

Can Stocks Keep Roaring Through Q4?

The third quarter ended last Tuesday with the S&P 500 having hit 23 records as it climbed 7.8%. The broad-based index then proceeded to **set fresh records on Thursday and brush up against yet another record on Friday** before settling slightly to close the week in the green, at 6,715.79.

Head of Technical Strategy Mark Newton said that the S&P 500's new records have **positive technical implications for stocks**. "This sets up for a push up to 6,749 in the short run, and potentially near 6,800 in mid-October before some consolidation starts to get underway." He reiterated, "It looks technically right to trust that this rally has more to go."

Yet perhaps the biggest headline this week was the federal government shutdown, which began at 12:01 a.m. right as Wednesday began. As Fundstrat's Washington Policy Strategist Tom Block and Head of Data Science Ken Xuan noted, history suggests that **government shutdowns do not tend to have lasting negative effects on the financial markets**, even though some limited, short-term panic selling can take place at first.

That does not mean there's no impact for investors, however. Friday was supposed to be the day the Bureau of Labor Statistics released the Nonfarm Payrolls numbers (aka the jobs report) for September. **Thanks to the shutdown, this didn't happen.**

Fundstrat Head of Research Tom Lee suggested that if the shutdown continues past the next Federal Open Market Committee meeting on Oct.29 (the last shutdown in 2018 went on for 35 days), the lack of BLS jobs data **could end up pushing the Fed in a dovish direction**, which arguably would be good for stocks. Without any new jobs data, **“the Fed most likely would have to rely on the August jobs report (weak),”** and this would arguably require them to act with caution, he suggested. Another dovish consideration is that “the economy suffers from a shutdown, from lost activity,” Lee wrote, and the Fed is likely to take this into account as well.

In summation, Lee wrote: **“I would not lean ‘bearish’ because of shutdowns. [...]** Shutdowns have rarely created lasting impacts on equities. There is a **strong seasonal tailwind underway**, and the upside is higher given the Fed is dovish.”

▶ Live Webinar with Q&A

Understanding Crypto ‘Large Caps’ and How They Fit in Portfolios



Inkoo Kang
Senior Vice President
of ETFs, Grayscale



Sean Farrell
Head of Digital Assets
Fundstrat



Andy Baehr
Head of Product
CoinDesk



September 25, 2025 at 11am ET

Chart of the Week



OCT TO YE: Probabilities favor stocks higher

Implies S&P 500 7,000

		Median Monthly Performance				Win Ratio			
		Day 2 -> Oct End	Nov	Dec	Day 2 -> YE	Day 2 -> Oct End	Nov	Dec	Day 2 -> YE
May to Sep >0%	N = 50	0.2%	2.6%	1.7%	4.3%	56%	70%	80%	82%
All Years (1950 - 2024)	75	0.9%	2.1%	1.5%	4.9%	63%	69%	73%	81%
1998 & 2024 (Sep Fed Cut)	2	5.7%	5.8%	1.6%	13.8%	100%	100%	50%	100%

YASSS!!!
Fed cut in Sept

Source: Fundstrat, Bloomberg

Amidst a rousing start to the fourth quarter, Fundstrat Head of Research Tom Lee noted that Q4 has historically been a strong period for stocks. Since 1950, stocks have notched a median gain of 4.9% in the period from October through December, with a win ratio of 81%. Two historical instances are particularly noteworthy: In both 1998 and 2024, the Federal Reserve cut rates in September after having been on pause since the beginning of the year – just as we’ve seen this year. The average Q4 gains in those precedent years is 13.8%. Details can be found in our Chart of the Week above.

Recent ✨ Flash Insights



Mark L. Newton, CMT^{AC}

Head of Technical Strategy

Don't look now but the formerly lagging Dow Jones Transportation Avg has made a bullish short-term triangle breakout today that likely can help to jump-start its performance at a time when the market is sorely seeking leadership from areas outside of Technology. I'll discuss some of my favorites from this sector in tonight's piece, but stocks like **JBHT▲2.79%** **LUV▲0.65%**

ODFL▲0.52% **R▲1.44%** and CHRW are all up more than 2% today. It's typically important to see the Transports confirm the bullish movement in the broader averages like SPX and DJIA from a Dow Theory standpoint, and while this will take some time, today's constructive gains should lead this higher over the next few weeks. (**TRAN**)



Oct 3 • 12:41 PM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

While it might seem odd that the Equity market might rally as economic data gets weaker and a govt. shutdown gets underway, that's exactly what technicals suggest at the moment. Recent Equity strength in the wake of Govt. Shutdown possibilities looks set to gain ground as the decline in Treasury

yields on weaker data starts to reinforce the strong likelihood (based on Fed Funds futures pricing) of a near 100% certainty of a late October rate cut. (Keep in mind that Jobless Claims data might not be released this week given the Govt Shutdown) Early S&P Futures weakness of -0.50% overnight has improved to just -0.35% into today's Market open, and yesterday's strong close likely will push even further to the upside to test and exceed 6700 en route to near 6749. This level would allow the minor hourly swing of the last 24 hours to be equal in price terms to the one that began on 9/25 as an initial target to this rally. Cyclically, the next 1-2 weeks look likely to be bullish for US Equities and it will be important to keep a close eye on market breadth between now and mid-October.



Oct 1 • 9:59 AM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

I've spent a few days in Dubai at the CMT Global Investment Summit this week and one of the few themes that everyone is talking about is how bullish Gold is from a technical and fundamental perspective. That's scary to me as noone



was discussing this when Gold bottomed three years ago in 2022. Many are mentioning macro themes to back up their bullishness like 1) "Govt Shutdowns being bullish for Gold, 2) Lack of Fed independence 3) Federal Bank buying 4) Declining Real rates and 5) Fiscal uncertainty and concerns. While i agree with all these points, Gold is very very stretched here and i recommend using a 5-day moving average now on all long positions, looking to exit as this moving average is undercut. This year's 50% rally has barely had a decline of more than 3%, making this very different than 2023, when a number of 5-6% corrections happened as part of this rise. Using DeMark theory, there will be counter-trend Exhaustion "13 countdown signals" (Sells) potentially within 3 trading days, while the Weekly data could come into alignment within 2-3 weeks on both Gold and Silver. I've resisted suggesting to trim gains based on Daily DeMark signals in the past, but i suspect we could have a short-term peak by the end of this week given the parabolic move, if/when DeMark daily TD 13 signals appear on TD Sequential. Overall, i expect **GLD▲0.82%** to likely have a target between 360-365, and Spot Gold might hit \$4k before showing some backing off. However, normally i have suggested in the past that long-term positions might be better suited to await weekly signals before growing too defensive, and these continue to align towards mid-October.



Oct 1 • 9:44 AM



FS Insight Video: Weekly Highlight



Key incoming data

- ~~9/29 10:30 AM ET: Sep Dallas Fed Manuf. Activity Survey~~ **Tame**
- ~~9/30 10:00 AM ET: Sep Conference Board Consumer Confidence~~ **Tame**
- ~~9/30 10:00 AM ET: Aug JOLTS Job Openings~~ **Tame**
- ~~10/1 9:45 AM ET: Sep F S&P Global Manufacturing PMI~~ **Tame**
- ~~10/1 10:00 AM ET: Sep ISM Manufacturing PMI~~ **Tame**
- ~~10/2 10:00 AM ET: Aug F Durable Goods Orders MoM~~ **Delayed due to Shutdown**
- ~~10/3 8:30 AM ET: Sep Non-farm Payrolls~~ **Delayed due to Shutdown**
- ~~10/3 9:45 AM ET: Sep F S&P Global Services PMI~~ **Tame**

- ~~10/3 10:00 AM ET: Sep ISM Services PMI~~ **Tame**
- 10/7 8:30 AM ET: Aug Trade Balance
- 10/7 9:00 AM ET: Sep F Manheim Used Vehicle Index
- 10/7 11:00 AM ET: Sep NYFed 1yr Inf Exp
- 10/8 2:00 PM ET: Sep FOMC Meeting Minutes
- 10/10 10:00 AM ET: Oct P U. Mich. 1yr Inf Exp

 Member Exclusive Webinar

Crypto on the Beach



Mark Newton
Head of Technical Strategy



Sean Farrell
Head of Digital Assets

Stock List Performance

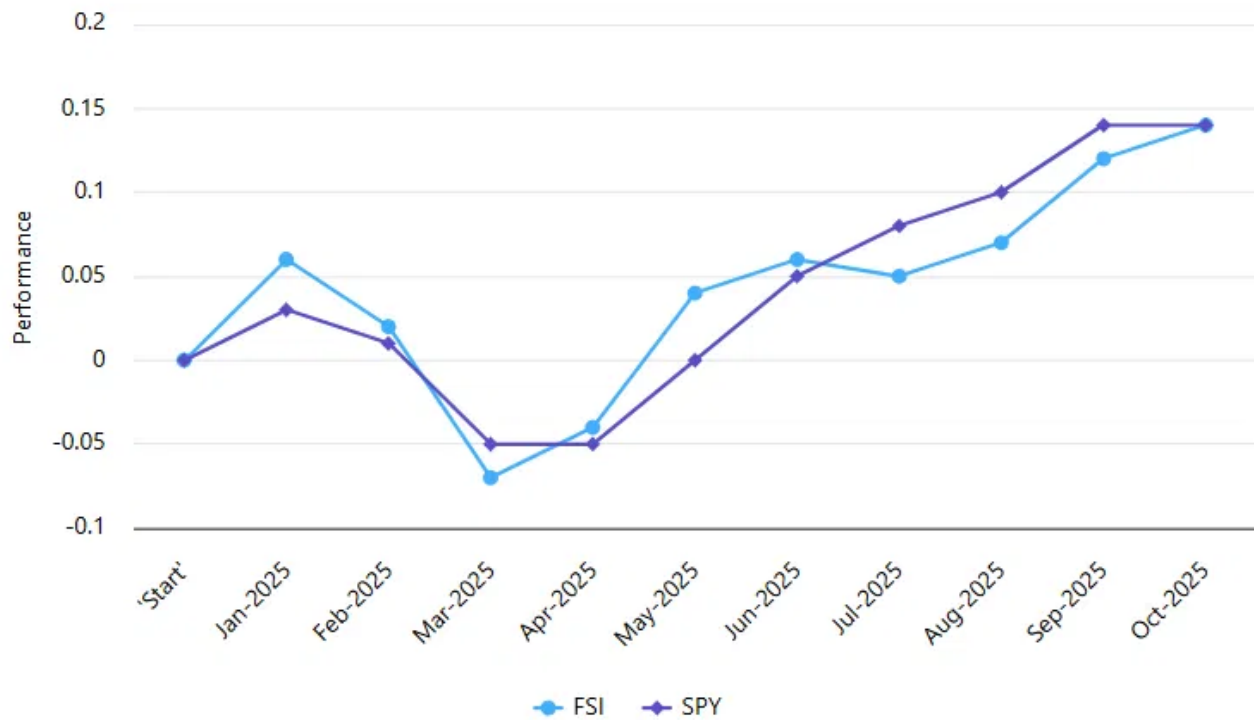
Year to Date SMID Granny Shots Performance



Performance period: January 01, 2025 through October 03, 2025



Upticks vs SPY (Year to Date)



Highcharts.com

Performance period: January 01, 2025 through October 03, 2025

In the News

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Sep 8, 2025



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Aug 26, 2025



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Aug 22, 2025



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