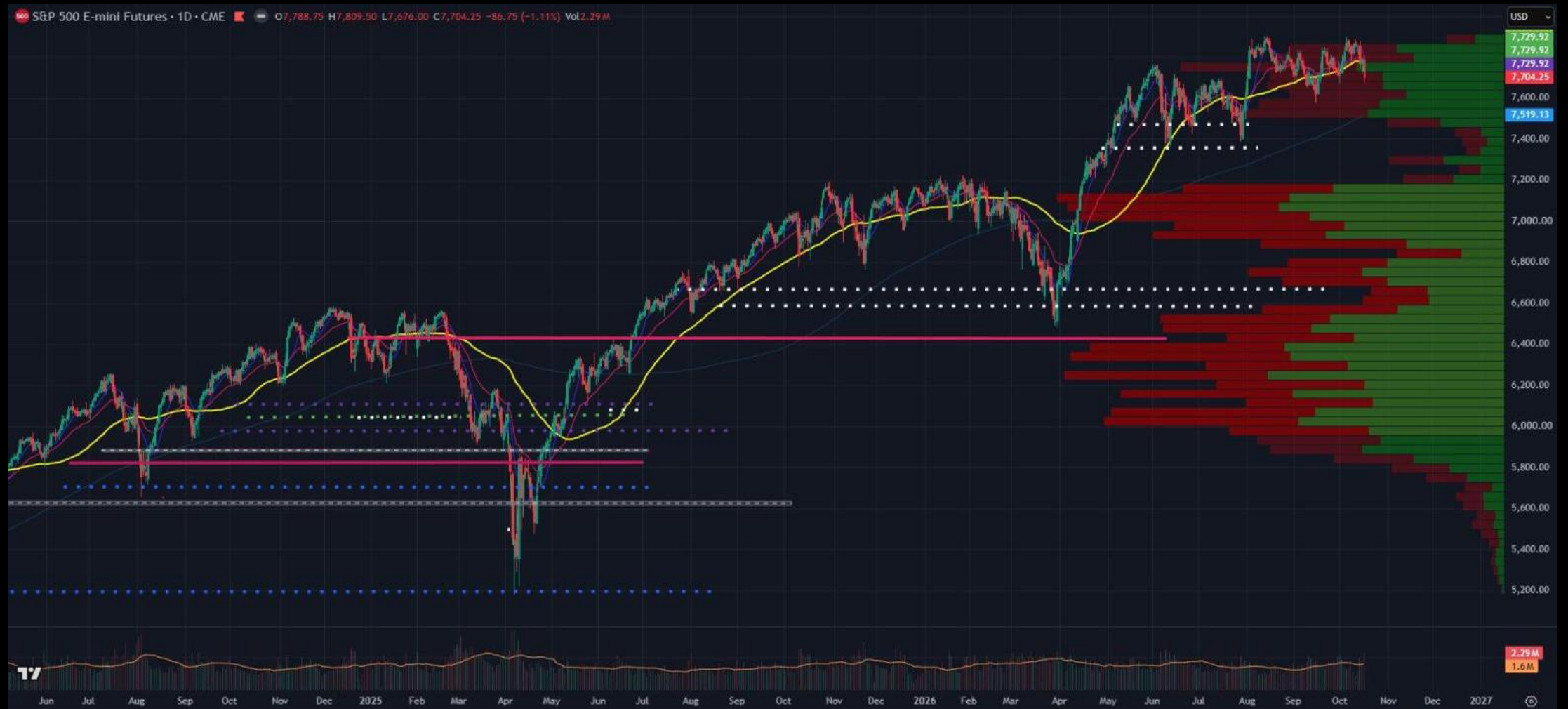


Technical View

@toglesby27

- 10/18/26
- A sharp pullback in NQ, new lows in breadth and small caps does not look good – but there were still signs of hope with the R!V benefitting and Energy acting well. The inflation data was concerning and there is likely one eye on the elections is a few weeks. Let's see what earnings season brings.
- More than a market exodus – this looks mostly like rotation. Keep you head on a swivel, but it is early to get too concerned.
- Primary levels –
- ES – 7650 is next support. Below that is 7475. Resistance is back at recent highs, but those are a ways away right now.
- NQ took the brunt but is coming into decent support. The failed breakout followed through lower for the first time in a while.
- RTY –Making new lows is concerning but also at support. It was said previously that this needed to bounce soon for it not to become a problem. It didn't.

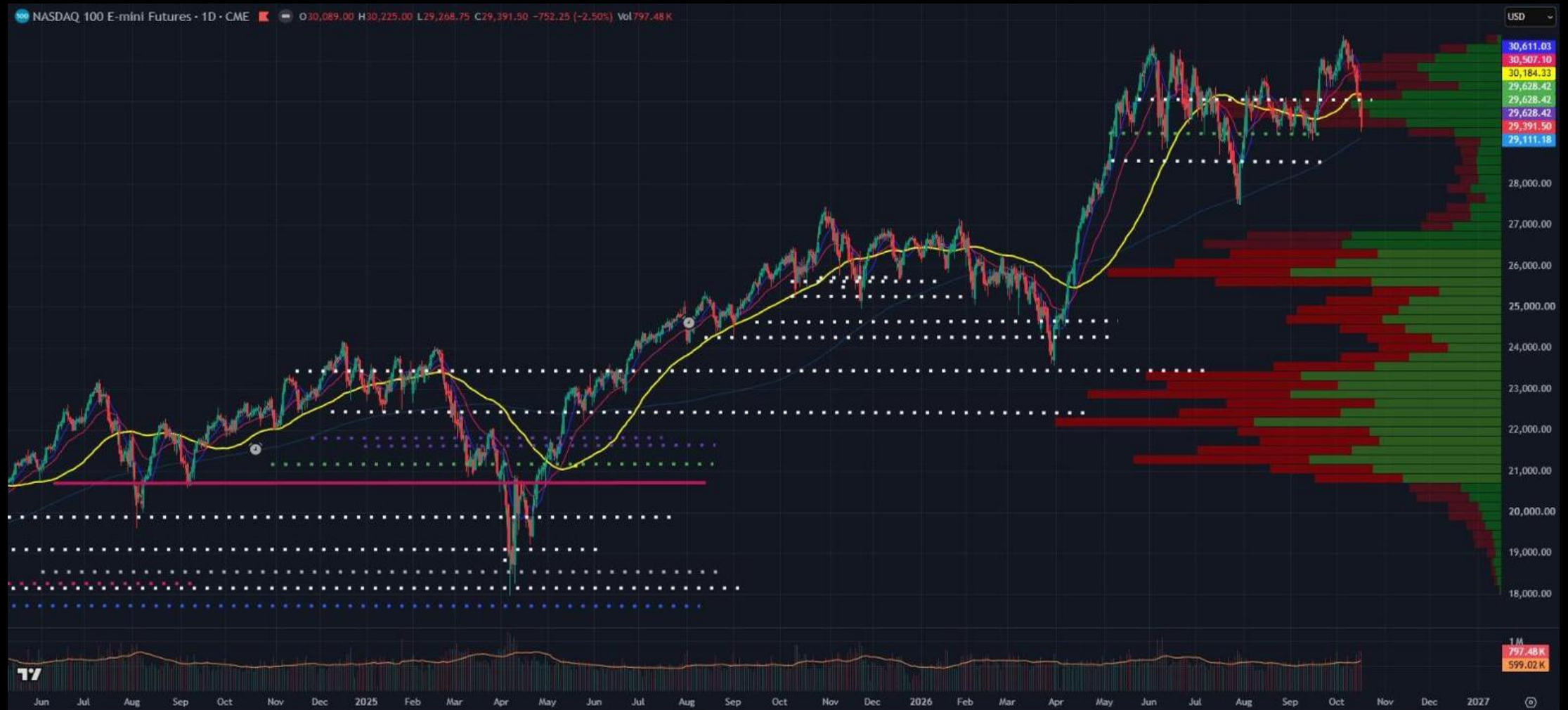
ES daily – A pullback from the highs. The first real distribution week since August. 7676 is the first line of support now.



ES – Short term – 60-minute – Straight down from 7900. No bounce worth the name, closing at 7703 near the lows. 7850 is resistance again. Below 7650 the move could accelerate.



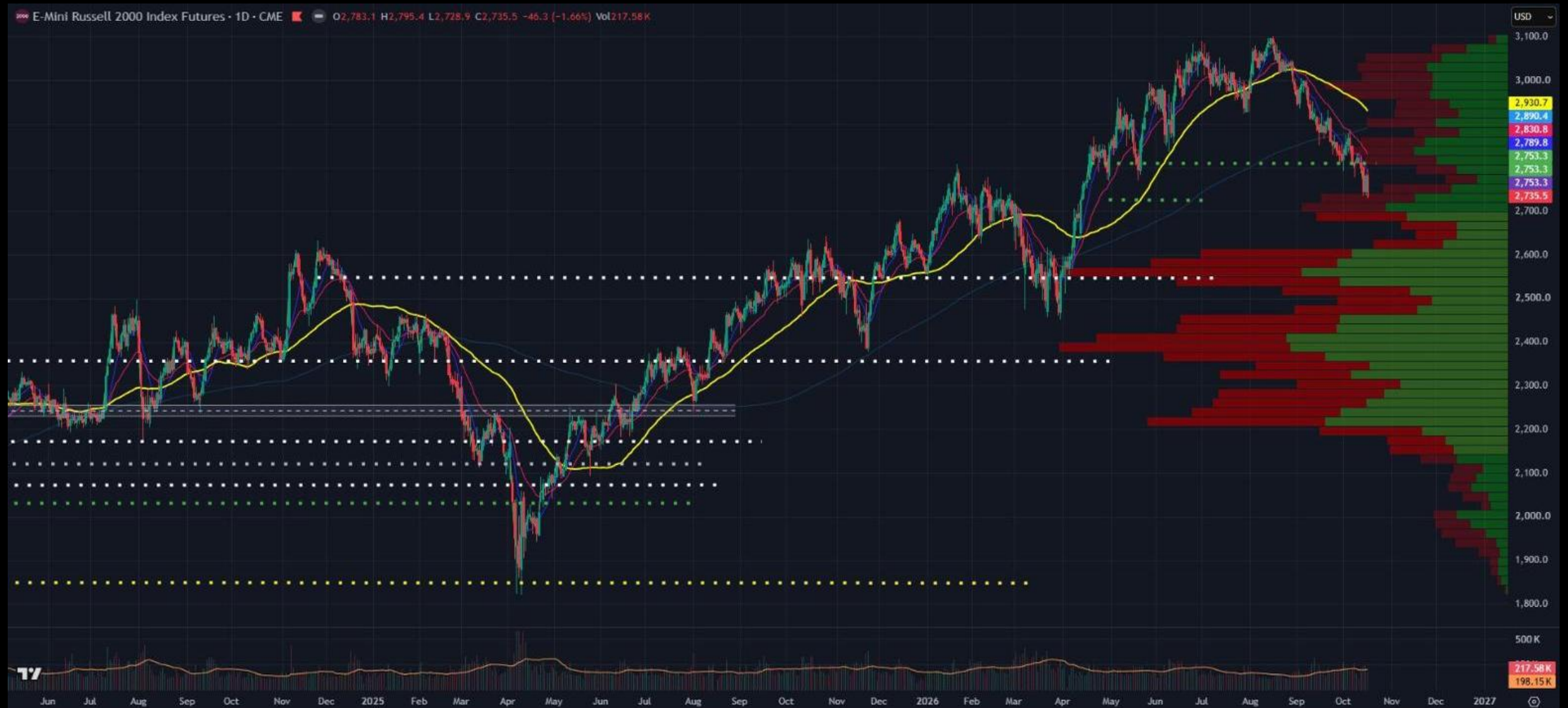
NQ Daily – This is the one that led the move lower. Down 5.5% to 29,392 after printing 31,289, and now under the 50-day. There is some support at 29,200. Lets see if it holds.



NQ – short term – One-way. 31,140 on Monday, 29,269 on Friday, no meaningful bounce in between. The 29,950 shelf is now resistance. Nothing has stabilized yet.



RTY – Broke a real support level and has been lagging since Jackson Hole. The lower highs since August are now lower lows too. 2730 is some support.



Dollar Index – Finally paused. DXY stalled at the 103 level and pulled back. First down week in a while. 103 is now a defined level with two rejections behind it.



10 year treasury (prices) – The bounce showed up. Up most of a point to 105'14, the best week in months. Money went somewhere this week, and some of it came here.



10-year yields – 5.10%. Down 14 basis points off the 5.28 high. Rates stopped being the problem and equities sold off anyway. That is worth noticing.



VXX – 60 minute. There it is. 18.58 from 17.00, up sharply and off the base we have been watching for weeks. First real spike since the summer. Is this the start of something or a brief bounce?



Overall view – SPY – Down 2% to 763. Value held, growth did not, and breadth made new lows. The divergence we kept flagging finally resolved. The election is the visible catalyst and things could be choppy until then.



QQQ – Down 5.5%. The failed breakout turned into the worst week of the year. Straight back to 710 and under the 50-day. 695 is the next level that matters.



Russell 1000 Value – Held in well. The only green chart in the group. Rotation is real.



Russell 1000 Growth – Down 5%. Gave back two months in a week and closed under the 50-day. The one trade finally cracked.



China (FXI) –Last week's bounce stalled. Still range-bound. 31–32 is still the floor.



EEM – Down 6%. Broke the consolidation and the 50-day in one week. The first real damage on this chart since April.



Breadth - % of stocks above 200 MA – 41.5%. New lows for the move, down from 43.3%. The indexes followed breadth instead of the other way around.



SPX 1 Week Performance – Sometimes this chart doesn't say too much.
Sometimes it says a lot.



Crude – Back at recent highs. Up 7.8% to 99.02 with a 99.34 high, clearing 96 and the whole summer range. This seemed to be the most likely outcome.



Brent Crude (BNO) – New highs at 67.19. Up 5% and accelerating. Energy was the only place to be this week.



Natural Gas – Did not join the oil move. Still stuck in the same range it has been in since May.



Gold (GLD) – Flat at 382 while everything else moved. Still sitting on the 381 line.



Bitcoin – A slight pullback with risk assets to 81.4k. 80k is the next support.



Energy equities – All four straight up. XLE 61 to 68, XOP 176 to 200, CVX 202 to 225, and VLO hit 460 before fading. The cleanest trend in the deck right now.



Technology ETFs – This is different. Semis led lower. SMH 635 to 540 and XLK 203 to 183, both one-way all week. Software (IGV) lost 112 to 104.



Key Sectors. A full rotation. Health Care ran 165 to 178, Financials made new highs at 56, Industrials and Discretionary chopped. Money left tech and stayed in the market.



Long term - ES – Down 2% on the week, the first real red bar at the highs. Still inside the channel off the 09 low and still in the upper half. The top rail near 8,300 held.



Long term – NQ – It failed back inside. Down 5.5% and the top rail of this steep channel is overhead again. That marks the last few months as an overshoot, as flagged.



Small caps – (IWM) Down 3% to 270 and below the channel midline. Lower lows now, not just lagging.



Summary

- Last week's comment was that Rates, the dollar, oil and equities rarely all stay at the highs. Last week saw equities give up the ghost. With oil still strong and just a small pullback in the dollar and rates the ingredients for a further pullback are still in place.
- VIX finally popped off depressed levels. Again – the guess is this continues for the immediate future.
- Small caps and interest rate sensitive names continue to struggle and breadth is a concern. With Semis rolling over from historically extended levels – this could continue.