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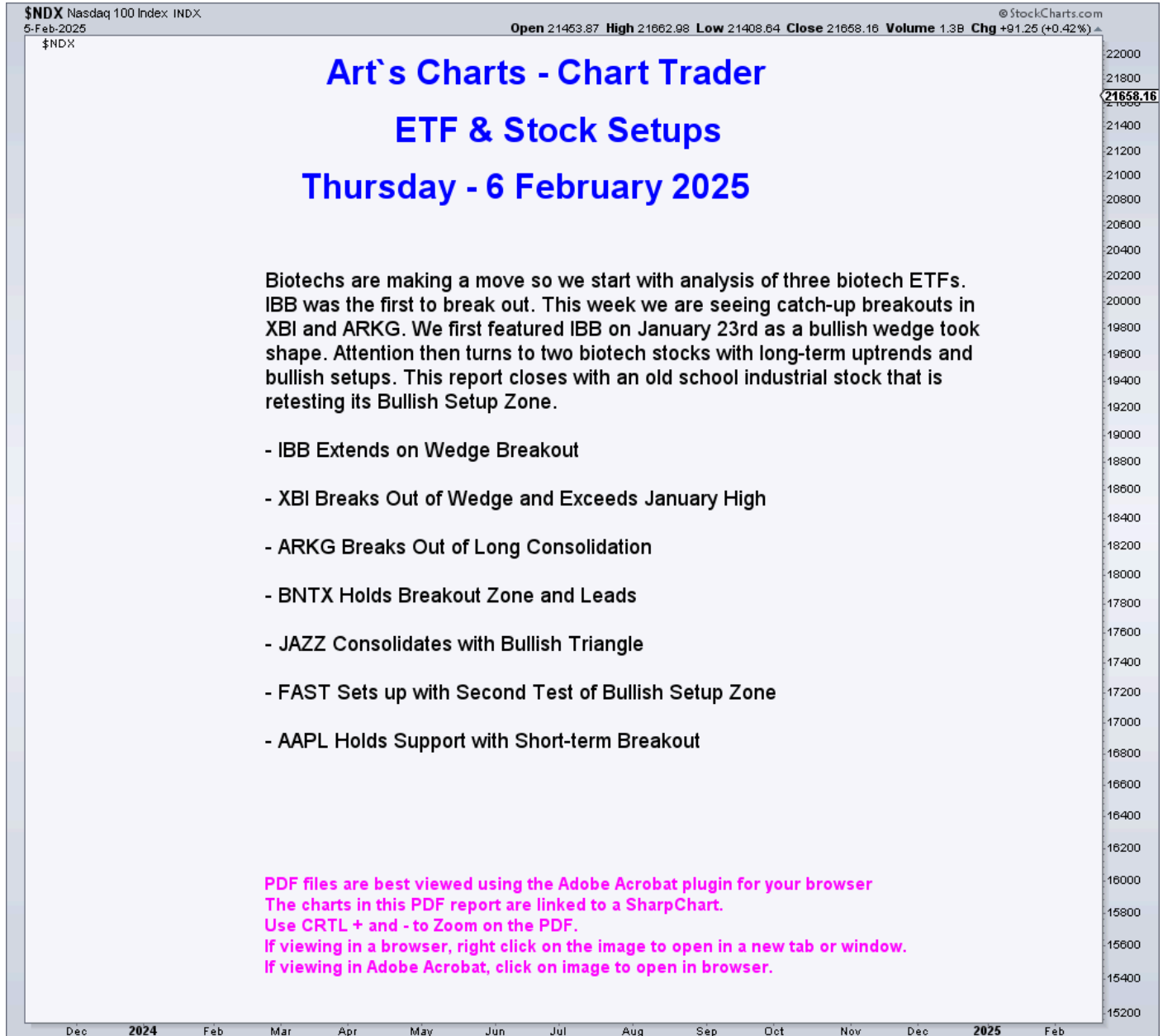
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0000 Chart Trader Stock Setups



3060 HC Biotech IBB



2025-02-06: IBB Extends on Wedge Breakout // The Biotech ETF (IBB) broke wedge resistance on January 23rd and extended higher with follow through this week. IBB also broke its 200-day SMA. I noted this wedge pattern on January 23rd (see below) and view the breakout as bullish. Note that IBB hit a 52-week high in July and formed a higher low from April to December. This breakout signals a continuation of a bigger, albeit choppy, uptrend. The projection is for a new high above 150 with a re-evaluation level set at 134. The middle window shows the price-relative (IBB/RSP ratio) breaking out as IBB starts to outperform the broader market.

2025-01-23: Prior Analysis // 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.

IBB has over 200 stocks with the top ten accounting for almost 50% of the ETF.
 Top Holdings: AMGN, GILD, VRTX, REGN, IQV, ALNY, ARGX, MTD, WAT, BNTX



2025-02-06: XBI Breaks Out of Wedge and Exceeds January High // The Biotech SPDR (XBI) is not as strong as the Biotech ETF (IBB), but their charts are similar and both have breakouts working. XBI hit a new high in early November and then plunged in mid November when RfK Jr was nominated. XBI continued lower into January as the falling wedge formed. This pattern is typical for a correction after an advance. With a new high in November and a higher low from April to January, I can make the case for a choppy long-term uptrend. XBI broke the wedge line with a surge in late January and exceeded its January high this week. This breakout reverses the downtrend and signals a continuation of the bigger uptrend. The re-evaluation level is set at 88.

XBI has over 100 stocks with the top ten accounting for around 25% of the ETF.
 Top Holdings: NBIX, AMGN, ABBV, INSM, ALNY, GILD, NTRA, VRTX, INCY, PVCX

3060 HC Genomic Revolution ARKG



2025-02-06: ARKG Breaks Out of Long Consolidation // The chart above shows the ARK Genomic Revolution ETF (ARKG) peaking at 115 in early 2021 and falling below 25 in October 2023. The ETF formed a double bottom in the first half of 2023, but the July 2023 breakout failed as the ETF fell to a new low. Most recently, ARKG consolidated from April 2024 to January 2025 with a long rectangle. The length of the pattern makes it neutral and the next directional bias stems from the subsequent breakout. ARKG is breaking out to the upside this week and this is a bullish development. The middle window shows the ARKG/RSP ratio with the 40-week SMA (pink line). ARKG underperformed throughout 2024 and this ratio turned up in 2025. It edged above its 40-week SMA and ARKG is starting to outperform.

ARKG has around 35 stocks with the top ten account for around 59% of the ETF.
 ARKG Top Holdings: TWST, TEM, RXXR, CRSP, GH, ADPT, NTRA, SDGR, VCYT, CDNA

I generally shun actively managed ETFs because 90+ percent of active managers underperform their benchmarks and the fees are higher than for passive ETFs. ARKG has a management fee of .75% per year. In contrast, the Biotech ETF (IBB) charges .45% and the Biotech SPDR (XBI) charges .35%. The ARKG is more speculative than IBB and XBI. This means you get more bang for your buck, but keep in mind that the bang factor cuts both ways (up and down).



2025-02-06: BNTX Holds Breakout Zone and Leads // Before getting to the analysis, note that BioNTech SE (BNTX) is a biotech stock with above average volatility (risk). The stock surged some 70% from early August to mid September and broke resistance in the process. A 70% surge in six weeks is testament to the volatility, which cuts both ways. After the breakout surge, BNTX corrected with a falling channel that retraced around 61.8% of the 70% advance. The retracement amount and pattern are typical for corrections after sharp advances. The stock reversed this fall with a breakout surge in late November and this breakout is holding. Notice how the breakout zone turned support (blue shading) and held in December-January. Thus, the long-term trend is up and the breakout is holding. This is a bullish chart with re-evaluation support set at 108.

HC_Biotech_Jazz Pharmaceut



2025-02-06: JAZZ Consolidates with Bullish Triangle // Jazz Pharmaceuticals (JAZZ) is part of the Biotech ETF (IBB). Overall, the stock is in an uptrend after the November surge and breakout. JAZZ is above the 200-day SMA and outperforming as the RSP/JAZZ ratio moves higher the last two months (middle window). The stock formed a triangle consolidation since early November and I view this as a bullish continuation pattern. This is basically a rest that eases the overbought conditions from mid November and paves the way for the next move. A breakout at 126 would be bullish. I would then mark re-evaluation support at 118.



2025-02-06: FAST Sets up with Second Test of Bullish Setup Zone // Fastenal (FAST) provides inventory management services and distributes industrial products (fasteners, hardware, small machinery). On the price chart, FAST is setting up as it retests a Bullish Setup Zone. During a pullback, I use retracement levels, broken resistance and other tools to mark Bullish Setup Zones. These are zones where prices may firm and reverse after a pullback or correction.

Three items mark the Bullish Setup Zone. First, FAST surged 33% and then retraced 61.8% with a sharp decline in December. This is a normal retracement amount after a sharp advance. Basically, FAST moved three steps higher and two steps lower. Second, the blue shading marks support from broken resistance levels in September-October. A basic tenet of technical analysis is that broken resistance levels turn into future support. Third, we also have the 200-day SMA marking possible support in the 71 area. Taken together, these mark an area to watch for firming and a reversal.

FAST broke out with a surge in mid January and then fell back the last four weeks. This marks another test of the Bullish Setup Zone. I am watching this short pullback and marking resistance at 75. A breakout here would keep the mid January breakout alive and argue for higher prices. I would then set a re-evaluation level at 71.



2025-02-06: AAPL Holds Support with Short-term Breakout // Apple (AAPL) is perking up as it holds above its rising 200-day SMA and breaks short-term resistance. First and foremost, the long-term trend is up with AAPL hitting a new high in late December and price above the rising 200-day SMA. The stock fell sharply in January, but held support in the 215-220 area as it surged last week. AAPL broke out with a move to around 240 and then fell back below 230 early this week. I attributed this volatility to earnings and general market volatility. Overall, the breakout is largely holding and I view it as bullish. Re-evaluation support is set at 220.

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