ▼ O:29,486.61 H:29,773.74 L:29,398.47 C:29,740.53 ▲ 487.97
MA(50.0) ▼ M:29,444.36 MA(200.0) ▼ M:26,249.65



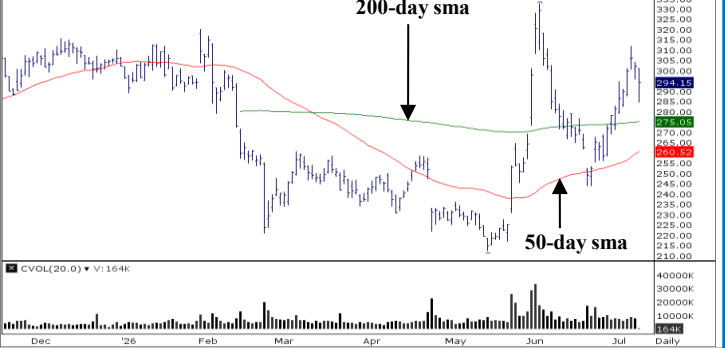
APPLE INC (AAPL – 316) - DAILY

AAPL.BZ ▼ O:313.24 H:315.50 L:308.18 C:314.74 ▲ 1.35
MA(50.0) ▼ M:296.85 MA(200.0) ▼ M:272.15



INTERNATIONAL BUSINESS MACHINES (IBM – 295) - DAILY

IBM.BZ ▼ O:301 H:301 L:284.36 C:294.15 ▼ -7.90
MA(50.0) ▼ M:260.52 MA(200.0) ▼ M:275.05



SMUCKER JM (SJM – 111) - DAILY

SJM.BZ ▼ O:111.39 H:112.55 L:110.2 C:111.69 ▼ -0.61
MA(50.0) ▼ M:105.97 MA(200.0) ▼ M:103.79



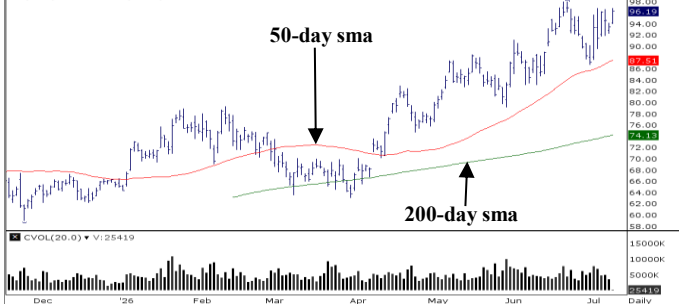
KIMBERLY CLARK (KMB – 110) - DAILY

KMB.BZ ▼ O:110.80 H:110.87 L:109.42 C:110.07 ▼ -0.15
MA(50.0) ▼ M:101.41 MA(200.0) ▼ M:104.63



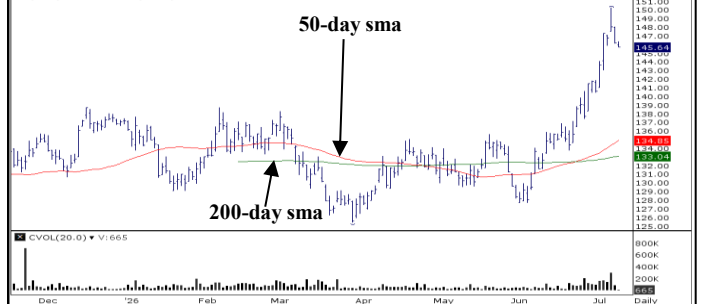
INTERACTIVE BROKERS (IBKR – 95) - DAILY

IBKR.BZ ▼ O:94.03 H:96.69 L:94.00 C:95.19 ▲ 2.64
MA(50.0) ▼ M:87.51 MA(200.0) ▼ M:74.13



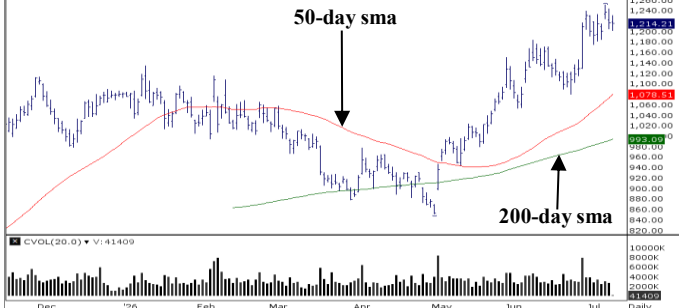
ISHARE US INSURANCE ETF (IAK – 146) - DAILY

IAK.BZ ▼ O:145.90 H:146.28 L:145.64 C:145.64 ▼ -0.55
MA(50.0) ▼ M:134.85 MA(200.0) ▼ M:133.04



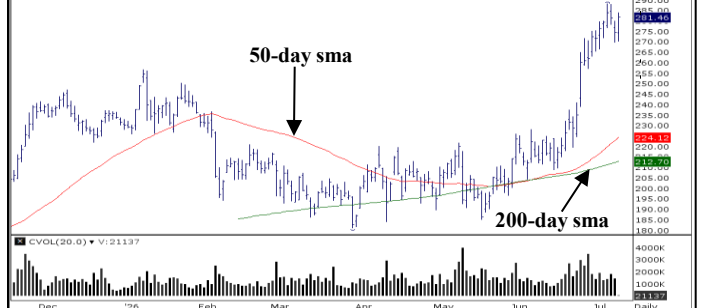
ELI LILLY & CO (LLY – 1217) - DAILY

LLY.BZ ▼ O:1,218.8 H:1,220.48 L:1,200.48 C:1,214.21 ▼ -1.62
MA(50.0) ▼ M:1,078.51 MA(200.0) ▼ M:993.09



NATERA INC (NTRA – 282) - DAILY

NTRA.BZ ▼ O:274.11 H:283.72 L:260.96 C:281.46 ▲ 6.14
MA(50.0) ▼ M:224.12 MA(200.0) ▼ M:212.70



STATE STREET S&P 500 SPDR ETF (SPY - 752) - MONTHLY

