

## Stocks Take a Healthy Breather

The American Association of Individual Investors (AAII) survey showed **sentiment flipping to net bullish** this week – only mildly, but still putting an end to a seven-week streak of net-bearish sentiment. **Coincidentally, this shift was accompanied by a slight decline** in both the S&P 500 and the Nasdaq Composite.

Those two together are arguably a good thing, according to Head of Technical Strategy Mark Newton. Despite the slight AAI improvement, **“overall levels of sentiment are still pretty skittish,”** he told us at our weekly research huddle, “and that **should support dip buying** even further for a push up into probably mid to late October.”

That’s a view largely shared by Fundstrat Head of Research Tom Lee, who views a “local top” as unlikely in the immediate term. Currently, the S&P 500 is 10.4% above its 200-day moving average. Yet, as Lee pointed out, since the Oct 2022 lows, we have only seen the S&P 500 make a “local top” when this figure is above 13%, for instance July 18, 2023; March 22, 2024; and July 16, 2024. (See the **“Chart of the Week” below** for more on this.)

Lee’s view **contrasts with remarks made by Federal Reserve Chair Jerome Powell** on Tuesday that put some of the week’s downward pressure on stocks. “I think if you look at some prices, then they’re elevated relative to historical levels,” Powell said during an event in Providence, R.I.

While expressing respect for Powell, Lee downplayed the significance of this view. “Please don’t see this as any ominous sign,” he recommended. After all, **“when was the last time the Fed ever said stocks are ‘attractively priced’?”** (Hint: never.)



▶ Live Webinar with Q&A

## Understanding Crypto 'Large Caps' and How They Fit in Portfolios



Inkoo Kang  
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Head of Digital Assets  
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Andy Baehr  
Head of Product  
CoinDesk



September 25, 2025 at 11am ET

### *Chart of the Week*

## S&P 500: Not “super overbought”



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**fundstrat**

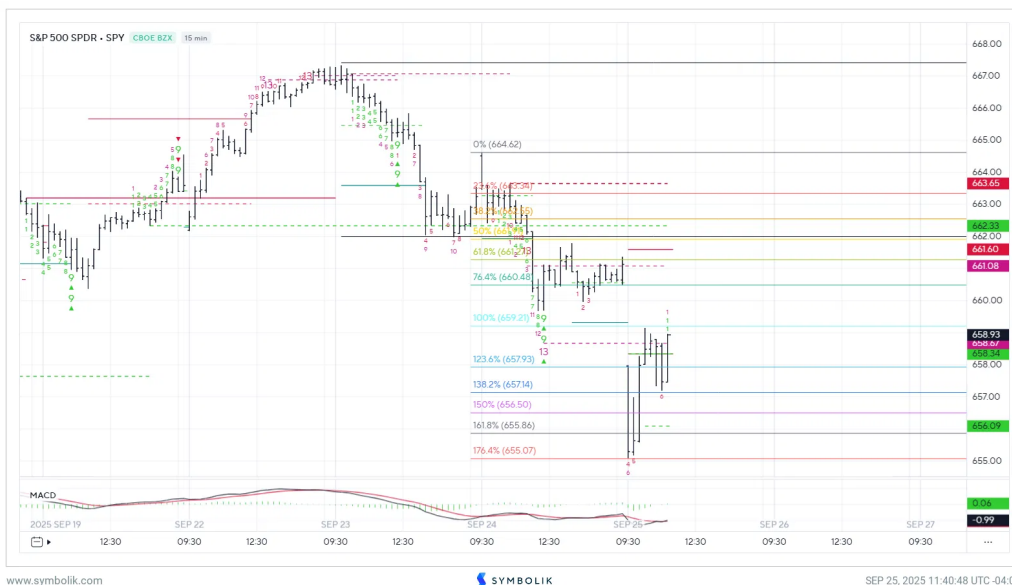
Assessing the likelihood of an imminent “local top,” Fundstrat’s Tom Lee observed that the S&P 500 was about 10% above its 200-day moving average as of Friday’s close. “At that level, the S&P 500 is just not that extended,” in his view. Since October 2022, local tops have occurred only when the S&P 500 is 13% or more above the 200 dma. For reference, 15% above the current 200 dma would imply a level around 6,950, consistent with Lee’s year-end target for the broad-based index.

## Recent ✂ Flash Insights


**Mark L. Newton, CMT<sup>AC</sup>**
Head of Technical Strategy

The early rebound for Equities off the lows was helpful and nearly reached 9/17 lows before turning back higher into Europe's close. I am expecting that SPY should be bottoming technically either today or tomorrow and should begin to turn back higher to new highs into October. (Note, the ability to close well up off its lows today would add to the likelihood that today could have been the low following this three-day pullback. This intra-day **SPY ▲0.61%**

chart shows that 660.49 is the key level to break this week's minor downtrend, and recouping the area from the open gap would be quite helpful towards establishing a low today into tomorrow. I'll monitor as the day progresses, but an early good sign for a sharp rebound off the lows after having reached nearly an exact 100% projection of the 9/22-9/23 initial drop from this week's highs.



Sep 25 • 12:04 PM


**L. Thomas Block**
Washington Policy Strategist



Chances of US government shutdown increased as President Trump cancels proposed Thursday meeting with Congressional Democratic leaders Schumer and Jeffries. Today no talks are scheduled.

Sep 24 • 1:39 PM



**Tom Lee, CFA, CFA<sub>AC</sub>**

Head of Research

Fed Chair Powell spoke at a conference today and this one comment unnerved some investors Powell: "I think if you look at some prices, then they're elevated relative to historical levels ... we're not targeting any level of prices for particular financial assets. We don't have a view that we know what the right price of any particular financial asset is. We do look at overall financial conditions. And we we ask ourselves whether our our policies are affecting financial conditions ... for example, equity prices are fairly highly valued." Our take: When was the last time the Fed ever said stocks are "attractively priced"? (Hint: never) Please don't see this as any ominous sign

Sep 23 • 6:59 PM

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*FS Insight Video: Weekly Highlight*


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### *Key incoming data*


- ~~9/22 8:30 AM ET: Aug Chicago Fed Nat Activity Index~~ **Tame**
- ~~9/23 9:45 AM ET: Sep P S&P Global Services PMI~~ **Tame**
- ~~9/23 9:45 AM ET: Sep P S&P Global Manufacturing PMI~~ **Tame**
- ~~9/23 10:00 AM ET: Sep Richmond Fed Manufacturing Survey~~ **Tame**
- ~~9/24 10:00 AM ET: Aug New Home Sales~~ **Tame**
- ~~9/25 8:30 AM ET: Aug P Durable Goods Orders~~ **Tame**
- ~~9/25 8:30 AM ET: 2Q T GDP~~ **Mixed**
- ~~9/25 10:00 AM ET: Aug Existing Home Sales~~ **Tame**
- ~~9/25 11:00 AM ET: Sep Kansas City Fed Manufacturing Survey~~ **Tame**
- ~~9/26 8:30 AM ET: Aug Core PCE Deflator~~ **Tame**
- ~~9/26 10:00 AM ET: Sep F U. Mich. Sentiment and Inflation Expectation~~ **Tame**

- 9/29 10:30 AM ET: Sep Dallas Fed Manuf. Activity Survey
- 9/30 10:00 AM ET: Sep Conference Board Consumer Confidence
- 9/30 10:00 AM ET: Aug JOLTS Job Openings
- 10/01 8:15 ET: Sep ADP Employment Change
- 10/01 9:45 ET: Sep F S&P Global US Manufacturing PMI Sep F
- 10/01 10:00 ET: Sep ISM Manufacturing
- 10/03 8:30 ET: Sep Change in Nonfarm Payrolls
- 10/03 9:45 ET: Sep F S&P Global US Services PMI
- 10/03 9:45 ET: Sep F S&P Global US Composite PMI
- 10/03 10:00 ET: Sep ISM Services Index




Member Exclusive Webinar

# Crypto on the Beach



**Mark Newton**  
Head of Technical Strategy

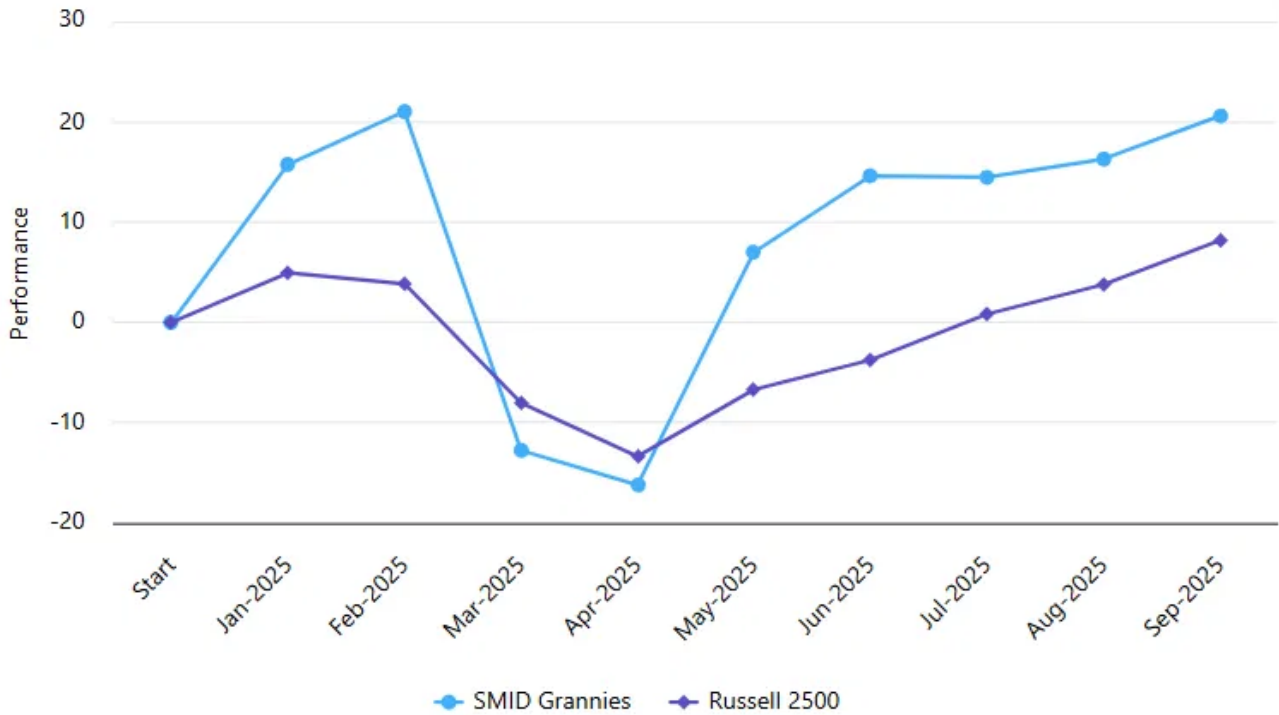


**Sean Farrell**  
Head of Digital Assets

## *Stock List Performance*



## Year to Date SMID Granny Shots Performance



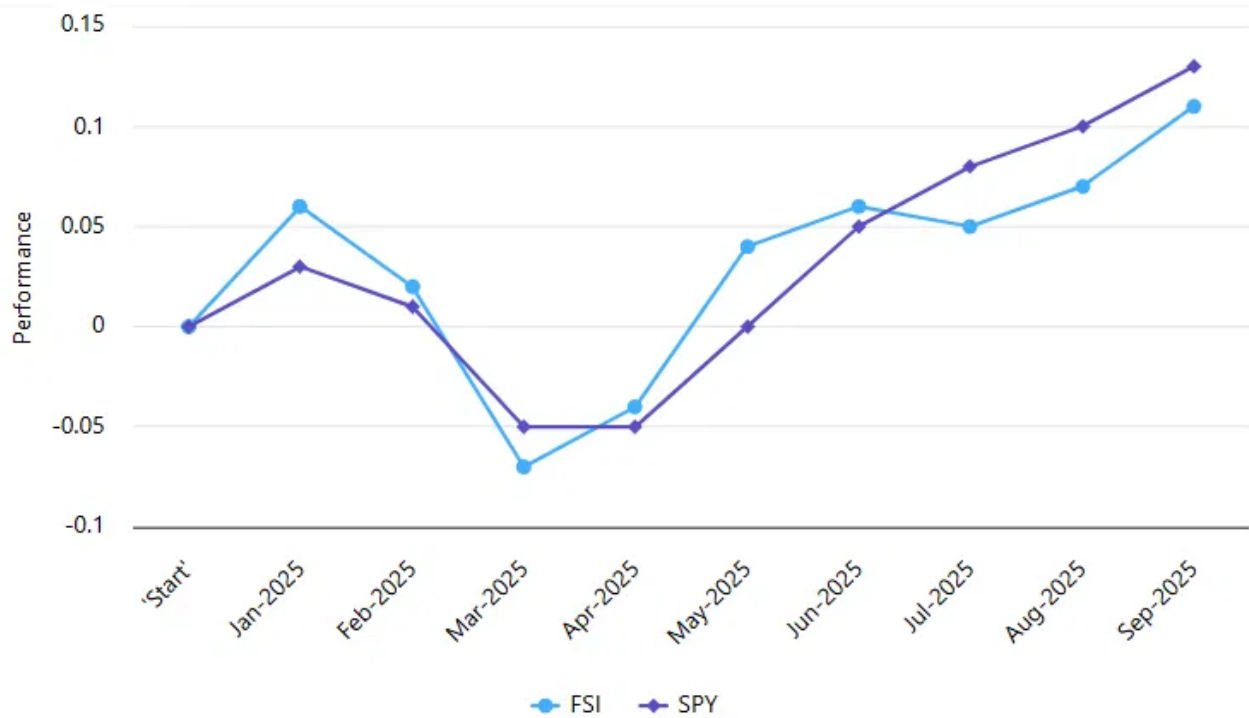
Highcharts.com

Performance period: January 01, 2025 through September 26, 2025





## Upticks vs SPY ( Year to Date )



Highcharts.com

Performance period: January 01, 2025 through September 26, 2025

## In the News

Is Bitcoin Headed to \$200K After Fed Cuts?

Sep 8, 2025



Positioning for Nvidia Earnings + Key Fed Decisions



Aug 26, 2025



Dovish Fed, Small Caps, and His ETH Call

Aug 22, 2025



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