Wellington Shields

EQUITIES PERSPECTIVE

August 28, 2026
DJIA: 53,569

How's your memory when it comes to the periodic table… only those atomic numbers 29 and 47? That's not bad but there's more to the positive look to Commodities than just Silver and Gold. There's Lithium, Copper, Molybdenum, Platinum and Uranium. Naturally, we come at this by way of the charts, while veteran commodities strategist Jeff Currie argues factors at play represent the hallmark of a structural commodity bull market. Overall, of course, this is more of the same – rotation. And rolling leadership gathers no divergences. Lose some Tech stocks, gain some Commodity stocks. Lose some Electrification stocks, gain some Food stocks. This has different impacts on the market averages, but in terms of the market's overall technical health it seems a zero-sum game. Meanwhile, while not great, that technical health seems good enough.

The real concern here seems bonds. The worry, of course, is that those bonds have a way of affecting stocks, particularly Financial stocks. And there has been some sign of that – the Regional Bank ETF (KRE - 74) is below its 50-day and Utilities are in a bit of a freefall. Bessent's former mentor Stanley Druckenmiller wrote in the WSJ that his intervention won't work – not exactly a maybe. Our favorite comment here, however, was that of James Carville. He once said if he were to be reincarnated, he wanted to come back as the bond market - the bond market scares everybody. Indeed, it eventually scares stocks.

In a world where Tech rules, Food and other Staples are a hard sell stock wise. They have underperformed for so long almost anything looks like up. And let's face it, Food stocks just aren't cool. You may belly up to the bar and order a Coke, but you're not likely to brag about your Coke stock. Yet it just made a new high. We strongly suggest you look at charts of companies like Coca Cola (KO - 89), JM Smucker (SJM – 132), General Mills (GIS - 40), Conagra (CAG - 16), and Church & Dwight (CHD - 102). This is not about the knee jerk buy defensive stocks when Tech goes down. These stocks are in uptrends, not just bouncing. Sometimes you have to ask yourself, do you want to be cool, or do you want to make money?

Predictions are hard, especially those made in advance. Indeed, it has been said the best predictors are the best guessers. Observations are less difficult and often lead to helpful insights. Here are a few observations about Nvidia and as of this writing its still upcoming earnings report. Nvidia (NVDA - 228) will beat, God forbid it doesn't. It's then all about what the market does with the news. For the most part, the stock peaks on the news and goes dormant for a time. This, too, could be another case of what we all know being priced in. Evidence that we all know might be the recent seven straight days of decline going into Wednesday. Interesting here too is the juxtaposition of the 50-day. The VanEck Semiconductor ETF (SMH - 573) and most of the Semis have turned back from their rallies to the 50-day. Nvidia, however, has now come down to the 50-day. Seems a decent set up for a rally on the news. Worst case if not, it's back for more trading range.

For Nvidia, so far so good. Once again, a known outcome – sell on the news – seems to have been discounted. The question now is what else can Nvidia do for us, that is, for a faltering semiconductor group. Big uptrends like those of the Semis don't die easily. Their last go at the 50-day failed completely, the next should be more successful – or else. If you're not wedded here there seem easier things to do, the aforementioned Commodity stocks, and some of the Staples, or if Tech you must, the Software stocks. Meanwhile, last week saw more new lows than new highs on NYSE, a real technical warning. As much as we dislike making excuses for the numbers, this seems about the rotation – losing many of the former leaders, picking up many of the former laggards. Still, that's why the technical background is not great, but good enough.

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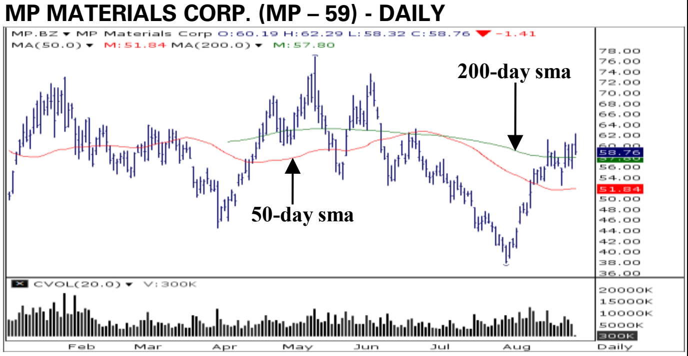
S&P 500 (SPX – 7731) - DAILY

NASDAQ 100 (NDX – 29642) - DAILY

ISHARES 20+ YR TREASURY BOND (TLT – 83) - DAILY

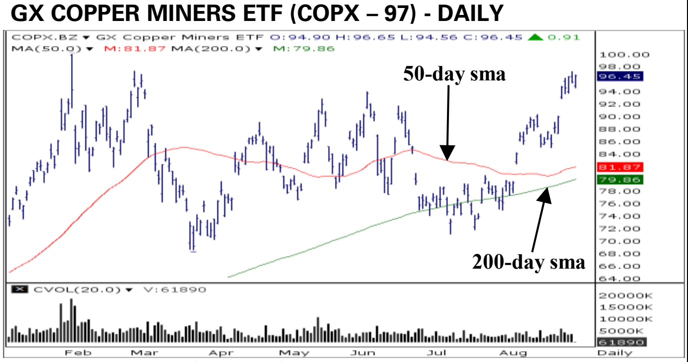
S&P REGIONAL BANKING ETF (KRE – 74) - DAILY

MP MATERIALS CORP. (MP – 59) - DAILY



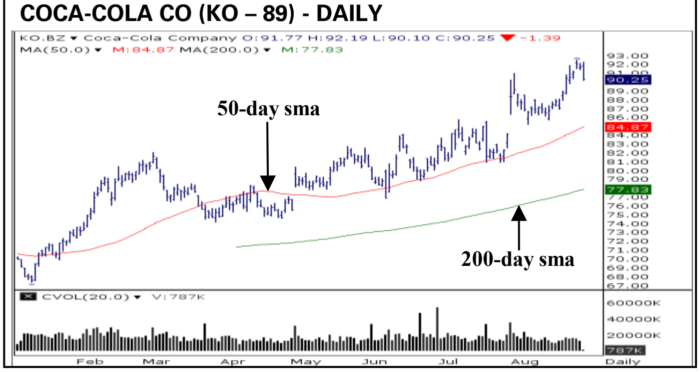
SPROTT URANIUM ETF (URNM – 61) - DAILY

GX COPPER MINERS ETF (COPX – 97) - DAILY



VANECK AGRIBUSINESS ETF (MOO – 84) - DAILY

COCA-COLA CO (KO – 89) - DAILY



CONAGRA BRANDS (CAG– 16) - DAILY