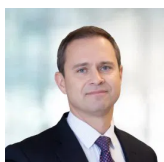


Despite this week's strength, I expect some stalling out post FOMC



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HEAD OF TECHNICAL STRATEGY

Key Takeaways

- Next week looks important for markets given SPX push to channel resistance into FOMC.
- SOX has achieved a new record weekly high close and is likely to push up into October.
- Utilities should be favored given this week's breakout; Remain a Technical Overweight.



Near-term and intermediate-term technical trends remain bullish for US Equities, and Treasuries have also begun to trend higher over the past two weeks. Market breadth rebounded sharply on Thursday but generally has been trending lower since July. Thus far, Equities have not shown the kind of weakness that cycles and seasonality had both projected as being possible for September. While cycles remain negative into early November, I suspect that it's important to keep a firm eye on Technology, as this sector has rebounded sharply in the last two weeks and remains the most important piece of the Equity puzzle. Meanwhile, Treasury yields continue to collapse, but bad news thus far has not proven damaging to Equities. Overall, next week could be important given SPX has pushed up to the highs of the recent trend channel ahead of the FOMC meeting. I'll believe weakness when I see it, but until SPX gets back under 6443, it will prove difficult to call for a trend change of any sort.



Overall, this past week proved to be a big positive for the intermediate-term structure for US Equities. In the past week, \$DJIA and Equal-weighted \$SPX have pushed back to new all-time highs while there's been a notable breadth expansion that began back in late August that's helped many sectors rebound in recent weeks.

The Technology comeback has proven impressive, and my report from yesterday showed Technology in relative terms to the Equal-weighted \$SPX having recouped its early August decline.

Bearish sentiment on both the retail and institutional end is also something that remains quite constructive for the 4th Quarter of 2025 for US Equities, and this negativity looks equally as unusual as the fact that five rate cuts are priced into the market between now and next Summer for an economy with a stock market at record highs (based on Fed funds Futures positioning).

Overall, the bearish reasons to expect that Equity indices might begin a fall correction have, to some extent, vanished in recent weeks, outside of negative cycles and overbought conditions.

While I do suspect that \$SPX will require some consolidation post FOMC this year, it's quite difficult to get too negative just yet given some of the technical improvements having been seen in recent weeks coupled with very bullish price structure.

It's wise to keep a close eye on this ongoing uptrend channel for SPX for risk management purposes, and \$SPX has now neared the upper end of this trend channel. While a backing and filling certainly makes sense in the weeks ahead, I'm skeptical that this channel will be broken in September before a push up into October.

If/when rallies into October start to lead Sentiment higher, coupled with a dropoff in breadth, then a fall correction could very well materialize near the six-month anniversary (180 day mark) of our April 7th bottom this year. However, for now, it's right to stay long and simply use minor weakness to buy dips.

S&P 500 Index



Source: TradingView

SOX back at new all-time high weekly close following this week's rally

The chart below shows the Philadelphia Semiconductor index having clawed back to new all-time highs this past week.

While parts of Tech Software have been under pressure in the last couple of months, both Tech Hardware and Semiconductor stocks have shown above-average strength (based on ETFs).

I expect that \$NVDA very well could make a run back to \$200 if \$184 can be exceeded in the weeks ahead and this will be something to keep a close eye on for market indices along with the Technology sector.

While there is a weekly DeMark TD Combo “13 Countdown” (Sell) present on SOX at current levels, not dissimilar from what happened late last year, there is no monthly TD Sell Setup, and the Weekly “sell” has not been confirmed. Furthermore, the TD Sell Setup count remains early by three weeks to show completion. Thus, I tend to give signals like this less probability of success until they’re either confirmed or TD Sell Setups materialize.

Philadelphia Semiconductor Index



Source: TradingView

Utilities looks like an excellent area to position for the next two months

The breadth comeback in the US stock market has been led by quite a few sectors, and it's necessary to show sectors which have improved outside of Technology.

Utilities is one which has defensive qualities but also can benefit from its Power generation capability for Artificial intelligence.



This sector tends to outperform as interest rates begin to fall on the long end, and I suspect that this week's breakdown in Yields proved important and bullish for Utilities.

Overall, the breakout of this minor downtrend happened this past week following a successful test of support for \$RSPU the Invesco Equal-weighted Utilities ETF.

Note that the daily pattern from late 2024 looks similar to a Cup and Handle pattern, which resulted in a breakout two months ago, followed by a retest of this pivot area.

The resulting strength looks bullish to me, and I like RSPU to push higher to the high \$70's up to the low \$80's. Utilities remains an Overweight for me, technically over the next couple months.

Invesco S&P 500 Equal Weight



Source: TradingView

Tesla breakout is quite bullish and should lead to an eventual test and breakout back to new all-time highs

While many remain rightly focused on the recent breakout for \$TSLA (and I commented earlier in Flash Insights on today's acceleration of the recent technical breakout—shown below), I feel it's very important to also keep in mind the larger bullish triangle pattern that's quite apparent on monthly \$TSLA charts when taking a long-term view.

\$TSLA's intermediate-term pattern on logarithmic charts shows a well-defined triangle pattern which has now begun to push back higher towards the resistance highs which have been in place since 2021. While it's difficult to know exactly when a breakout to new all-time highs should take place, I feel that this likely can happen sometime in late 2025.

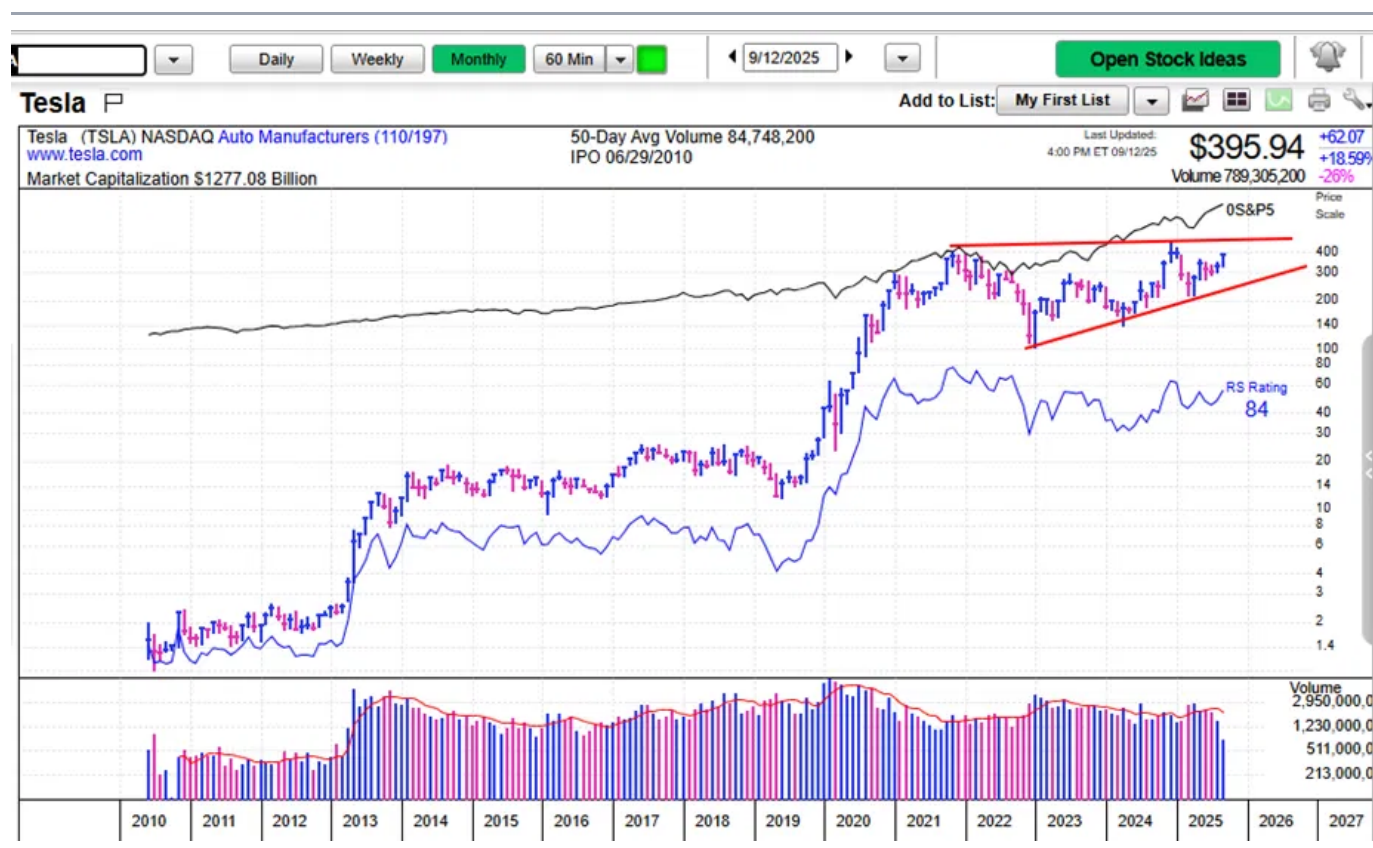


This could allow for an even larger intermediate-term period of acceleration that would be quite bullish for \$TSLA and likely lead the stock up to near \$600 technically into January of next year.

At present, it's tough to discuss long-term targets, but it's prudent to just keep a close eye on \$488.54, which marked the intra-day peak back in December 2024. Any move above this level on an intermediate-term basis would be quite constructive for a much larger rally, and this makes \$488.54 a key level to keep a close eye on when/if it's challenged.

For now, this week's price action has been quite constructive, and I'll share again my thoughts from mid-day Friday below on TSLA's short-term pattern improvement.

Tesla



Source: MarketSurge

Flash Insights, Friday, 9/12/25:



\$TSLA breakout from Aug. 25th has now begun to accelerate higher over the last two days with two big low to high ranges on above-average volume. Near-term resistance looks likely in about 3-5 trading days at a level of either 407-8, or above near 420-5 before some consolidation to this large move. However, technical trends have been getting stronger in the last month, and it's likely that following some backing and filling, TSLA can work its way higher in October given the bullish influence of cycles for this stock (shown a few weeks ago for 2H 2025) Overall, this week's price action is very good news technically for TSLA and this remains a holding within #UPTICKS Following some consolidation post FOMC, i expect TSLA should begin its move to testing all-time highs near \$488.

Note: Please click [HERE](#) to view our latest crypto market update filmed live at Future Proof Festival.



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