

## "Don't Miss '10 Best Days,'" Says Fundstrat's Tom Lee

Investors certainly **had their resolve tested** this week, with the tech-heavy Nasdaq declining 3.45% and the S&P 500 tumbling 3.1% and posting its worst week of the year to date. While the losses can sting, Fundstrat Head of Research Tom Lee continues to urge clients to maintain fortitude and to **"stay on target."**

Head of Technical Strategy Mark Newton is similarly maintaining a proverbial **stiff upper lip**. "When you strip out the effects of technology, **the breadth has actually been quite a lot more positive than we saw back in the middle part of January,**" he told us at our weekly research huddle. "So yes, we have done a little bit of damage in the last few weeks, but the **broader trends arguably are still intact.** Honestly, we're heading into a level where, in my view, we're going to find pretty good support and start to turn higher."

There's no denying that the Trump administration's **tariff forays have weighed on the market's mood**, sending AAI (American Association Individual Investor) sentiment to levels that Newton described as "almost **extreme fear levels.**" To him, this seems like **an overreaction**. "A 5% drawdown is certainly not the end of the world," he suggested, while reminding us that the last two times that AAI sentiment got this bearish were in 2022 after the market fell 25%, and 2009 after a 40% drawdown. "Nine times out of 10 when [investors get this fearful], **it's really getting close to a time you want to buy the market,**" Newton added.

Lee also sees initial signs of a possible turnaround approaching. “The recent **stock-market drawdown appears to have triggered a shift in rhetoric from Trump** and his team,” he observed, citing this as “evidence of the **Trump put returning**.” He further noted that this week, the Trump administration made conciliatory statements about tariffs on Canadian and Mexican imports, which “signals some desire to reduce harsh financial market consequences.” In Lee’s view, this week’s weak jobs numbers could **not only reinforce the Trump put but also bring the Fed put back into play**, potentially “limiting the downside risk for stocks.”


---

## Sector Allocation Strategy

---

These are the latest strategic sector ratings from Head of Research Tom Lee and Head of Technical Strategy Mark Newton – part of the March 2025 update to the [FSI Sector Allocation Strategy](#). FS Insight Macro and Pro subscribers can [click here](#) for ETF recommendations, precise guidance on strategic and tactical weightings, detailed commentary, and methodology.

---

 Live Webinar and Q&A

# Super Grannies & Market Update Webinar

## Tom Lee's Top Stock Ideas



Tom Lee, CFA  
Head of Research



Mark Newton, CMT  
Head of Technical Strategy



March 19 2025 at 2pm ET



---

## Chart of the Week

---

Last week, Fundstrat Head of Research Tom Lee urged investors to “stay on target,” rather than try to time the market with a tactical exit and re-entry. As he reminded us this week, buy-and-hold strategies tend to outperform such efforts, citing the rule of “10 best days,” – to wit, the stock market makes most of its gains in the 10 best trading days of any given year. Since 1928, the S&P 500 has averaged annual returns of 8%. But if one were to exclude returns generated on the 10 best days of each year, those returns transform into average annual declines of 13%. As our Chart of the Week shows, this rule has held up in the past decade. Average annual returns of the S&P 500 since 2015 have been 12%, but excluding each year’s 10 best days, the index has notched an average annual 10% decline. The bottom line is that “investors must remain mindful of the significant opportunity cost associated with remaining sidelined, even during periods of volatility,” he warned.



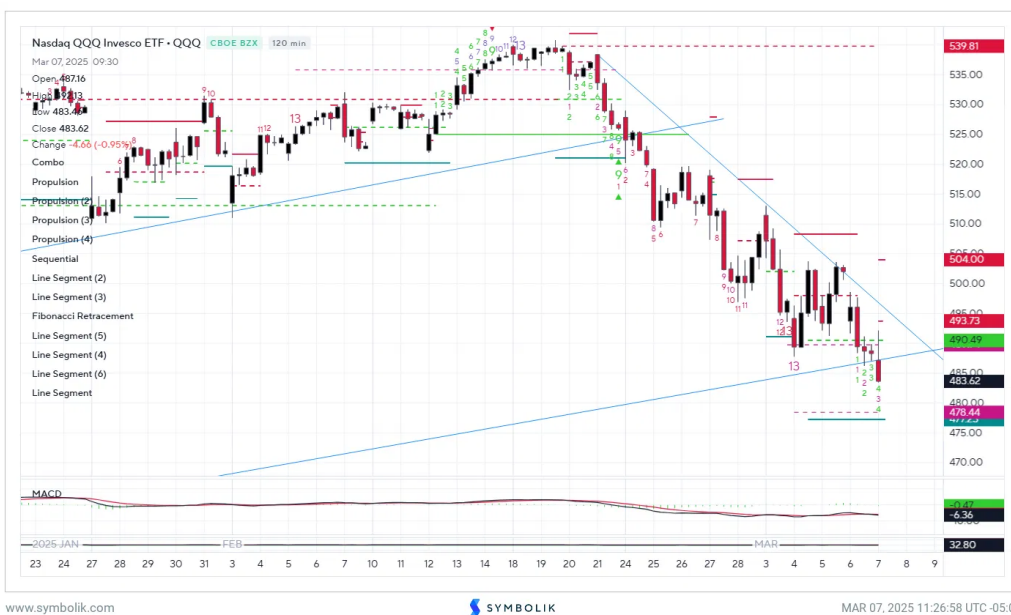
## Recent *Flash Insights*



**Mark L. Newton, CMT<sub>AC</sub>**

Head of Technical Strategy

**QQQ ▲0.55%** has now pulled down into an attractive area of support and the 50% retracement level of the prior low to high range from last August intersects at 482. Unfortunately, when utilizing intra-day DeMark counts to attempt to fine-tune where QQQ might bottom, these are premature here and do make the case for 478-80 into early next week. Thus, while an oversold rally might attempt to happen at any time, next week looks more likely based on intra-day DeMark along with wave structure and Market cycles.



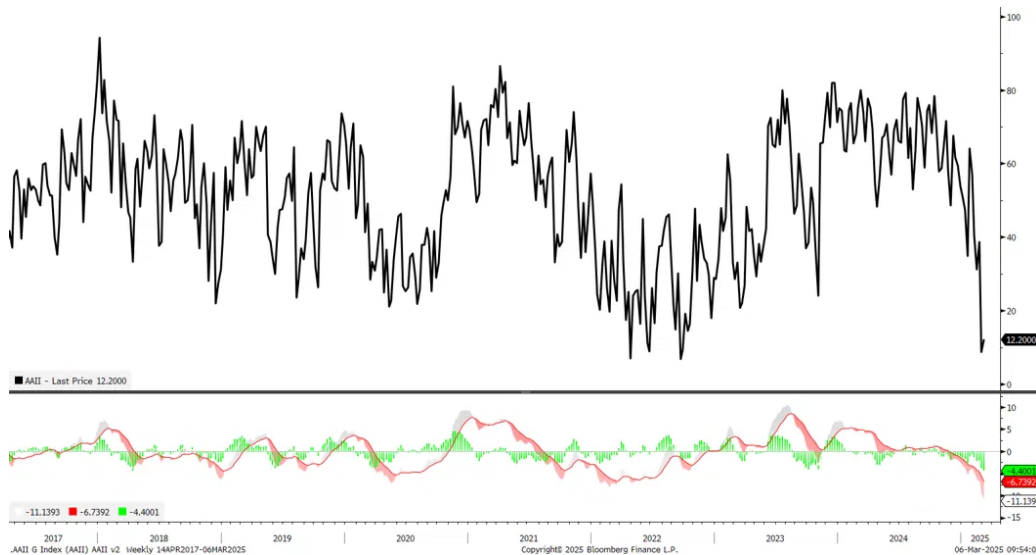
Mar 7 • 11:53 AM



**Mark L. Newton, CMT<sub>AC</sub>**

Head of Technical Strategy

AAll data (American Association of Individual Investors) continues to show bearish sentiment being quite elevated for the second straight week and the negativity on both AAll, Fear and Greed and other retail polls shows bearish sentiment being the highest since 2022. Of course, this doesn't imply that markets necessarily have to bottom right away, but suspect that this is close. Note, there is no evidence of capitulation meaning abnormal downside volume or high Equity Put/call data, and this is not always necessary before markets turn. Last week showed 57% Bears and 19% bulls, for a net negative spread of around 38% which is extreme. See this chart where the last time markets were at similar levels of fear was following the bear market of 2021-2022.



Mar 6 • 1:01 PM



**Mark L. Newton, CMT<sub>AC</sub>**

Head of Technical Strategy

Semiconductors have been very hard hit lately and Semiconductors have underperformed both Tech Hardware and Software lately. NVDA has now undercut 113 and SOX, the Philly Semiconductor index, has broken down to the lowest levels since last Summer. While the chart looks ominous over the last year as a potential topping pattern, there is no proof of this being a topping pattern technically until/unless August lows are broken at 4290. Initial support

lies at 4426 and should be important over the next 1-2 days this week in holding. However, failure to rally back above 4800 would result in a drop down to test this very level (4290 from 8/5/24) I suspect that SOX will find strong support at levels just below current- 4426 down to 4290, and am not expecting a technical breakdown. Thus, while NVDA looks subpar on a break of 113 in the short run, my thinking is there will be opportunity in March within the next 1-2 weeks.



Mar 4 • 11:12 AM

## FSI Video: Weekly Highlight



*Key incoming data*

- ~~3/3 9:45 AM ET: Feb F S&P Global Manufacturing PMI~~ **Tame**
- ~~3/3 10:00 AM ET: Feb ISM Manufacturing PMI~~ **Tame**
- ~~3/5 9:45 AM ET: Feb F S&P Global Services PMI~~ **Tame**
- ~~3/5 10:00 AM ET: Feb ISM Services PMI~~ **Tame**
- ~~3/5 10:00 AM ET: Jan F Durable Goods Orders~~ **Tame**
- ~~3/5 2:00 PM ET: Mar Fed Releases Beige Book~~ **Tame**
- ~~3/6 8:30 AM ET: 4Q F Non-Farm Productivity~~ **Tame**
- ~~3/6 8:30 AM ET: Jan Trade Balance~~ **Tame**
- ~~3/6 8:30 AM ET: 4Q F Unit Labor Costs~~ **Tame**
- ~~3/7 8:30 AM ET: Feb Non-Farm Payrolls~~ **Tame**
- ~~3/7 9:00 AM ET: Feb F Manheim Used Vehicle index~~ **Tame**







- 3/10 11:00 AM ET: Feb NY Fed 1yr Inf Exp
- 3/11 6:00 AM ET: Feb Small Business Optimism Survey
- 3/11 10:00 AM ET: Jan JOLTS Job Openings
- 3/12 8:30 AM ET: Feb CPI
- 3/13 8:30 AM ET: Feb PPI
- 3/14 10:00 AM ET: Mar P U. Mich. Sentiment and Inflation Expectation

Live Webinar with Mark Newton

# Live Technical Analysis

March 4, 2025 @ 2pm ET

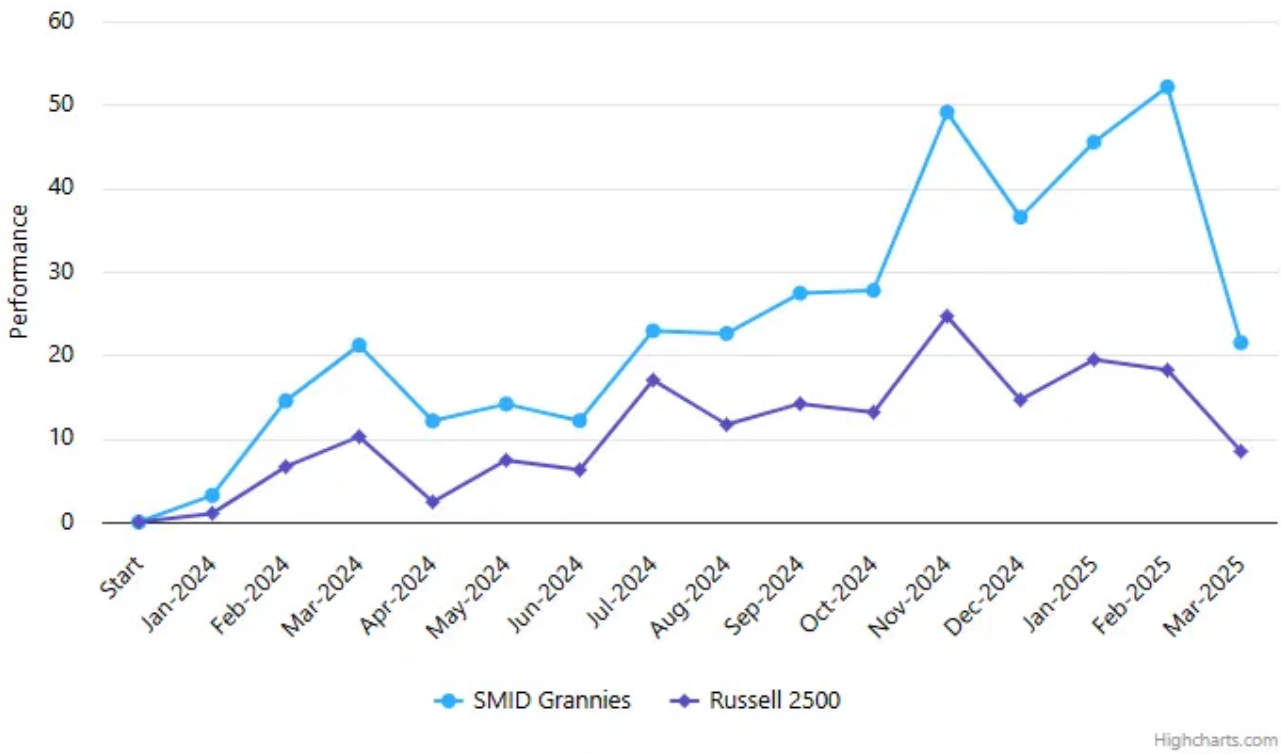
[Watch Replay Now](#)



## *Stock List Performance*



## Inception to Date SMID Granny Shots Performance ( January 16, 2024 )

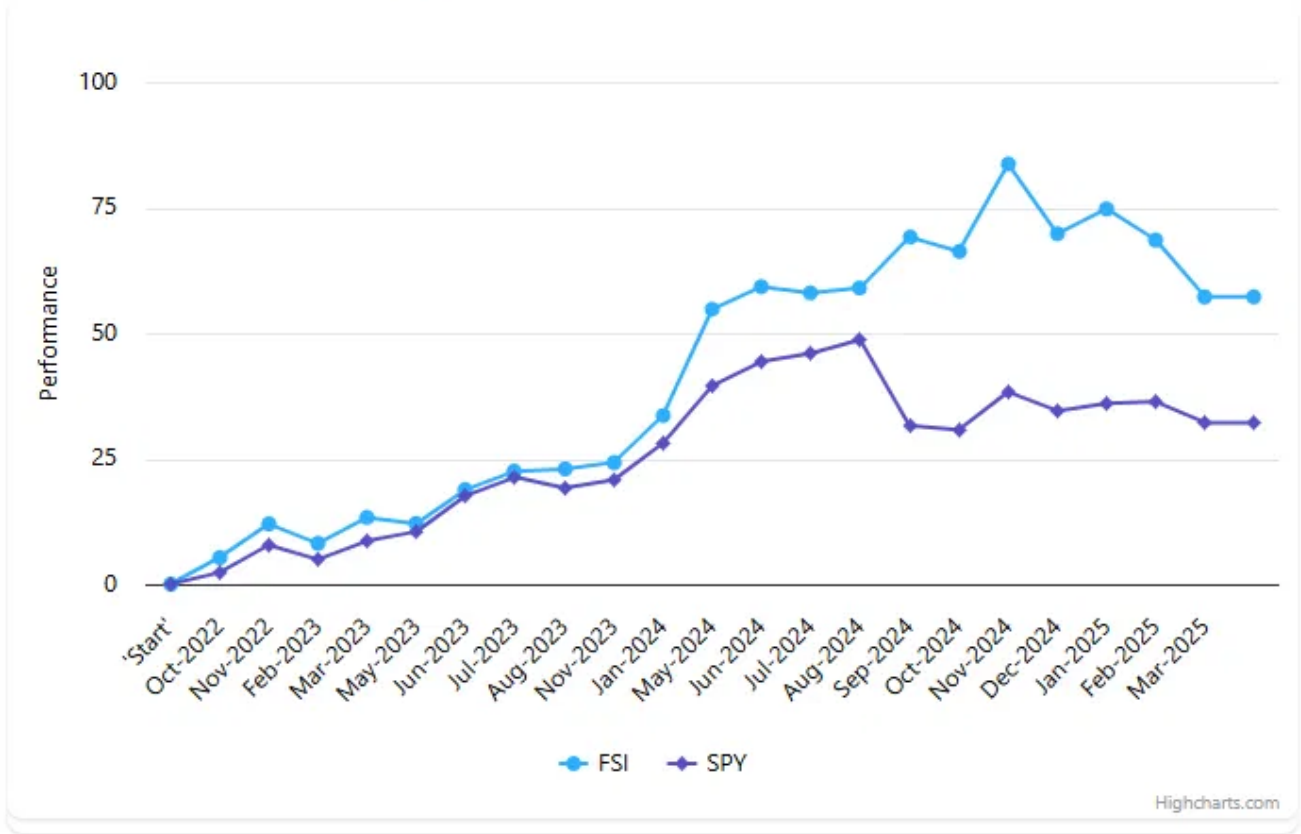


Highcharts.com

Performance period: January 16, 2024 through March 07, 2025



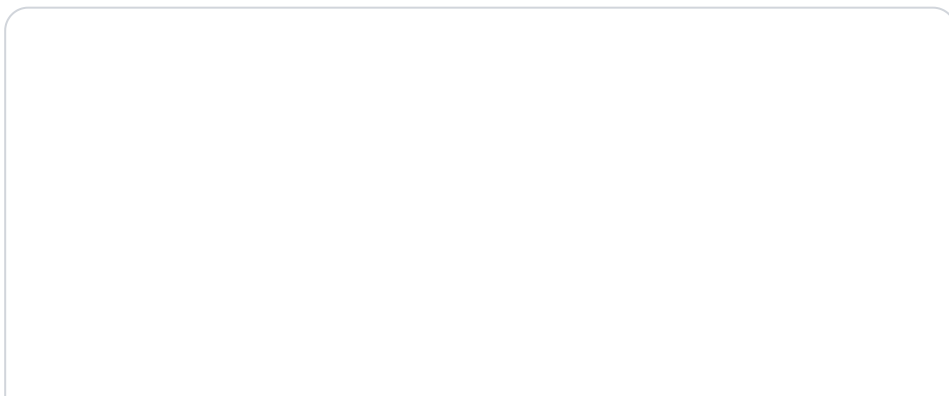
### Upticks Against the SPY ( Inception to Date )



- Upticks
- SPY

Performance period: October 5, 2022 through March 07, 2025

### In the News





### Tom Lee to the Rescue | TCAF 181

Mar 7, 2025



### The spring could have huge rallying months, says Fundstrat's Tom Lee

Mar 5, 2025





Expect bitcoin to do better than \$150,000 this year, says Fundstrat's Tom Lee

Mar 3, 2025



Start Your 30-Day Free Trial Now! [More News Appearances](#)

---

## Disclosures

---

This research is for the clients of FS Insight only. FSI Subscription entitles the subscriber to 1 user, research cannot be shared or redistributed. For additional information, please contact your sales representative or FS Insight at [fsinsight.com](https://fsinsight.com).

### Conflicts of Interest

This research contains the views, opinions and recommendations of FS Insight. At the time of publication of this report, FS Insight does not know of, or have reason to know of any material conflicts of interest.

### General Disclosures

FS Insight is an independent research company and is not a registered investment advisor and is not acting as a broker dealer under any federal or state securities laws.

FS Insight is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of FS Insight (i.e. Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by FS Insight clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of FS Insight, which is available to select institutional clients that have engaged FS Insight.

As registered representatives of IRC Securities our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

FS Insight does not have the same conflicts that traditional sell-side research organizations have because FS Insight (1) does not conduct any investment banking activities, and (2) does not manage any investment funds.

This communication is issued by FS Insight and/or affiliates of FS Insight. This is not a personal recommendation, nor an offer to buy or sell nor a solicitation to buy or sell any securities, investment products or other financial instruments or services. This material is distributed for general informational and educational purposes only and is not intended to constitute legal, tax, accounting or investment advice. The statements in this document shall not be considered as an objective or independent explanation of the matters. Please note that this document (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject



to any prohibition on dealing ahead of the dissemination or publication of investment research. Intended for recipient only and not for further distribution without the consent of FS Insight.

This research is for the clients of FS Insight only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but FS Insight does not warrant its completeness or accuracy except with respect to any disclosures relative to FS Insight and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies. The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein. Except in circumstances where FS Insight expressly agrees otherwise in writing, FS Insight is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, [fsinsight.com](https://fsinsight.com). Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.

**Copyright © 2025 FS Insight LLC. All rights reserved. No part of this material may be reprinted, sold or redistributed without the prior written consent of FS Insight LLC.**