

Stocks Strong As Courts Weigh Tariffs

Despite lackluster trading activity on the last trading day of May, **it was a good week and a good month for stocks**. The S&P 500 closed the month of May **up nearly 4%**, while the Nasdaq **gained 6.36%** for the month. This month also saw **Bitcoin hit new all-time highs of USD \$111,681 on May 22**.

While that last part was obviously welcome news for BTC investors, it was a **good signal for the equities market as well**. As Fundstrat Head of Digital Asset Strategy Sean Farrell noted, "Bitcoin being further out on the risk curve than other asset classes means that it often moves first."

Fundstrat Head of Research Tom Lee concurs. **"We view Bitcoin as a leading indicator and thus, we expect stocks to reattain all time highs**, which Bitcoin achieved last week." he wrote. For those curious about Lee's longer-term outlook, he reaffirmed the year-end target he forecast for the S&P 500 in December 2024: **"We see S&P 500 reaching 6,600 by year-end,"** he reiterated.

On Wednesday evening, the U.S. Court of International Trade ruled against the Trump administration, ruling that Trump exceeded the presidential authority granted by the International Economic Emergency Powers Act (IEEPA) to unilaterally impose tariffs in April. Another federal court in Washington, D.C. issued a similar ruling shortly thereafter, and an appellate court then imposed a stay, temporarily reinstating the tariffs pending White House appeal.

At the Fundstrat weekly research huddle, more than one team member was **skeptical that this would be the end of tariffs**. Head of Technical Strategy Mark Newton said, "I don't think this whole tariff rollback is really going to amount to anything," he said. "I know this issue obviously is important, but in my view, **[tariffs do not] affect markets to the extent people think**."



A number of legal experts have noted that the White House can still proceed with other ways to implement tariffs even if he loses this court battle. Lee views that as less relevant for investors. "To me, this is not the central point," he said. "The **White House is arguably losing leverage on these negotiations**, which suggests to us the White House is looking for an 'off ramp.' This is a **positive for stocks**," he told us.

**Video Now Available**

What's in Store for Markets?

Plus analysis on \$FXI, \$NVDA, \$XHB, \$RSP and more

[Reserve Your Seat](#)

Mark Newton, CMT
Head of Technical Strategy



Chart of the Week



This week, Nvidia reported quarterly results that beat on both top and bottom lines while reaffirming the AI thesis. As shown in our Chart of the Week, Fundstrat's Tom Lee views Nvidia and Apple as important stocks to watch. He remains constructive on the Mag Seven stocks. Ahead of Nvidia's earnings, Mark Newton had remarked on the stock's recent comeback, viewing its moves as supportive of the semiconductor industry in general. Yet, he suggested that "maybe you get another 10 points [to around 153], but Nvidia is probably going to stall for a little bit." That doesn't change his long-term constructivism on the company and tech in general: "I still like tech. I think it's a great sector," he told us.

Recent ⚡ Flash Insights



L. Thomas Block

Washington Policy Strategist

White House files for immediate court stay on last night's tariff ruling. The White House will go directly to the Supreme Court if the stay isn't granted. SCOTUS filing could come as early as tomorrow. Lots of tariff headlines in coming hours.

May 29 • 1:22 PM

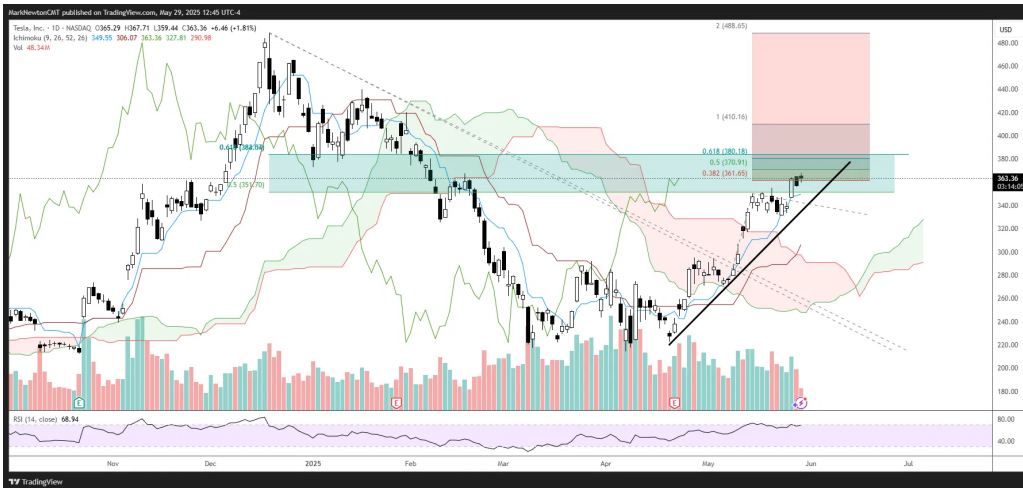


Mark L. Newton, CMT_ AC

Head of Technical Strategy

TSLA's trend has improved in breaking the downtrend from last December and has rapidly managed to regain more than 50% of the damage done since it peaked 5.5 months ago. Notably, it's also nearing the 50% time ratio of the decline from last December. DeMark tools are early by 2-3 weeks towards suggesting any kind of exhaustion. Thus, it's right to stick with the trend until either \$380-3 is reached, or above near \$407-\$410, which if reached in mid-

June should allow for a pullback into early-to-mid July and make the stock quite a bit more attractive from a risk/reward perspective. At present, the **TSLA ▼-3.55%** uptrend line intersects near \$331, which roughly lines up with 5/22 lows. Until this is taken out, it's right for those who might be short-term oriented, to expect further gains, and expect higher prices into early to mid-June. I'll discuss this in more detail tonight in the Daily note.



May 29 • 1:12 PM



L. Thomas Block

Washington Policy Strategist

White House and Fed announce that at the President's invitation Chair Powell went to the White House for a meeting. Next FOMC meeting June 17/18. Always interesting when President and Fed Chair talk.

May 29 • 1:17 PM

FS Insight Video: Weekly Highlight



Key incoming data

- ~~5/27 8:30 AM ET: Apr P Durable Goods Orders MoM~~ **Tame**
- ~~5/27 9:00 AM ET: Mar S&P CoreLogic CS home price~~ **Tame**
- ~~5/27 10:00 AM ET: May Conference Board Consumer Confidence~~ **Tame**
- ~~5/27 10:30 AM ET: May Dallas Fed Manuf. Activity Survey~~ **Tame**
- ~~5/28 10:00 AM ET: May Richmond Fed Manufacturing Survey~~ **Tame**
- ~~5/28 2:00 PM ET: May FOMC Meeting Minutes~~ **Mixed**
- ~~5/29 8:30 AM ET: 1Q S GDP QoQ~~ **Tame**
- ~~5/30 8:30 AM ET: Apr Core PCE Deflator MoM~~ **Tame**
- ~~5/30 10:00 AM ET: May F U. Mich. Sentiment and Inflation Expectation~~ **Mixed**
- ~~6/2 9:45 AM ET: May F S&P Global Manufacturing PMI~~
- ~~6/2 10:00 AM ET: May ISM Manufacturing PMI~~



- 6/3 10:00 AM ET: Apr JOLTS Job Openings
- 6/3 10:00 AM ET: Apr F Durable Goods Orders MoM
- 6/4 9:45 AM ET: May F S&P Global Services PMI
- 6/4 10:00 AM ET: May ISM Services PMI
- 6/4 2:00 PM ET: Jan Fed Releases Beige Book
- 6/5 8:30 AM ET: 1Q F Unit Labor Costs
- 6/5 8:30 AM ET: 1Q F Nonfarm Productivity QoQ
- 6/5 8:30 AM ET: Apr Trade Balance
- 6/6 8:30 AM ET: May Non-farm Payrolls
- 6/6 9:00 AM ET: May F Manheim Used Vehicle Index

▶ Live Webinar and Q&A

“Super Grannies” & Market Update Webinar

Thursday, May 22 @ 2pm ET



Tom Lee, CFA
Head of Research



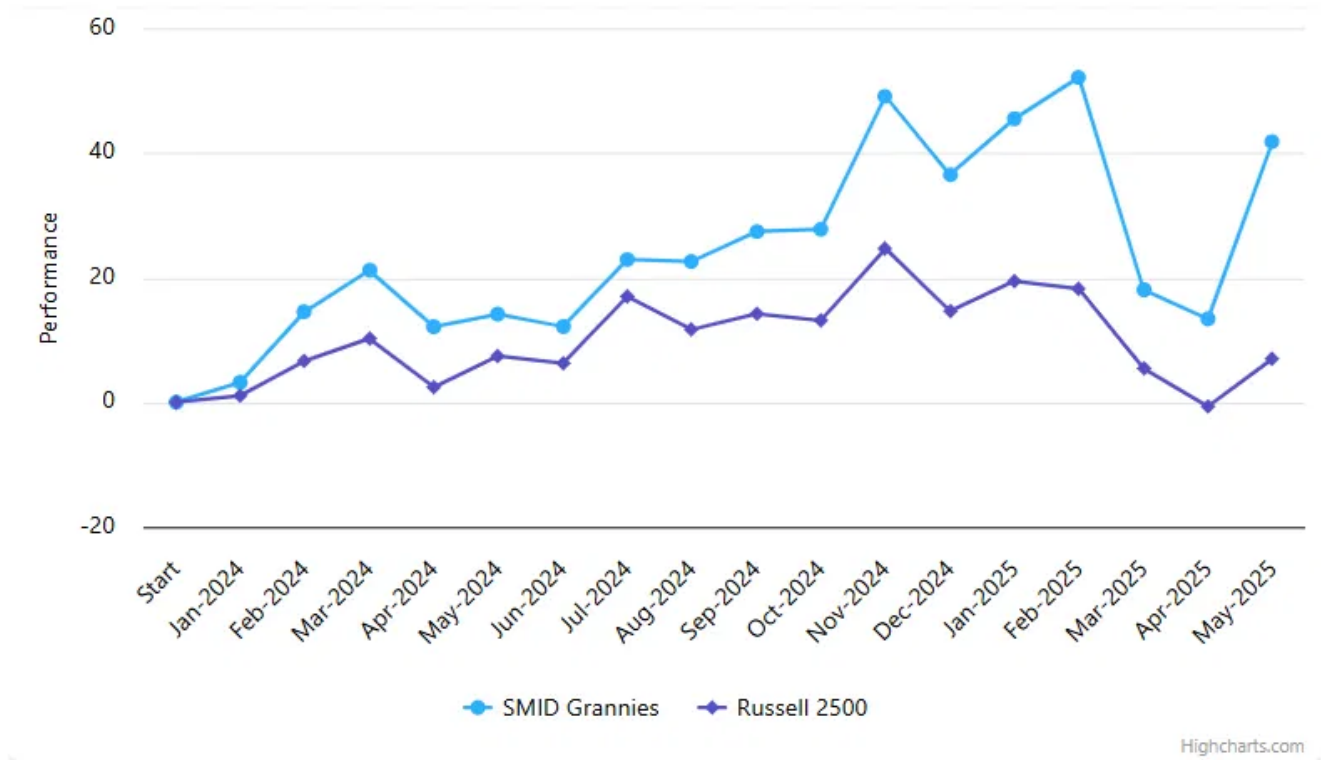
Mark Newton, CMT
Head of Technical Strategy



Stock List Performance

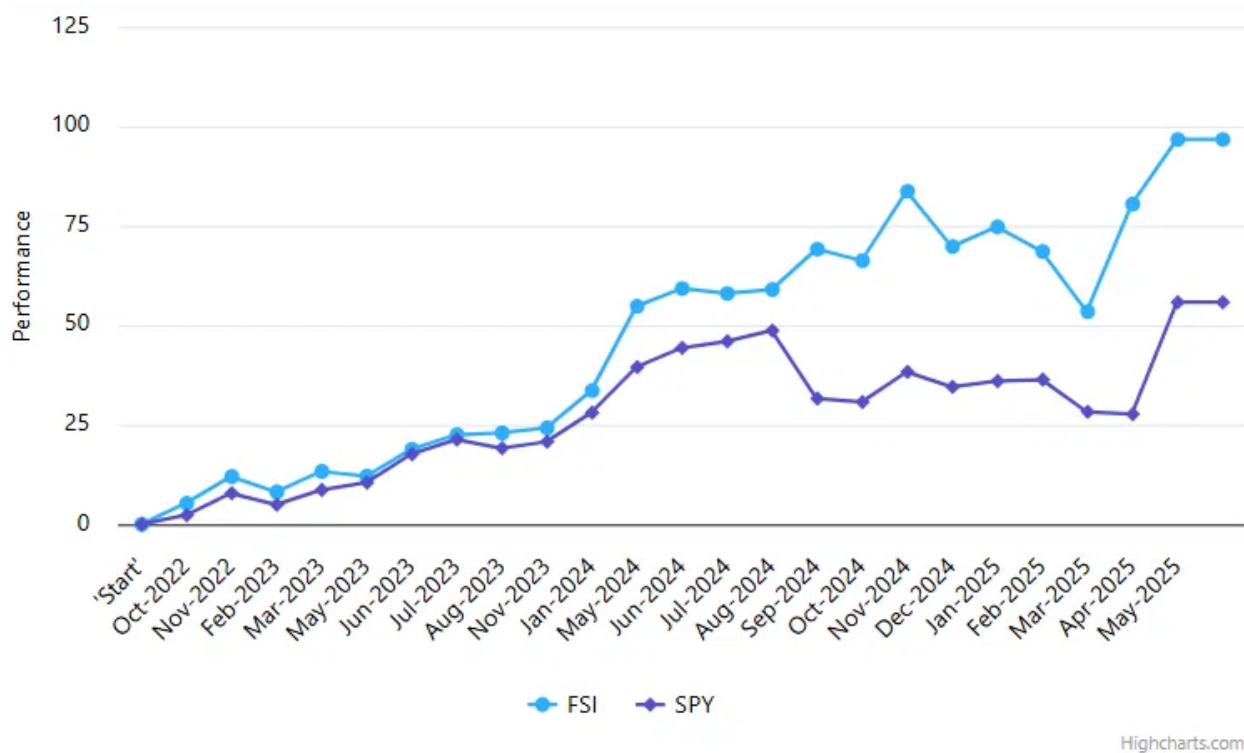


Inception to Date SMID Granny Shots Performance (January 16, 2024)



Performance period: January 16, 2024 through May 31, 2025

Upticks Against the SPY (Inception to Date)



Performance period: October 5, 2022 through May 31, 2025

In the News



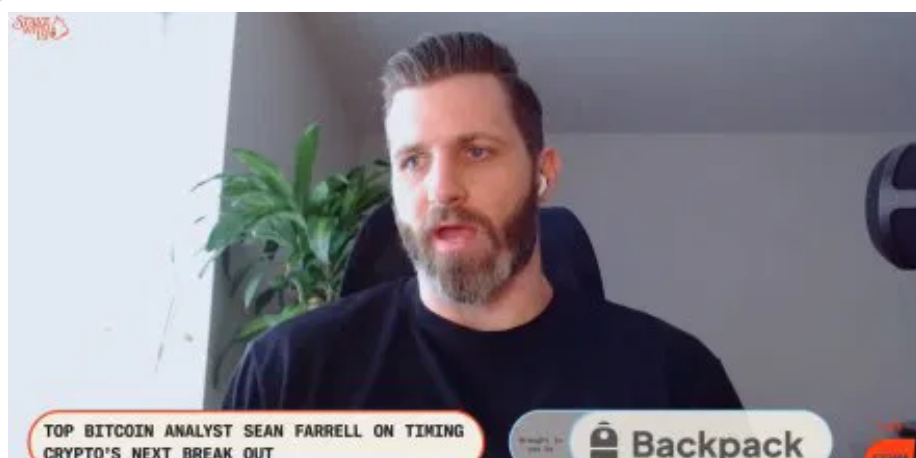
Budget deficit is real threat long-term

May 28, 2025



There's not much signal in Moody's U.S. downgrade

May 19, 2025



Sean Farrell on Timing Crypto's next break out



May 16, 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.

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. 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.