

New Stock Records Ahead of Eventful Week

Investors have been nervous and uncertain in the past two weeks. At our weekly research huddle, Fundstrat Head of Data Science Ken Xuan suggested that this was an indirect result of the federal government shutdown, which has largely cut off the flow of macroeconomic data. “As time goes by, the more time we go, the more uncertainty we feel. That’s because we just don’t have data to know where we are,” he said.

It could be argued that Friday morning’s release of September CPI data removed much of that uncertainty, though it must have helped that **the numbers came in dovish** – lower than consensus expectations. That bolstered expectations of another rate cut when the Federal Open Market Committee meets next Wednesday, and the results could be seen in a range of indices – the S&P 500, the Nasdaq Composite, and the DJIA, as well as the small-cap Russell 2000. All four posted positive weeks, with the **Russell 2000 leading the way** with a 2.5% weekly gain.

Yet not all of the choppiness from the past two weeks has been due to the lack of fresh data. Fundstrat’s Head of Research Tom Lee attributes much of the rangebound action to **a sort of PTSD** (post-traumatic stress disorder). **U.S.-China trade tensions remained elevated** this week as the U.S. threatened to ban exports to China of any products that contain or were made with U.S. software. As Lee suggested, this gave investors “PTSD from earlier this year” when the trade war began.

Head of Technical Strategy Mark Newton remains constructive. Asked to comment on the press speculation that we are currently in a market or AI bubble, he said, “I’ve heard the term ‘bubble’ so much in the last couple weeks, and it’s a very action-oriented word that makes us all pay attention. But honestly, **technical trends haven’t really given us any reason to be concerned.**”

The same goes for recent choppiness in markets. **"I don't care if the market's been sort of choppy and range-bound.** In my view, despite the choppy short-term trends, **longer-term trends are intact.** And with sentiment remaining subdued, it seems to me that the path of least resistance remains to the upside over the next couple weeks."

What about valuations, Newton was asked during our weekly research huddle. "Yes, everybody's saying things are expensive. Well, compared to what? How do we know how to value AI?" he asked rhetorically. For him, metrics like the number of stocks near 12-month highs matters more. It could be bearish, he suggested, "if that percentage starts to roll over sharply," but as of right now, it isn't.

Lee concurs. The case for a rate cut from the FOMC arguably strengthened this week, and the confirmation that President Trump and China's Xi Jinping will meet next week on Thursday alleviates yet another concern that has been bothering markets. Thus, **Lee continues to view any dips that might emerge as buyable.**

Live Webinar with Q&A

Crypto Market Update

Tuesday, October 28 @ 2pm ET

Mark Newton
Head of Technical Strategy

Sean Farrell
Head of Digital Assets

[Register](#)

Chart of the Week

S&P 500: Pre-GFC (2007) Equities vs high-yield



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In the wake of the Tricolor and First Brands collapses as well as reports of losses by lenders like Western Alliance and Zions Bank, some market participants have developed flashbacks to the 2008 global financial crisis (GFC). As Bank of England Governor Andrew Bailey told MPs, "If you were involved [as a regulator] before the [GFC] and during it," recent events had set off "alarm bells." Fundstrat's Tom Lee remains largely unworried on that front. As he highlighted again this week, "if there are credit problems brewing, we should see it in high-yield spreads, but it's hardly budged." As he reminded us and as we see in our Chart of the Week, before the market topped in 2007, high-yield spreads were just under 300 bps, just about where they are today. On Nov. 21, 2007, about a month after the market topped, spreads doubled to 600. To Lee, that rapid doubling in the high-yield spread back in 2007 "was a warning sign," so those worried about a possible GFC redux might wish to keep an eye out for a similar doubling re-emerging.

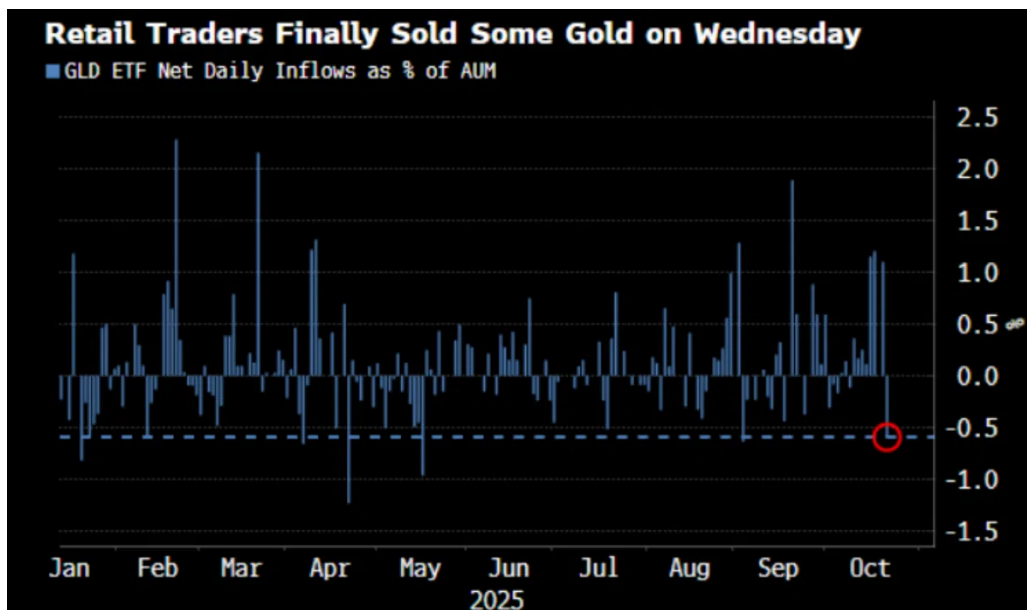
Recent Flash Insights



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

Gold ETF's showed the largest outflow in Assets Under Management(AUM) since September on this week's drawdown. Historically this tends to be bullish for a bounce when looking back since 2007 on a three, five, and 10-day horizon. (Bloomberg chart of **GLD▼-0.37%** ETF net daily Inflow as a % of AUM)



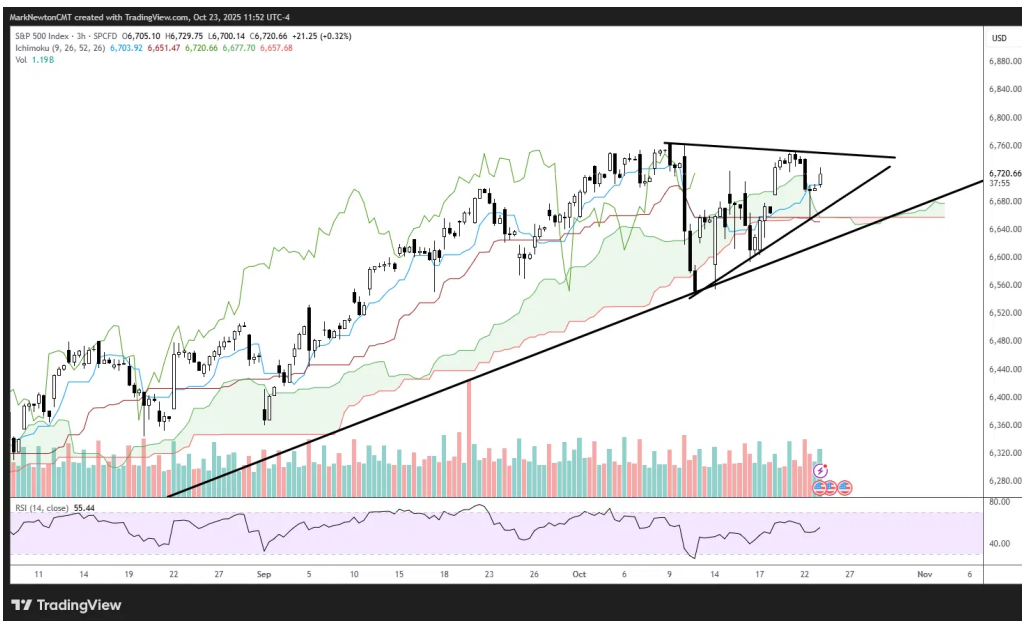
Oct 23 • 3:47 PM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

Very good stabilization in **SPX** which bottomed largely where it needed to (I had mentioned yesterday 6654 and SPX got to within 1 point of this, right at the 61.8% Fib levels of the prior low too high swing. This triangle now should allow for a push back to exceed this weeks highs and drive SPX back to new highs into late October. Key will be 6752 on the upside, which i expect to be surpassed, leading up to 6850-6950. For this to work, SPX cannot breach yesterday's lows, so 6655 is a stop for longs and something which would result in patterns growing weaker short-term. Keep in mind, the larger area at 6550 is the line in the sand, overall and until this is broken, it's right to simply be bullish and buy dips. However, today's early push up is largely Technology driven, but also seeing strength from Materials, and Energy and some Industrials strength. REITS and Utilities are the main laggards today. Breadth levels aren't too bullish just yet, at around 3/2 bullish, but this should change if/when 6752 is exceeded as i expect technically.



Oct 23 • 12:08 PM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

TSLA ▼-3.34%

hasn't shown us much progress in the last month following its sharp rally into Oct 10, which proved to be near an exact six-month (180*) rally from our April lows. While the near-term pattern is choppy, one should position long if looking towards year-end, as both technical structure, momentum and cycles have improved since April. It's extraordinarily difficult to have a timely short-term call on earnings given this choppy pattern, but i feel like a push up to 488 is likely before some consolidation into mid-Month. Thereafter, a move to new all-time highs happens which results in an acceleration which could carry TSLA north of \$600. I remain quite bullish on TSLA despite the near-term range-bound activity,, and would use weakness over the next couple days (if this occurs) as a chance to buy dips. \$411 is important support and a break of that would warrant patience as TSLA might reach 370-380 briefly before turning up sharply. However, a move back above \$450 on a gap likely helps to reach all-time highs from last December at \$488.54. In this case, i'm posting this ahead of earnings mainly to share my enthusiastic technical outlook

between now and year-end and less about what happens directly after earnings. Given the choppiness of the last month, it's important to pay more attention to intermediate-term structure.



Oct 22 • 4:05 PM

FS Insight Video: Weekly Highlight



Key incoming data

- ~~10/23 8:30 AM ET: Sep Chicago Fed Nat Activity Index~~ **Delayed due to Shutdown**
- ~~10/23 10:00 AM ET: Sep Existing Home Sales~~ **Tame**
- ~~10/23 11:00 AM ET: Oct Kansas City Fed Manufacturing Survey~~ **Tame**
- ~~10/24 8:30 AM ET: Sep Core CPI MoM~~ **Tame**
- ~~10/24 9:45 AM ET: Oct P S&P Global Services PMI~~ **Tame**
- ~~10/24 9:45 AM ET: Oct P S&P Global Manufacturing PMI~~ **Tame**
- ~~10/24 10:00 AM ET: Oct F U. Mich. 1yr Inf Exp~~ **Tame**
- ~~10/24 10:00 AM ET: Sep New Home Sales~~ **Delayed due to Shutdown**
- ~~10/27 8:30 AM ET: Sep P Durable Goods Orders MoM~~ **Likely delayed due to Shutdown**
- 10/27 10:30 AM ET: Oct Dallas Fed Manuf. Activity Survey



- 10/28 9:00 AM ET: Aug S&P CS home price 20-City MoM
- 10/28 10:00 AM ET: Oct Conference Board Consumer Confidence
- 10/28 10:00 AM ET: Oct Richmond Fed Manufacturing Survey
- 10/29 2:00 PM ET: Oct FOMC Decision
- 10/30 8:30 AM ET: 3Q A GDP QoQ **Likely delayed due to Shutdown**
- 10/31 8:30 AM ET: 3Q ECI QoQ **Likely delayed due to Shutdown**
- 10/31 8:30 AM ET: Sep Core PCE MoM **Likely delayed due to Shutdown**

▶ Live Webinar with Q&A

The Agentic Economy: Where Crypto Meets AI



Tom Couture
Vice President
Fundstrat



Tom Lee
Head of Research
Fundstrat

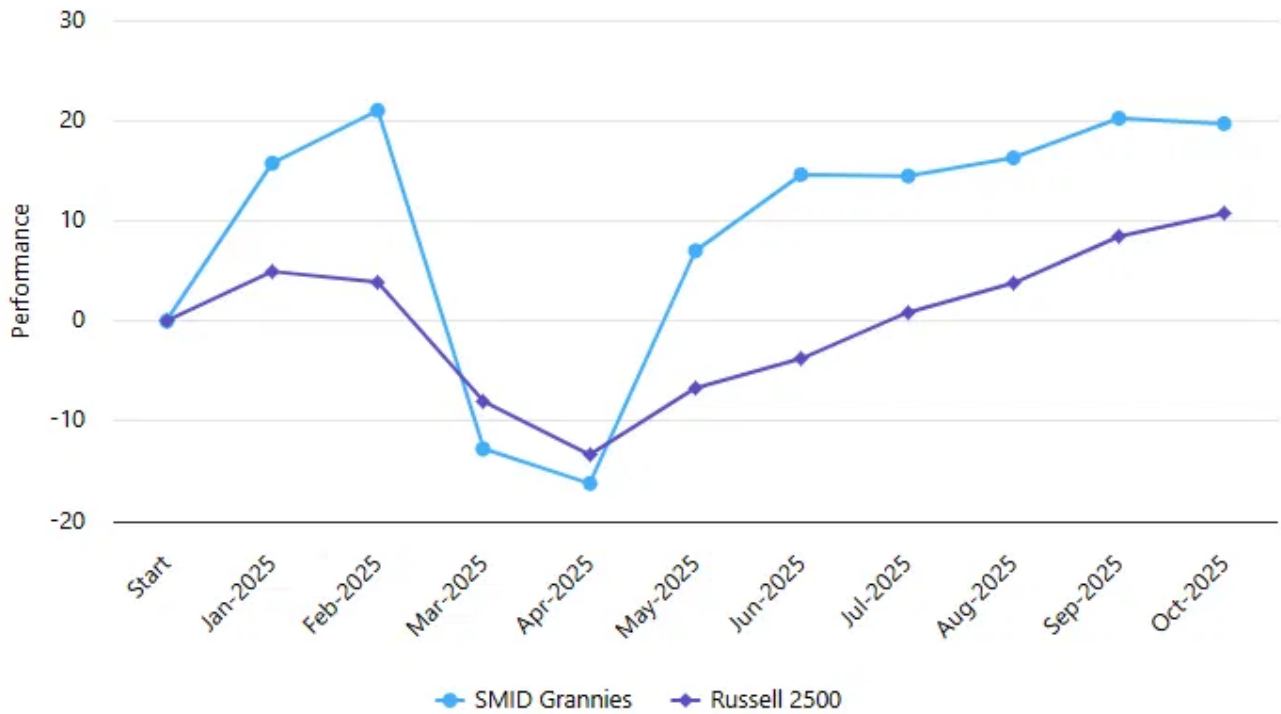


Jansen Teng
Co-founder and CEO
Virtuals Protocol

Monday, November 3 @ 11am ET

Stock List Performance

Year to Date SMID Granny Shots Performance

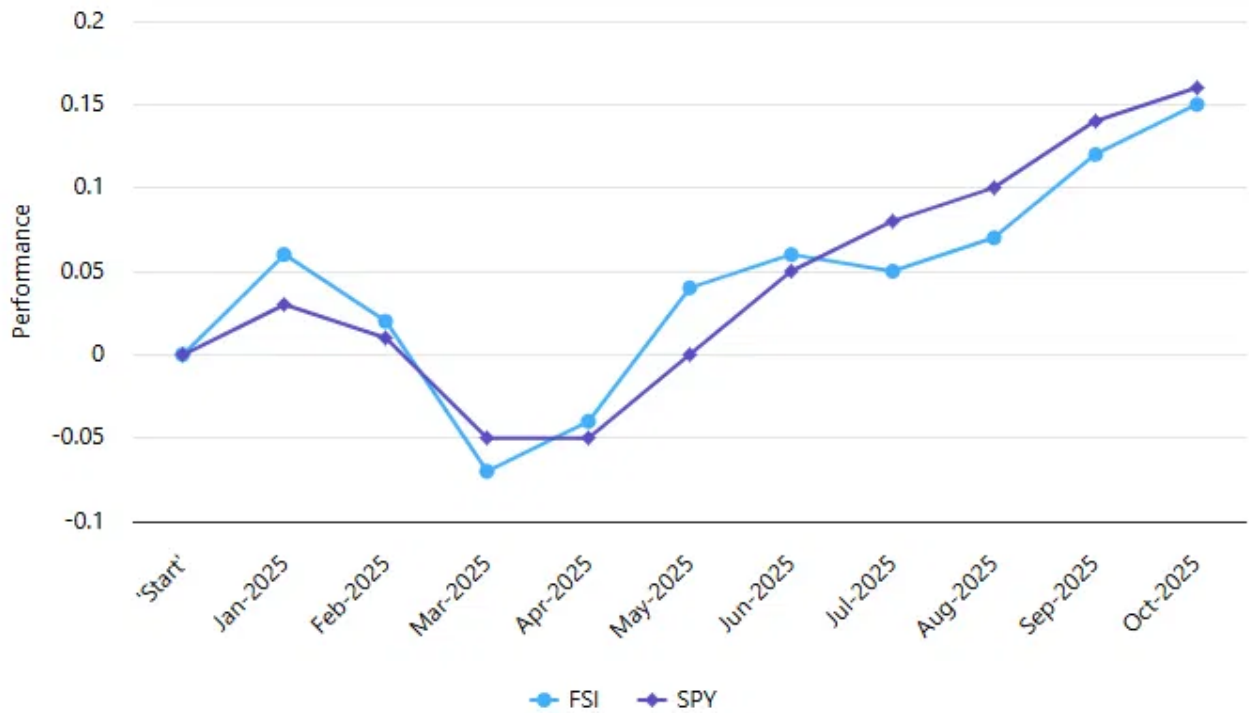


Highcharts.com

Performance period: January 01, 2025 through October 24, 2025



Upticks vs SPY (Year to Date)



Highcharts.com

Performance period: January 01, 2025 through October 24, 2025

In the News

I think you're going to see a crypto rally into year end, says Fundstrat's Tom Lee

Oct 24, 2025



Tom Lee: Private credit concerns don't change market's long list of tailwinds



Oct 17, 2025



Tom Lee joins Squawk Box to discuss what Friday's sell-off could mean for markets

Oct 13, 2025



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