Daily Technical Strategy — September 9, 2025

Oracle beat could help Software make a comeback

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Key Takeaways

- Equal-weighted SPX has diverged from SPX and QQQ's push to new highs.
- ORCL's bullish Cloud outlook could fuel Software IGV to test Summer highs.
- Chinese Equities likely could show further outperformance with FXI breakout.

Note: There will not be a note or a video tomorrow as I will be traveling all day.

Near-term and intermediate-term technical trends remain bullish for US Equities, and Treasuries have also begun to trend higher over the past week. However, despite the resilience of SPX and QQQ, the broader market has slowed a bit over the last 10 trading days and largely remains largely range-bound after a brief breakout failure back on August 28th. This slowdown has caused market breadth to wane, but thus far, the downturn in rates has been supportive of the market. Market breadth has proved a bit skittish in recent days, and momentum has rolled over a bit, which warrants some close scrutiny in the days ahead. Moreover, cryptocurrencies have begun to show some near-term weakness, which should be watched carefully given their recent leading tendency for Equities. Overall, despite the lack of price weakness at present, I suspect the next 2-3 weeks might prove difficult before a rally materializes to carry SPX back to new highs into early October. Bottom line, I suspect that 6500-6550 might serve as strong near-term resistance for SPX, while 6250-6300 could mark support on pullbacks in the weeks to come. Following a minor drop in September, my expectation is for SPX to rally back to new highs.

There's been no real change in trend for Equal-weighted $SPX over the last two weeks, while $SPX has managed to push back to new highs largely on the strength of large-cap Technology. While Technology has shown some bifurcation in recent weeks, the above-average results out of ORCL could provide some strength in Software in the days ahead, after months of underperformance.

While I expect upside in $SPX to prove limited between now and this month's FOMC meeting, trends are still in good shape and have not shown any damage despite momentum having trailed off in recent weeks. Despite the lack of trend weakness in recent days, I still feel like there should be a choppy period of trading between now and October, and I'm not expecting a push above 6600.

As shown below, despite the $SPX slowly grinding higher, prices remain largely going sideways near the highs of the upsloping trend channel. Movement under 6443 likely will drive prices down to 6300 into late September before a bounce, while upside likely could face resistance near the peak from 9/5 at 6532.

S&P 500 Index

Source: TradingView

Equal-weighted SPX shows a more realistic view of near-term price action

The chart below shows the slowdown in US Equities a bit more realistically than what $SSPX and $QQQ illustrate.

As seen below, the last 10 days largely have been sideways, not up nor down by a large amount. Given that both Industrials and Materials were lower by more than 1% in Tuesday's trading and 7 sectors were down out of 11, it's important to keep track of what the broader market is showing.

The lack of follow-through in $RSP is a minor concern given that the $SPX is breaking out to new highs while $RSP has not followed. Yet, at present, the breakdown in yields on worse-than-expected Economic news has not adversely affected the US Equity market. While I believe technically that the waning of breadth should be important, it will be important to monitor this chart closely over the next week.

Invesco S&P 500 Equal Weight ETF

Source: TradingView

ORCL earnings beat likely helps Software ETF rally back to test Summer highs

Software has begun to slowly but surely rally back after the weakness in August.

Given $ORCL's bullish guide on their Cloud Infrastructure outlook, the shares surged more than 10% after-hours on Tuesday.

It's thought that the ability of ORCL to maintain gains in Wednesday's trading likely can help the Software ETF ($IGV) push back to test the former peaks above $114.50.

While this doesn't necessarily translate into Software starting to outperform vs. Technology (as charts will show below), the specific results for $ORCL have helped to propel this back to new all-time highs and likely can help $IGV to push higher to $114.50 before finding resistance.

iShares Expanded Tech-Software Sector ETF

Source: TradingView

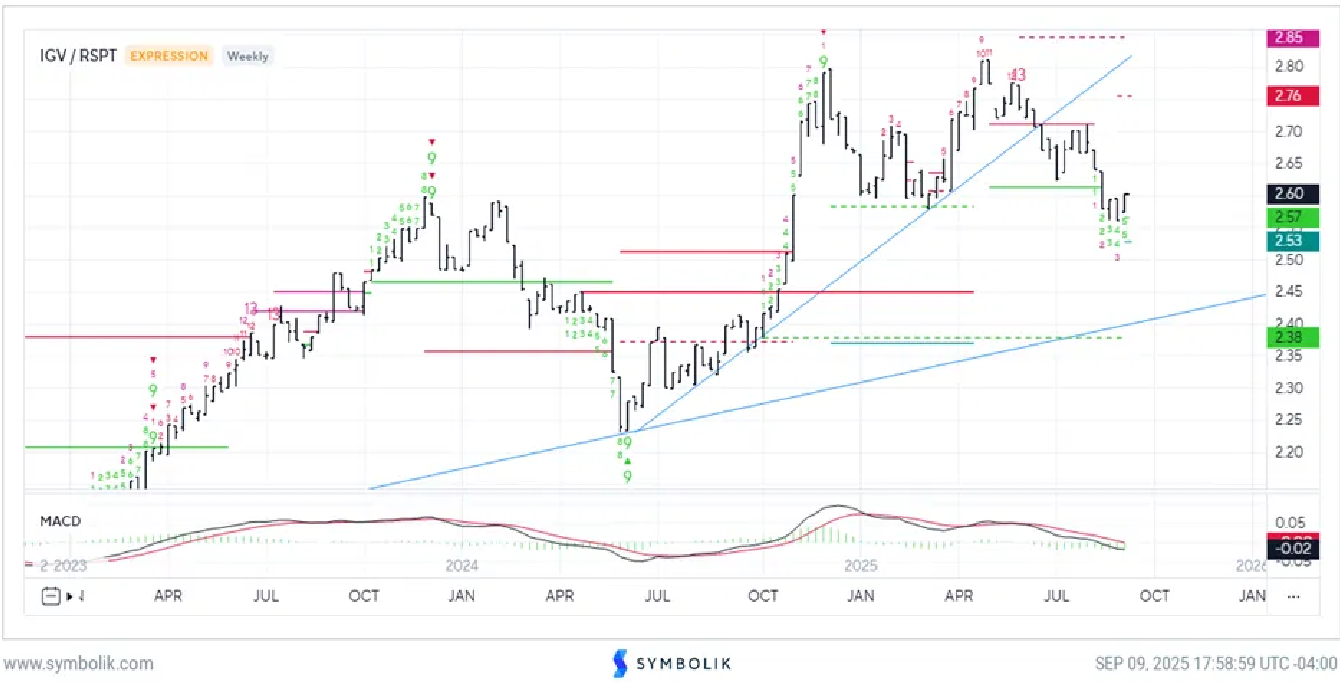
Software is still underperforming within Technology, which might take time to reverse

While the bullish results out of ORCL can help drive the Software sub-sector higher in the short run, it likely won't translate into meaningful outperformance of Software relative to Technology.

As this ratio chart shows before, Software has largely underperformed vs. Equal-weighted Technology since April. ($IGV vs. $RSPT.)

Stocks like $ORCL, $PLTR, $MSFT remain attractive within the Software space. However, it's tough to put too much weight in the sub-sector starting to show outperformance within Technology. Thus, selectivity within this space remains very important.

IGV/RSPT



Source: Symbolik

Chinese Equities continue to make headway

Chinese Equities continue to show excellent progress and $FXI has officially broken out to the highest levels since late 2021.

While China's Export numbers missed expectations yesterday, the recent trajectory in China's Large-cap Equity ETF ($FXI) has been impressive, and today's move is considered a minor technical breakout of the range since July.

I expect a push up to $42 in the near-term, and Chinese Equities likely will continue to show outperformance.

While favor stocks like $TCOM $BIDU, $TCEHY, it's Alibaba which is part of my UPTICKS list and I expect a coming breakout above $149, which should lead the price to eclipse $175.

iShares China Large-Cap ETF

Source: TradingView

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