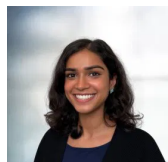


FSI Snapshot

June 8, 2025

## Stocks Aren't Heartbroken Over Trump-Elon Breakup

**Hardika Singh**

ECONOMIC STRATEGIST, MARKET INTELLIGENCE

Stocks **burst out of the gate** to start June, building on gains from the prior month.

The S&P added 1.5% this month and **crossed the key level of 6,000**, while the Nasdaq Composite gained 2.2%. Losers from earlier this year—semiconductor stocks—were **responsible for the latest advance**. Other than the usual stars like Nvidia and Advanced Micro Devices, another **chip company re-joined the ranks: Broadcom**, whose shares increased 2%.

The broad-based index is up 2% this year and **off just 2.3% from all-time highs**, even as many investors argue that the rally has no legs because there's been little-to-no tariffs resolution and worries about a **ballooning U.S. budget deficit** haven't gone away. Despite that, **stocks are mounting a rebound**.

The ADP jobs report on Wednesday, which focuses on private-sector job creation, **hit its lowest level in May** in more than two years, prompting calls from President Donald Trump to lower interest rates.

"I don't think that's entirely bad news because if we have a weak employment report, I do think it **sets the stage for the Fed to be more dovish**," Head of Research Tom Lee said.

The **jobs report Friday showed a different picture**, showing that the U.S. economy added 139,000 jobs in May, above the 125,000 expected by economists but below the revised April jobs number of 147,000. **Stocks rallied sharply in response**, but Treasury yields shot up.

The headlines this week were dominated by **Tesla Chief Executive and former DOGE lead Elon Musk**, who called Trump's One Big Beautiful Bill a “**disgusting abomination**,” setting off a public spat between the two former friends.

In response, Trump said, “I don't know if we will have a **great relationship with Elon anymore**.”

Head of Technical Strategy Newton expects that the S&P 500 will **make a run for 6,100-6,140**.

“**Momentum is really starting to cross over**, so even if we stall here and have some churning, my expectation is still for an eventual push up into the month of August,” he said. “The next couple of months are going to be **very, very good**.”

He noted the recent **rally in small-cap stocks**, which have gained 21% since the April 8 low, slightly outperforming the S&P 500's 20% gain.



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## Sector Allocation Strategy

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These are the [latest strategic sector ratings](#) from Head of Research Tom Lee and Head of Technical Strategy Mark Newton – part of the June 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.

## Sector ETF Allocations – Strategic Sector Ratings

	<b>Macro</b> <i>Thomas Lee</i> 	<b>Technical</b> <i>Mark Newton</i> 
Consumer Discretionary	Overweight	Overweight
Industrials	Overweight	Overweight
Information Technology	Overweight	Overweight
Communication Services	Overweight	Neutral
Basic Materials	Neutral	Neutral Upgrade Underweight
Energy	Neutral	Underweight
Financials	Overweight	Overweight
Real Estate	Overweight	Neutral
Consumer Staples	Underweight	Underweight
Health Care	Neutral	Neutral Downgrade Underweight
Utilities	Neutral	Overweight

Source: Fundstrat



Live Webinar with Q&A

# Mark Newton's Live Technical Analysis

June 10 at 2pm ET



Mark Newton, CMT  
Head of Technical Strategy



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*Chart of the Week*

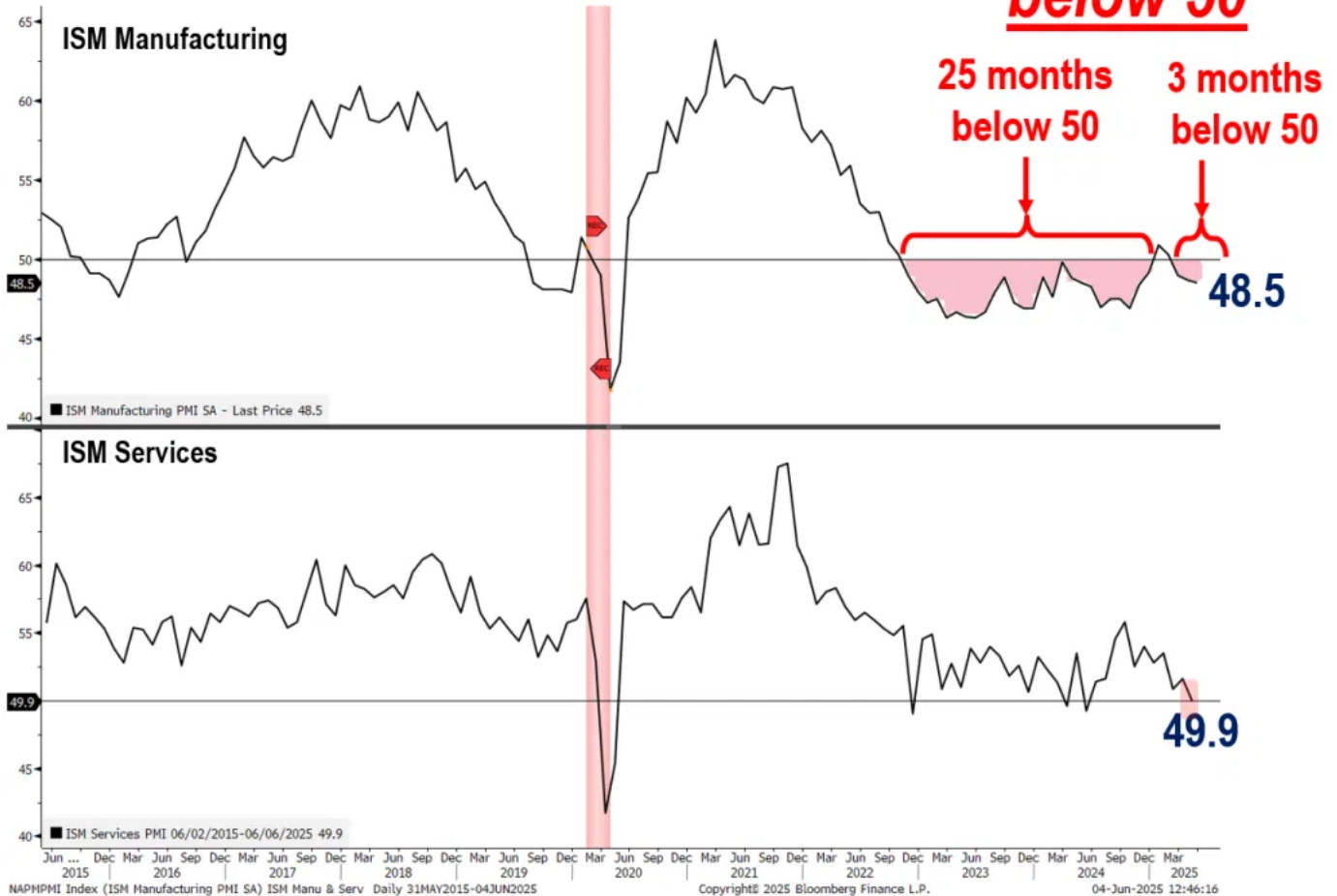
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## ISM Manufacturing: Below 50 for 28 months!

**28 months  
below 50**

**25 months  
below 50**

**3 months  
below 50**



Fundstrat Head of Research Tom Lee says that, to him, the current rally resembles an early bull market. He expects the gains to continue, partly because the Institute for Supply Management's purchasing managers' index of manufacturing activity (PMI) has come in below 50, indicating a contractionary economy, for many months. The latest release showed the index fell to 48.5 in May from 48.7 in April. "I don't think the S&P 500 has peaked until the ISM has moved above 50," Lee said during his Macro Minute videos. "Conditions remain in place for what would be a face ripper, especially as we cross to all-time highs."

## Recent ✂ Flash Insights

**Mark L. Newton, CMT\_ AC**Head of Technical Strategy

Important to note that **TSLA ▲4.13%** decline is now nearing its 38.2% area of the entire rally off the April lows after a few severe days of selling in early June. This Elliott pattern seems to be nearing conclusion and might provide a bottom between 307-315 now on this weakness. The upcoming Robotaxi rollout in Austin is scheduled for next week and technically, despite this rapid unraveling in the stock in recent days, TSLA remains higher by more than 45% in the last 8 weeks. I don't see this pullback as being a big deal technically, and expect a rally to begin following some stabilization in the days to come. We'll see if the stock can stabilize here, but it looks close technically and the wave structure along with Fibonacci retracements speak to this possibly bottoming while intermediate-term momentum remains quite positive.

Jun 5 • 12:52 PM**L. Thomas Block**Washington Policy Strategist

Trump/Xi call seemed to go well. Trump said: "resulted in a very positive conclusion for both countries". Xi invited the President and Mrs. Trump to China



and in the coming weeks the two nations will have talks. White House says Bessent and Lutnick will lead US delegation.

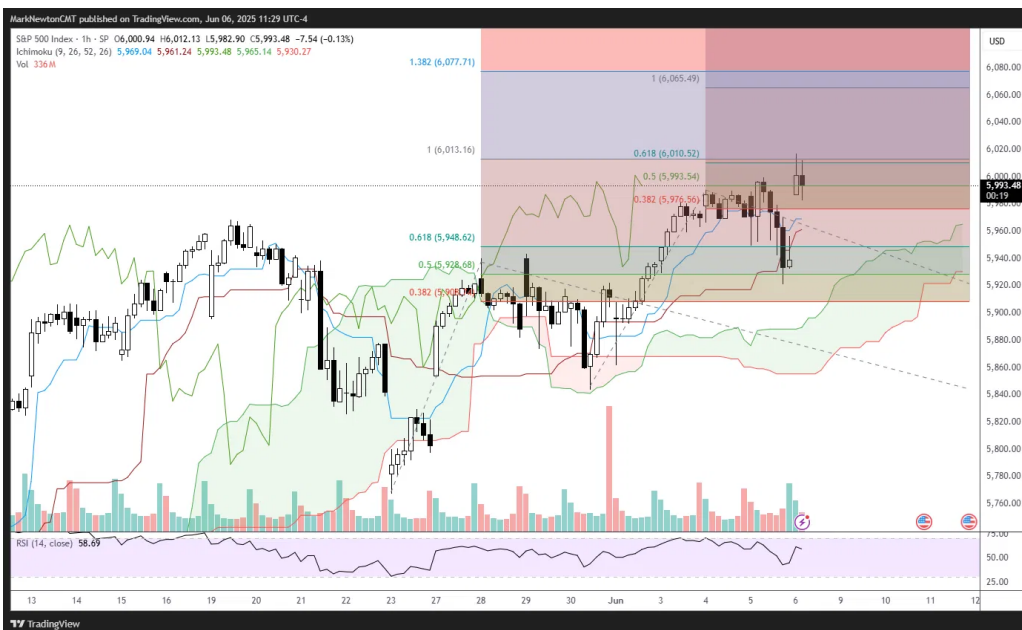
Jun 5 • 5:07 PM



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

Head of Technical Strategy

Snapback in US Equities along with Cryptocurrencies higher given a potential thaw in the Musk/Trump battle and evidence of a reassuring Jobs picture has caused S&P to push back above 6000 ever so slightly. Hourly charts show this to be the likely “final” push up of the short-term rally from late May lows which is expected to also a potential “final” push up for S&P from early April. As can be seen, potential Elliott-based alternate extension targets point to 6065-6077 which should be important if reached between now and early next week as resistance. Overall, as discussed, while i remain quite bullish between now and August i suspect that markets will need to consolidate gains which might start sometime next week, but should be complete by 6/23



Jun 6 • 12:00 PM

## FS Insight Video: Weekly Highlight



## Key incoming data

- ~~6/2 9:45 AM ET: May F S&P Global Manufacturing PMI~~ **Tame**
- ~~6/2 10:00 AM ET: May ISM Manufacturing PMI~~ **Tame**
- ~~6/3 10:00 AM ET: Apr JOLTS Job Openings~~ **Tame**
- ~~6/3 10:00 AM ET: Apr F Durable Goods Orders MoM~~ **Tame**
- ~~6/4 9:45 AM ET: May F S&P Global Services PMI~~ **Tame**
- ~~6/4 10:00 AM ET: May ISM Services PMI~~ **Tame**
- ~~6/4 2:00 PM ET: Jan Fed Releases Beige Book~~ **Mixed**
- ~~6/5 8:30 AM ET: 1Q F Unit Labor Costs~~ **Tame**
- ~~6/5 8:30 AM ET: 1Q F Nonfarm Productivity QoQ~~ **Tame**





- ~~6/5 8:30 AM ET: Apr Trade Balance~~ **Tame**
- ~~6/6 8:30 AM ET: May Non-farm Payrolls~~ **Tame**
- ~~6/6 9:00 AM ET: May F Manheim Used Vehicle Index~~ **Tame**
- 6/9 11:00 AM ET: May NYFed 1yr Inf Exp
- 6/10 6:00 AM ET: May Small Business Optimism Survey
- 6/11 8:30 AM ET: May Core CPI MoM
- 6/12 8:30 AM ET: May Core PPI MoM
- 6/13 10:00 AM ET: Jun P U. Mich. 1yr Inf Exp
- 6/16 8:30 AM ET: Jun Empire Manufacturing Survey
- 6/17 8:30 AM ET: May Retail Sales
- 6/17 10:00 AM ET: Jun NAHB Housing Market Index
- 6/18 9:00 AM ET: Jun M Manheim Used Vehicle Index
- 6/18 2:00 PM ET: Jun FOMC Decision
- 6/18 4:00 PM ET: Apr Net TIC Flows
- 6/20 8:30 AM ET: Jun Philly Fed Business Outlook
- 6/23 9:45 AM ET: Jun P S&P Global Services PMI
- 6/23 9:45 AM ET: Jun P S&P Global Manufacturing PMI
- 6/23 10:00 AM ET: May Existing Home Sales
- 6/24 9:00 AM ET: Apr S&P CS home price 20-City MoM
- 6/24 10:00 AM ET: Jun Conference Board Consumer Confidence
- 6/24 10:00 AM ET: Jun Richmond Fed Manufacturing Survey
- 6/25 10:00 AM ET: May New Home Sales
- 6/26 8:30 AM ET: May P Durable Goods Orders MoM
- 6/26 8:30 AM ET: May Chicago Fed Nat Activity Index
- 6/26 8:30 AM ET: 1Q T GDP QoQ



- 6/26 11:00 AM ET: Jun Kansas City Fed Manufacturing Survey
- 6/27 8:30 AM ET: May Core PCE MoM
- 6/27 10:00 AM ET: Jun F U. Mich. 1yr Inf Exp

▶ Live Webinar with Q&A

# “Super Grannies” & Market Update Webinar

Monday, June 30 @ 2pm ET



Tom Lee, CFA  
Head of Research

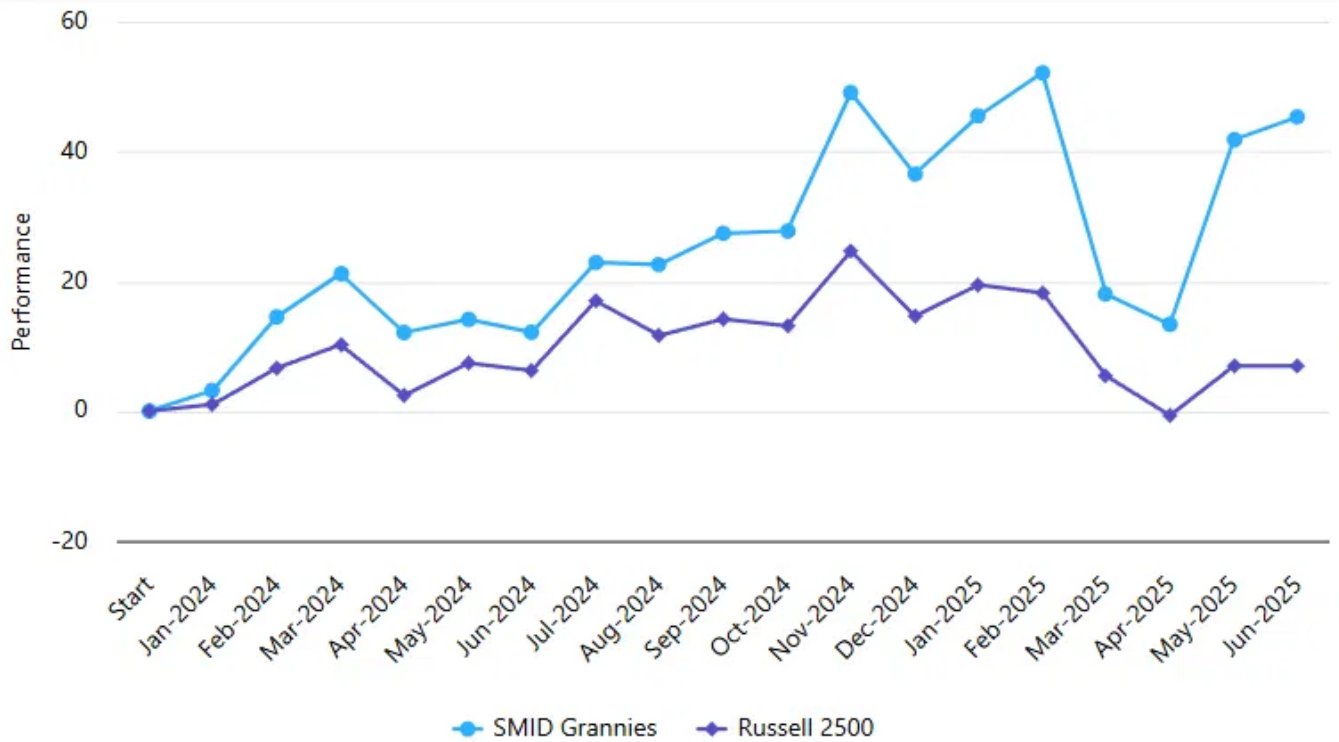


Mark Newton, CMT  
Head of Technical Strategy



## Stock List Performance

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



Highcharts.com

Performance period: January 16, 2024 through June 06, 2025

## Upticks Against the SPY ( Inception to Date )



Highcharts.com

Performance period: October 5, 2022 through June 06, 2025

## In the News



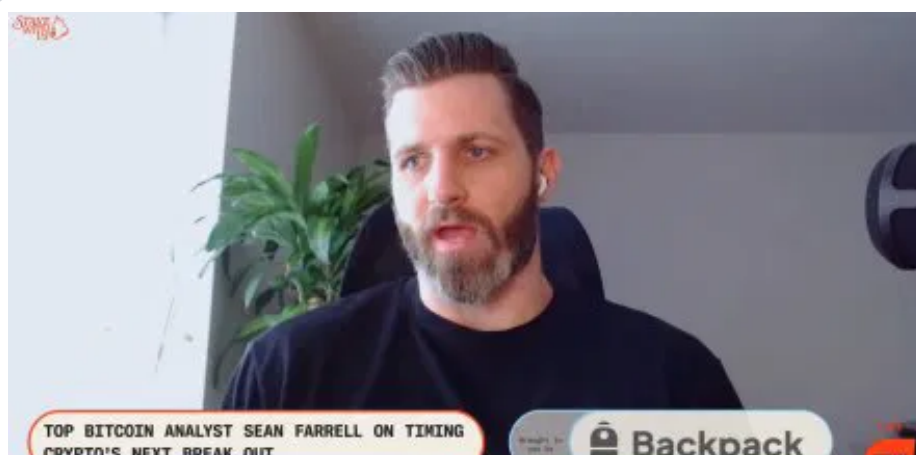
Budget deficit is real threat long-term

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

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