

zChartTrader 240123 ETFs - XLK, XLC, MAGS, BOTZ, SKYY, CIBR, SMH, IGV, IBB

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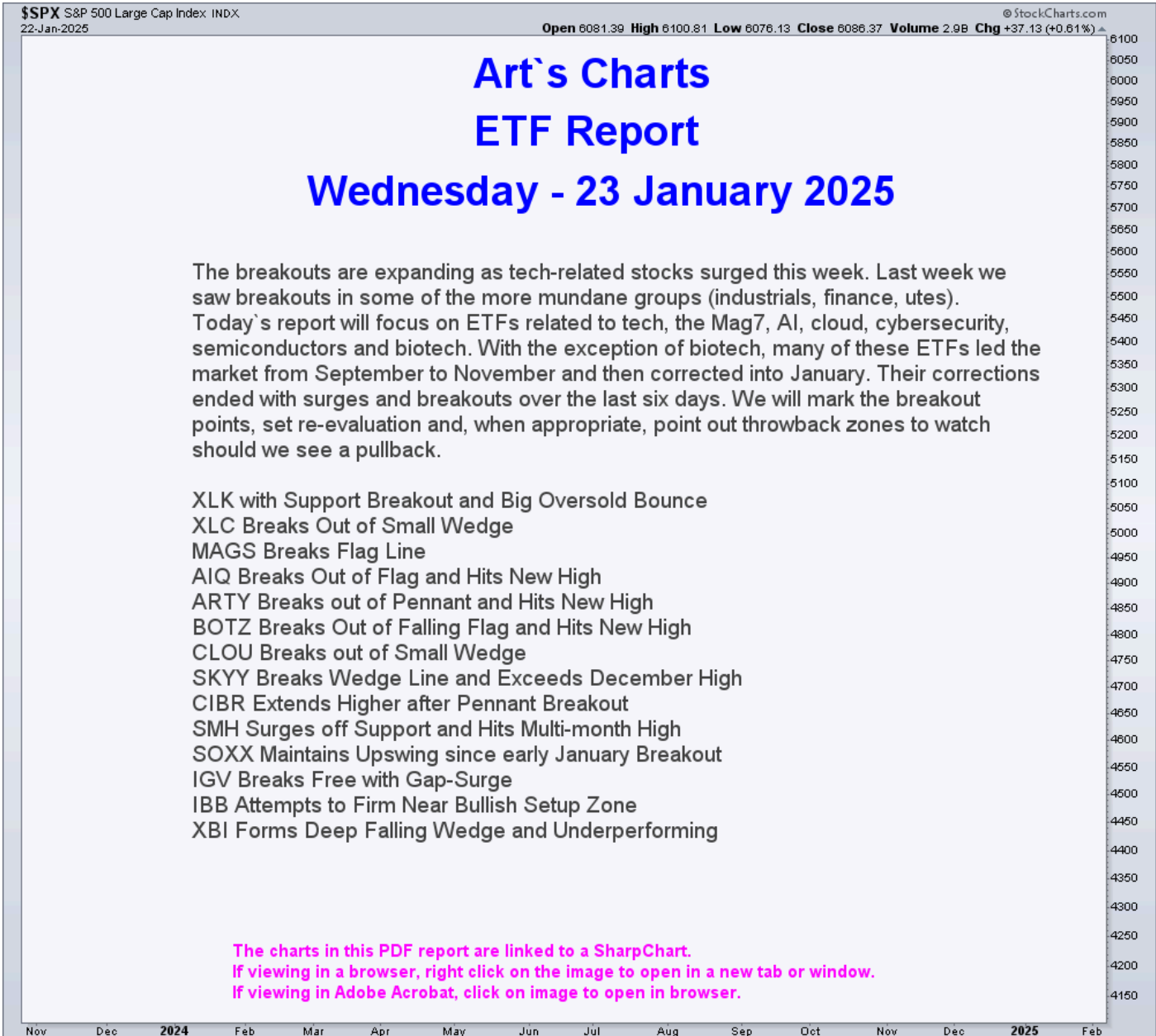
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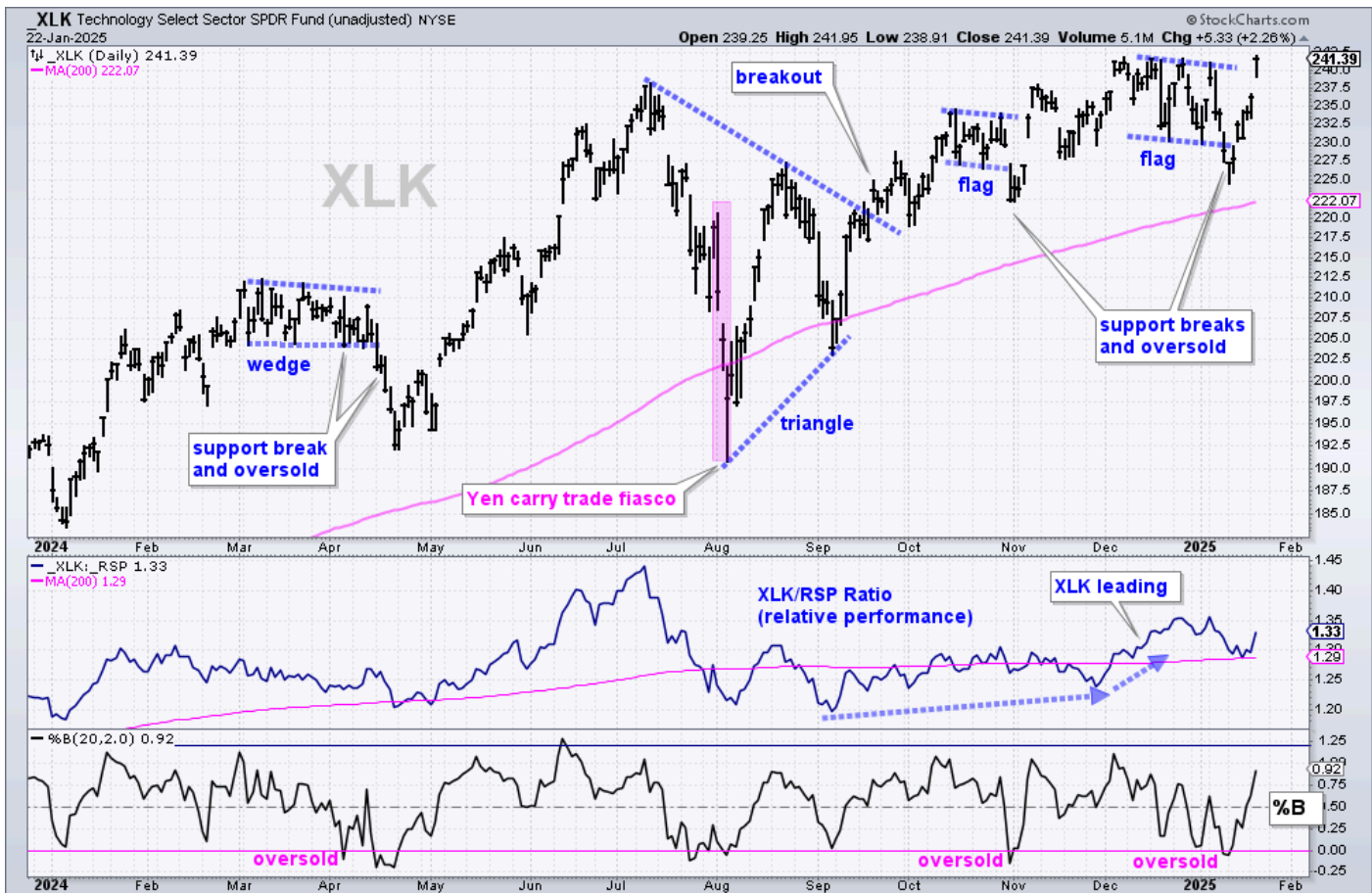
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1000 Arts Charts Next Level Charting



2010 Technology SPDR XLK



2025-01-23: XLK with Support Breakout and Big Oversold Bounce // The Technology SPDR (XLK) broke support at 230 with a sharp decline - and then surged to 241. The lesson here: short-term support breaks are not bearish when the long-term trend is up and the market regime is bullish. The long-term uptrend and bull market are the dominant forces at work and they usually override short-term support breaks at some point.

There is sometimes a contradiction between pattern setups and mean-reversion setups. XLK shows a wedge in March, a flag in October and a flag in December-January. Instead of upside breakouts, XLK broke support each time and became oversold. The wedge/flag patterns were negated, but mean-reversion setups emerged as Percent-B dipped below 0. This means the close was below the lower Bollinger Band (20,2). Oversold conditions can lead to a bounce, but timing that bounce is often a challenge because it can be sharp. XLK stayed oversold and extended lower in April - and then surged in May. The support breaks in late October and early January were short-lived as XLK immediately rebounded and surged to new highs.

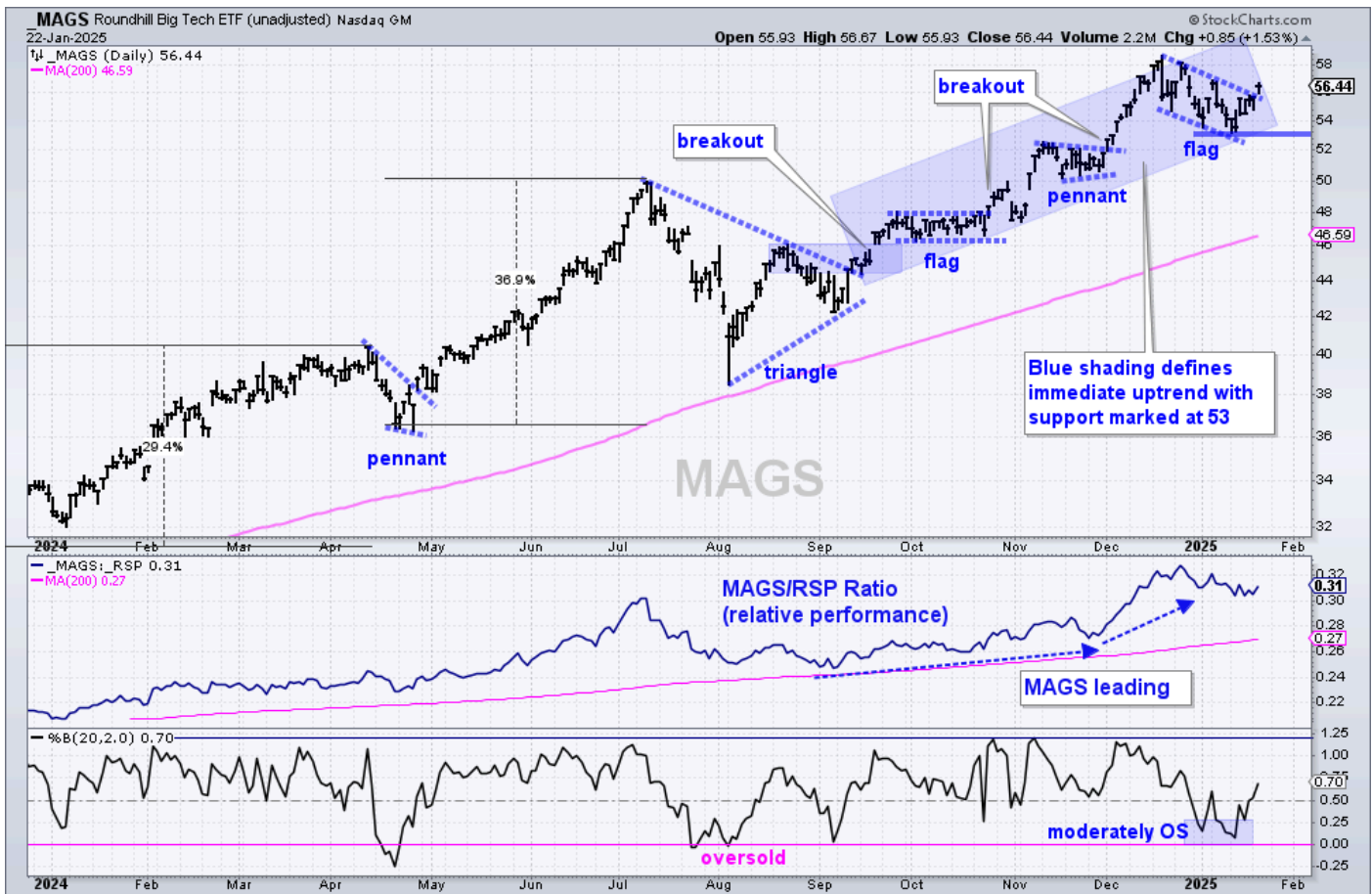
2050 Comm Services SPDR XLC



2025-01-23: XLC Breaks Out of Small Wedge // The Communication Services SPDR (XLC) hit a new high in mid December and then formed a small wedge that retraced around 38.2 percent. This is a short-term bullish continuation pattern. XLC broke the wedge line on 21-Jan and exceeded the early January high on 22-Jan. This is a breakout with re-evaluation support marked at 95.

Long-term: XLC is in a long-term uptrend with a new high in mid December and price well above the rising 200-day SMA. The triangle consolidation in July-August was the last medium-term pattern (bullish continuation pattern). XLC broke out in mid September and extended higher.

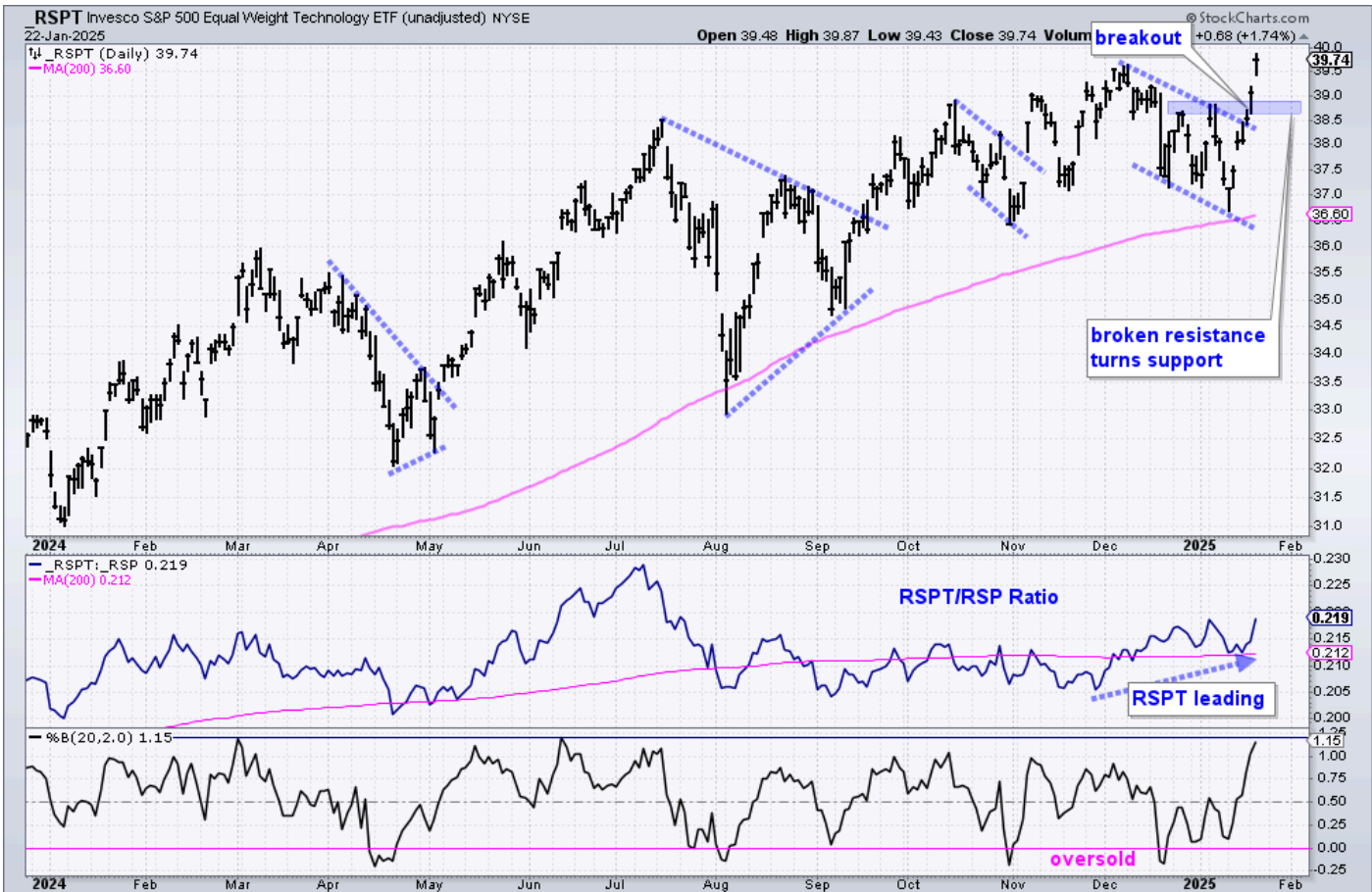
3000 Mag7 MAGS



2025-01-23: MAGS Breaks Flag Line // The Mag7 ETF (MAGS) hit a new high in December and then formed a falling flag into mid January. This is a short-term bullish continuation pattern. MAGS broke the upper line with a surge on 22-Jan and this signals a continuation higher. I am using the flag lows to mark re-evaluation support at 53.

Long-term: MAGS is in a long-term uptrend with new highs in mid December and price well above the 200-day SMA. The summer triangle was the last medium-term pattern (1-3 months) and this was a consolidation within an uptrend, which makes it a bullish continuation pattern. MAGS broke out in mid September and extended higher.

3000 TE EW Technology





2025-01-23: AIQ Breaks Out of Flag and Hits New High // There are many flag and wedge breakouts on the charts. What now? Some ETFs and stocks are short term extended after big moves the last six trading days. AIQ is up 7 percent in six days. The long-term trend is clearly up with the new high and AIQ shows relative strength. This is all good for the long-term.

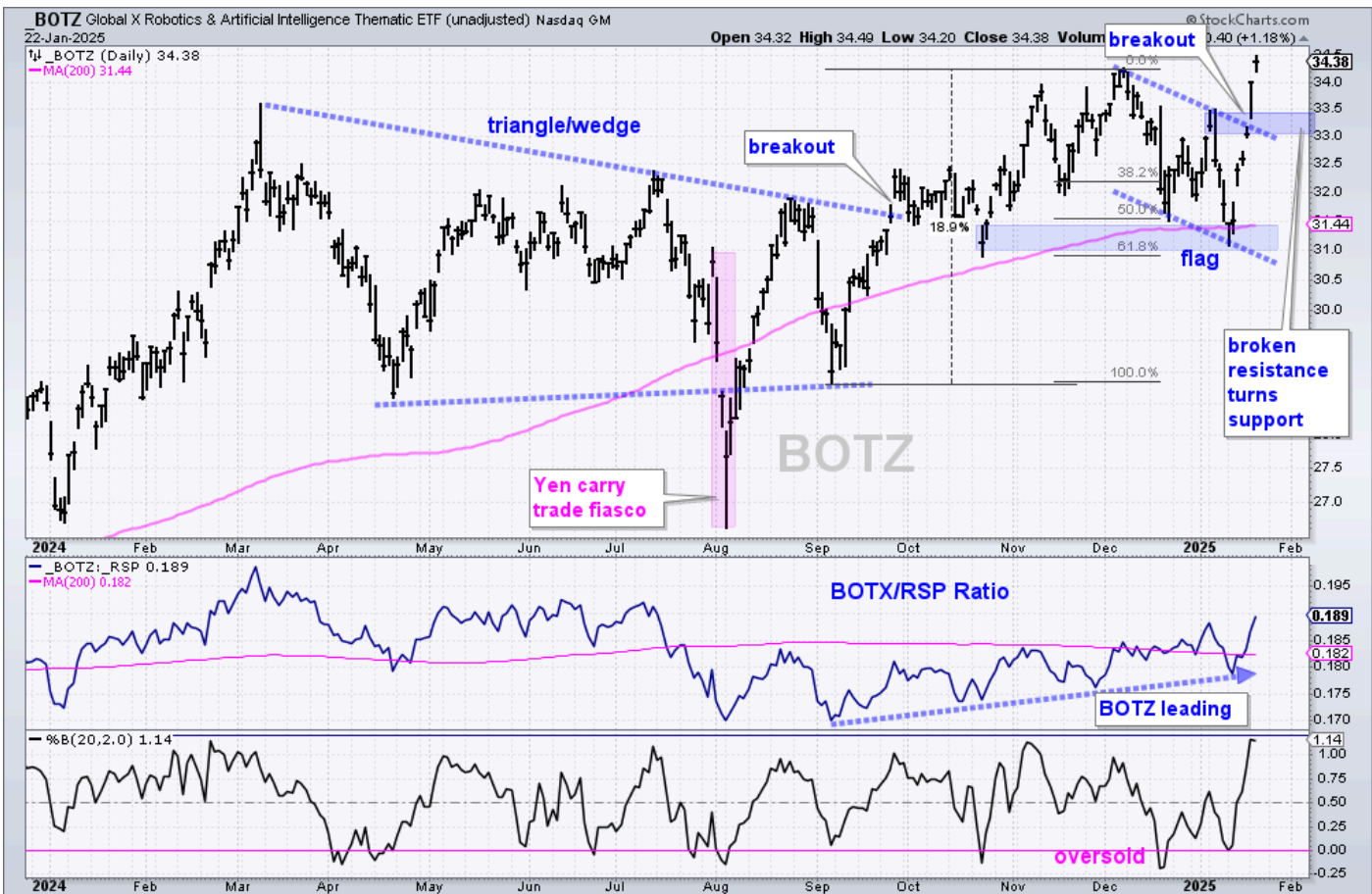
Short-term, the oversold condition in late December and flag pattern were the last setups. AIQ got its oversold bounce and flag breakout. The breakout zone turns into the first support area to watch should we get a throwback. This is a short, and sometimes sharp, decline back to the breakout zone. There were throwbacks in late May and late November (see chart). I am marking throwback support at around 39.5 and this is the area to watch should prices pull back.

3010 TE AI Robotics ARTY



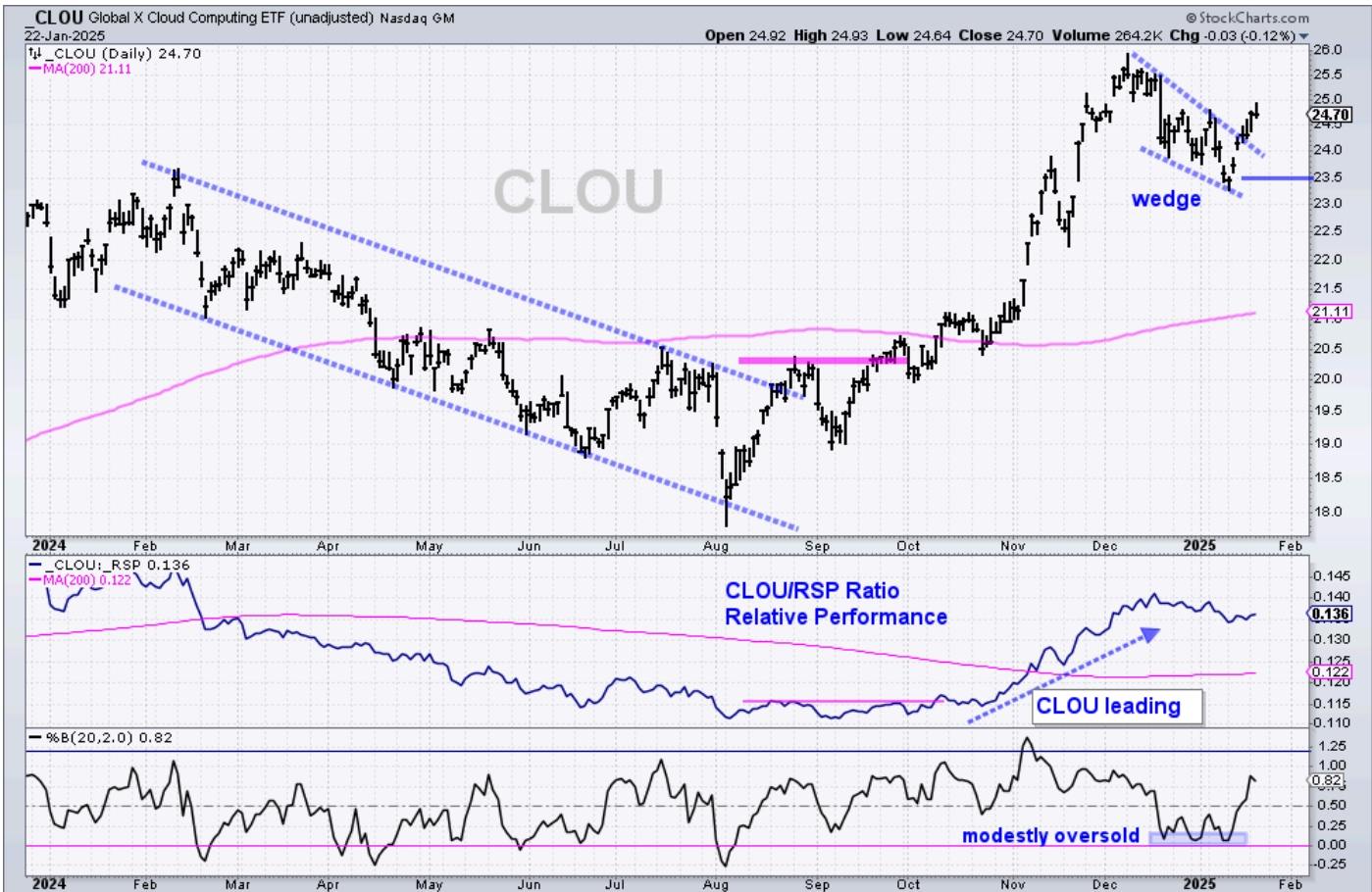
2025-01-23: ARTY Breaks out of Pennant and Hits New High // ETFs hitting new highs are in strong uptrends and leading. The Robotics & AI ETF (ARTY) broke out of a pennant and hit a new high. As with many ETFs, ARTY is short-term extended after an 8 percent surge in six days. The breakout zone around 39 turns first support to watch should we see a throwback. The middle window shows the ARTY/RSP ratio breaking out in early December and hitting a new high. ARTY is outperforming the S&P 500 EW ETF (RSP).

3010 TE AI Robotics BOTZ



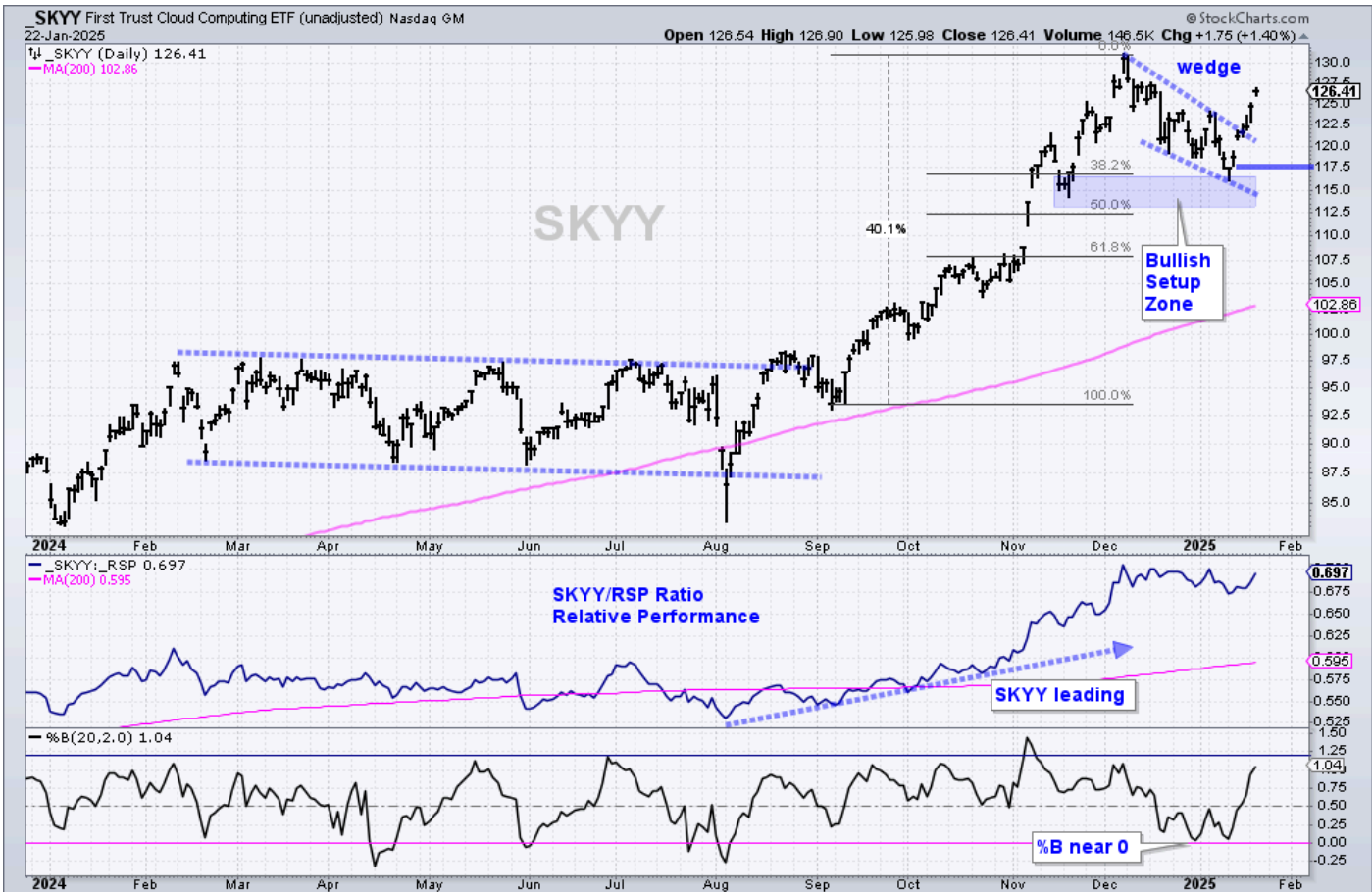
2025-01-23: BOTZ Breaks Out of Falling Flag and Hits New High // The Robotics & AI ETF (BOTZ) surged off a Bullish Setup Zone in the 31-31.5 area and recorded a new high. BOTZ broke out of a falling flag in the process. The breakout zone turns first support to watch should we get a throwback.

3010 TE Cloud CLOU



2025-01-23: CLOU Breaks out of Small Wedge // The Cloud ETF (CLOU) is also getting in on the action with a wedge breakout. Re-evaluation support is set at 23.50.

3010 TE Cloud SKYY

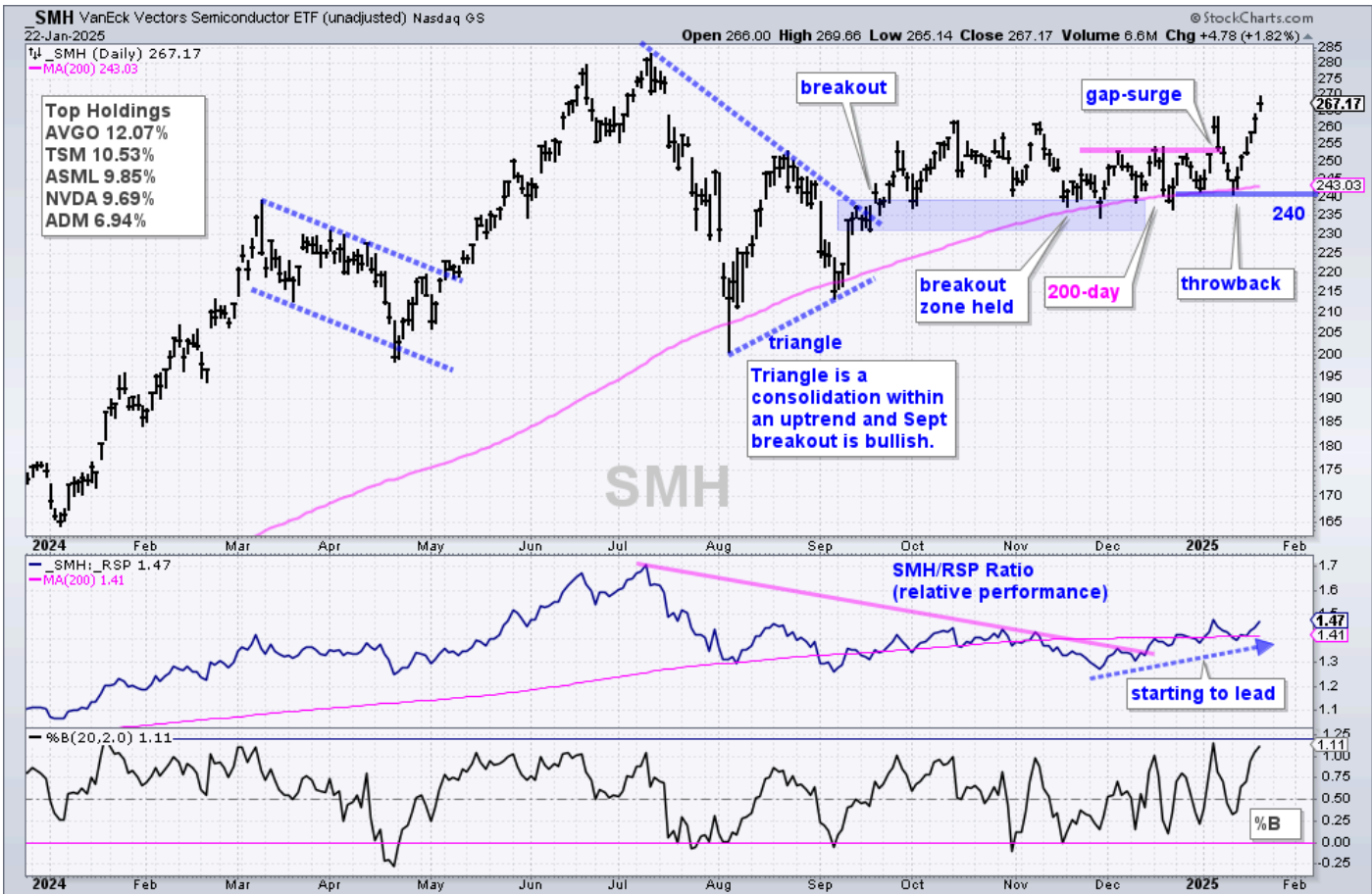


3010 TE Cybersecurity CIBR



2025-01-23: CIBR Extends Higher after Pennant Breakout // The Cybersecurity ETF (CIBR) remains in a leading uptrend since the channel breakout in mid August. Short-term, CIBR formed a pennant into early January and broke the upper line with a surge last week. The ETF continued higher this week and is close to a new high.

3010 TE Semiconductor SMH



2025-01-23: SMH Surges off Support and Hits Multi-month High // The Semiconductor ETF (SMH) struggled since the triangle breakout in mid September, but the cup was always half full as the breakout zone held. Most recently SMH broke out with a gap-surge on 6-Jan and then fell right back to the 200-day SMA with a hard throwback. This key moving average and support at 240 held as SMH surged above its October highs this week. SMH is clearly in bull mode with support set at 240.

Long-term: The July-August triangle was the most recent medium-term pattern. SMH broke out in mid September and this breakout held from October to January, even though SMH was essentially flat for several months. Nevertheless, the breakout held and remains bullish. SMH is also above the rising 200-day SMA.

3010 TE Semiconductor SOXX



2025-01-23: SOXX Maintains Upswing since early January Breakout // The Semiconductor ETF (SOXX) formed a triangle in July-August and broke out in September. In contrast to SMH, this breakout zone did not hold as SOXX moved lower in November-December. SOXX reversed this downswing with a breakout on January 6th. As with SMH, there was a hard throwback to support at 215 in mid January and then a surge the last six days. This keeps the upswing alive with key support set at 215.

3010 TE Software IGV



2025-01-23: IGV Breaks Free with Gap-Surge // The Software ETF (IGV) caught fire this week with a 3.78% surge on Tuesday-Wednesday. With this surge, IGV completed the wedge breakout and reversed the short-term downswing. Overall, the ETF hit a new high in early December and then retraced 50-61.8 percent of the prior 34 percent advance. This pullback was rather deep, but normal when measuring the retracement. The wedge breakout signals an end to the pullback phase and resumption of the bigger uptrend. The breakout zone around 100 marks first support should we see a throwback. Re-evaluation support is set at 98.



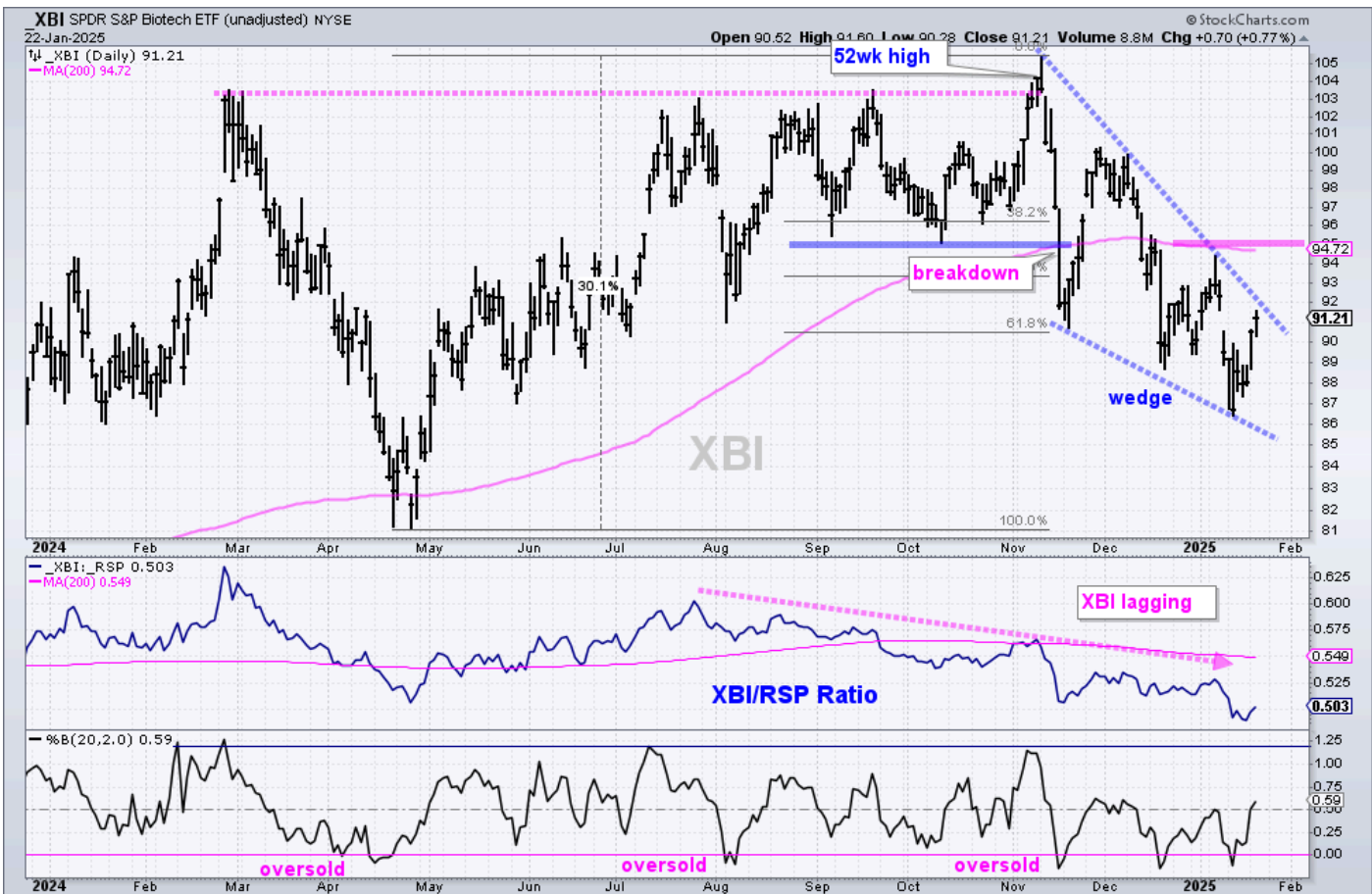
2025-01-23: IBB Attempts to Firm Near Bullish Setup Zone // Its been a rough ride for the Biotech ETF (IBB) since the mid November plunge and break down. The nomination of RFK Jr to the depart of Health and Human Resources triggered selling pressure in biotech, pharma and healthcare provider stocks. IBB started underperforming before this nomination as the price-relative (IBB/RSP ratio) moved lower from August to October. IBB remains a laggard, but there are signs of firming in the low 130s.

First, IBB hit a new high in July with a 22% advance. It then fell to the 132 area with a sharp decline in mid November. This area marks a Bullish Setup Zone based on support from the June-July lows and the 61.8 percent retracement. IBB bounced into early December and then fell to a lower low in late December. The ETF caught my eye because it firmed in the 132 area and a falling wedge is taking shape. IBB established resistance at 138 with the early January high and a breakout here would be bullish.

Note that PolyMarket gives RFK Jr an 83% chance of being confirmed.

<https://polymarket.com/event/which-trump-picks-will-be-confirmed?>

3060 HC Biotech XBI



2025-01-23: XBI Forms Deep Falling Wedge and Underperforming // The Biotech SPDR (XBI) chart is similar to IBB. A falling wedge is taking shape with key resistance set at 95.

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