

Risk-On Again, Baby

Sleepy stocks got a **much-needed adrenaline boost** at the end of the week when Federal Reserve Chair Jerome Powell greenlit the idea of interest-rate cuts as soon as September.

The S&P 500 added 1.5% on Friday, while the Nasdaq Composite surged 1.9%. The **small-cap focused Russell 2000 outperformed both**, adding 3.9%.

Powell said shifting risks **may warrant adjusting the central bank's policy stance**. Many investors liked that the chair is paying greater attention to the labor market, which is much needed because of the recent downward revisions to the jobs report.

"Overall, while the labor market appears to be in balance, it is a **curious kind of balance that results from** a marked slowing in both supply of and demand for workers," he said. "This unusual situation suggests that **downside risks to employment are rising**. If those risks materialize, they can do so quickly in the form of sharply higher layoffs and rising unemployment."

As for inflation, Powell reiterated that **tariffs will likely cause a one-time increase**.

"Fed speech is dovish. Positive for small caps, positive for Bitcoin, and positive for Ethereum," Fundstrat Head of Research Tom Lee wrote. **Ethereum prices briefly set a new all-time high Friday afternoon.**

This week, the **S&P 500 added 0.3% and the Nasdaq Composite fell 0.6%.**

Seasonality trends suggested that the **month might be challenging.**

"We're in very much a seasonal part of the year where **normally we do get some weakness**, which usually happens from August into October," Fundstrat Head of Technical Strategy Mark Newton noted at our weekly huddle. "Honestly, **I would argue the trend has held up a little bit better than** what this indicates should be the case."



Newton is in agreement with **Lee that the upward path for equities till year-end** is unlikely to be a straight line.

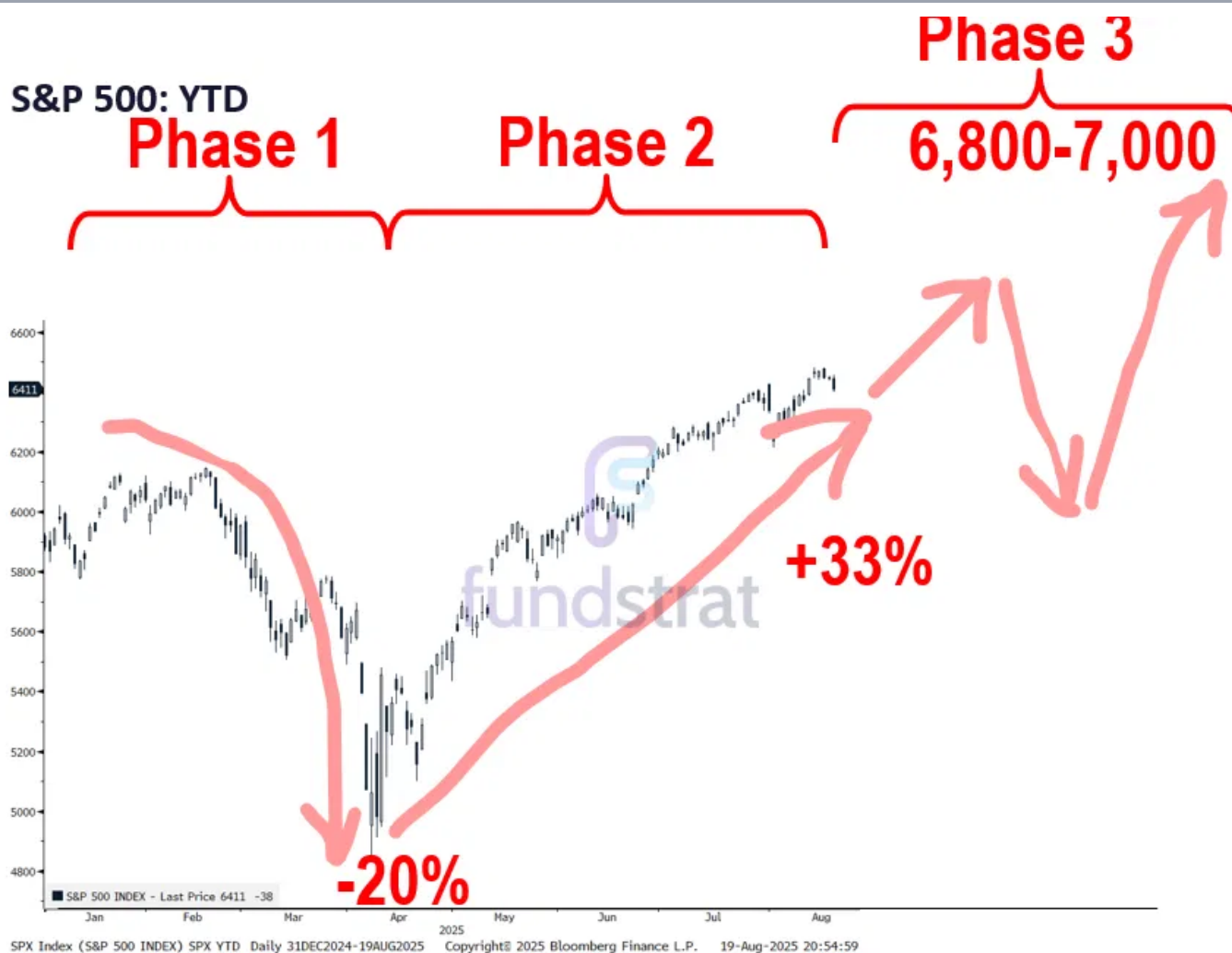
▶ Live Webinar and Q&A

Mark Newton's Live Technical Analysis

September 2 at 2pm ET

Mark Newton, CMT
Head of Technical Strategy

Chart of the Week



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As we head into the final trading week of August and look toward the last quarter of the year, Fundstrat Head of Research Tom Lee told us that he sees the markets as having seen three phases thus far in the year. The first was marked by tariff-related uncertainty, while the second was a V-shaped rally that ran from April to August. Lee sees Phase III as likely to result in the S&P 500 reaching 6,800-7,000 points by the end of the year, with the likelihood of the Fed turning dovish as a key driver of this constructivism. The three-phase view of the 2025 stock market is illustrated above.

Recent ✂ Flash Insights

**Mark L. Newton, CMT_ AC**Head of Technical Strategy

For **TSLA ▲6.21%** investors, this is the start of a coming technical breakout, in my view. Today's move to 6 day highs exceeded the minor downtrend of the past week and volume expanded to the highest levels since 8/11. Very promising 1-day advance that likely will carry this back to challenge and surpass the August peaks at 348.98 which represented the peak following the initial breakout from early August. Overall, TSLA looks like an excellent risk/reward here and remains part of my **UPTICKS** list. I like owning and actually increasing position size on any break of August 13th highs at \$348.98, which should help lift this above late May highs, and up to 420-427. This is a very promising start to this rally today.

Aug 22 • 4:33 PM**Mark L. Newton, CMT_ AC**Head of Technical Strategy

NVDA ▲1.67% exceeding yesterday's highs at \$177 is a big technical positive in the short run, and should help this lift to challenge the upper end of its former range near \$182-184. As this hourly chart shows, this is a key area of resistance where the minor uptrend from early August also meets the larger range resistance which intersects from \$182-\$184. Hugely important ahead of earnings. While the larger trend from April did in fact give way for

NVDA ▲1.67%, its recovery is a positive towards short-term follow-through.

Movement above \$184 is ultimately expected which should help NVDA reach \$200. However, momentum has been waning given the weakness over the past couple weeks. Thus, the inability of this to be able to move back quickly will start to cause negative divergence, and suggests a possible slowdown in the shares come mid-September. For now, this price action is short-term bullish



Aug 22 • 11:55 AM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

IWM ▲3.97% up nearly 4% today, a big move and i expect continued outperformance over both RSP and SPY. On an absolute basis, IWM should



push up to test \$245. Today's huge low to high range is quite bullish for IWM and Small-caps remain hugely under-owned by those fearful of tariff implications, and as Tom Lee said earlier this week, Institutions have been short Small-caps



Aug 22 • 11:43 AM

FS Insight Video: Weekly Highlight

▶ Live Webinar and Q&A

"Super Grannies" & Market Update Webinar

Monday, August 18 @ 2pm ET



Tom Lee, CFA
Head of Research



Mark Newton, CMT
Head of Technical Strategy



Register



Key incoming data

- ~~8/18 10:00 AM ET: Aug NAHB Housing Market Index~~ **Tame**
- ~~8/19 9:00 AM ET: Aug M Manheim Used Vehicle Index~~ **Tame**
- ~~8/20 2:00 PM ET: Jul FOMC Meeting Minutes~~ **Mixed**
- ~~8/21 8:30 AM ET: Aug Philly Fed Business Outlook~~ **Tame**
- ~~8/21 9:45 AM ET: Aug P S&P Global Services PMI~~ **Mixed**
- ~~8/21 9:45 AM ET: Aug P S&P Global Manufacturing PMI~~ **Mixed**
- ~~8/21 10:00 AM ET: Jul Existing Home Sales~~ **Tame**
- 8/25 8:30 AM ET: Jul Chicago Fed Nat Activity Index
- 8/25 10:00 AM ET: Jul New Home Sales
- 8/25 10:30 AM ET: Aug Dallas Fed Manuf. Activity Survey
- 8/26 8:30 AM ET: Jul P Durable Goods Orders MoM



- 8/26 9:00 AM ET: Jun S&P CS home price 20-City MoM
- 8/26 10:00 AM ET: Aug Conference Board Consumer Confidence
- 8/26 10:00 AM ET: Aug Richmond Fed Manufacturing Survey
- 8/28 8:30 AM ET: 2Q S GDP QoQ
- 8/28 11:00 AM ET: Aug Kansas City Fed Manufacturing Survey
- 8/29 8:30 AM ET: Jul Core PCE MoM
- 8/29 10:00 AM ET: Aug F U. Mich. 1yr Inf Exp

Live Webinar and Q&A

Mark Newton's Live Technical Analysis

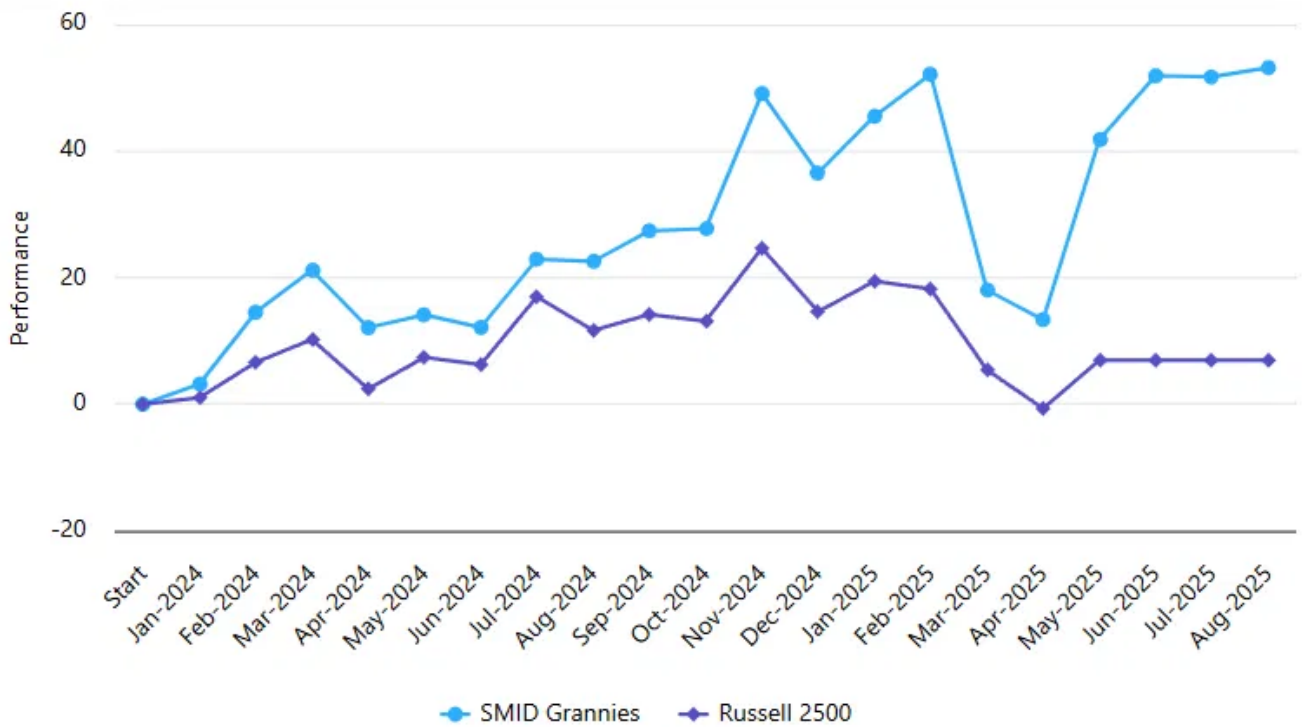
September 2 at 2pm ET

Mark Newton, CMT
Head of Technical Strategy

Stock List Performance



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

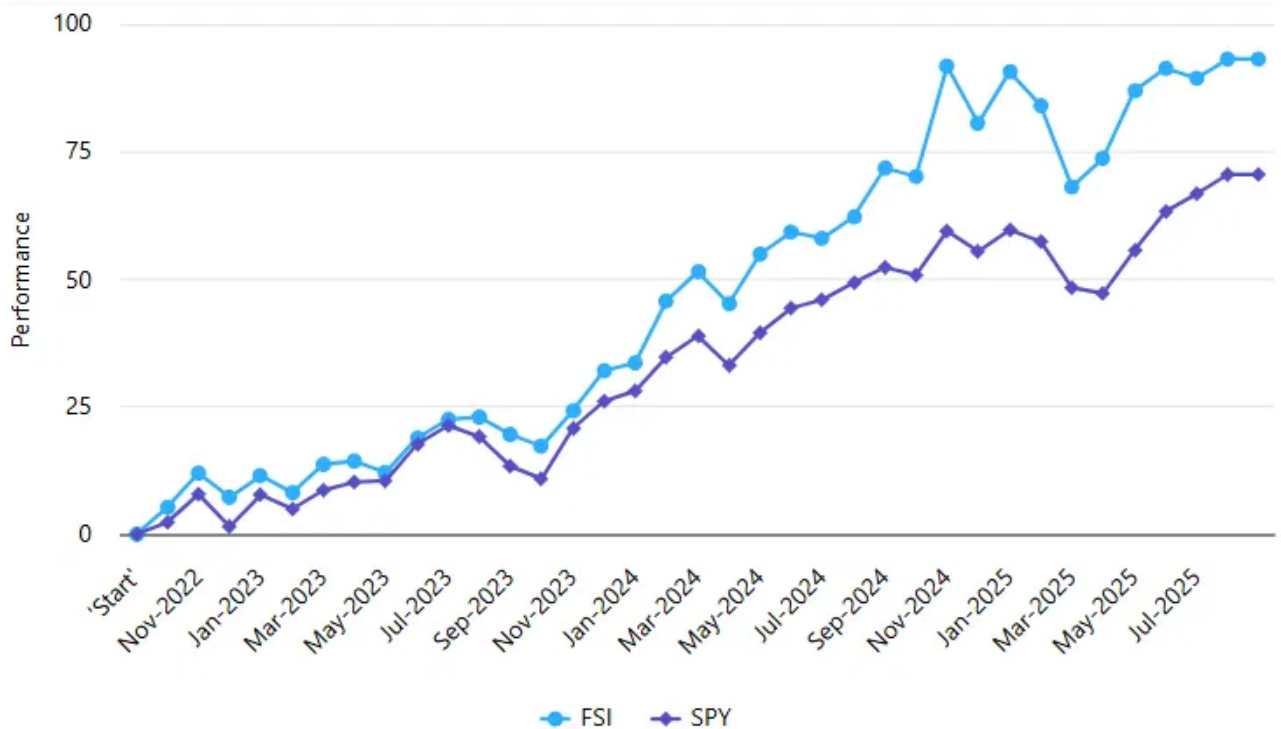


Highcharts.com

Performance period: January 16, 2024 through August 23, 2025



Upticks vs SPY (Inception to Date)



Highcharts.com

Performance period: October 5, 2022 through August 23, 2025

In the News

Dovish Fed, Small Caps, and His ETH Call

Aug 22, 2025



Tom Lee: Why Stocks Can Push Higher | Even Without Big Fed Cuts



Aug 14, 2025



Tom Lee: Could the New IPO Wave Be a Market Signal?

Aug 14, 2025

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