1000 Art's Charts - Chart Trader - ETF Report

$SPX S&P 500 Large Cap Index INDX
3-Mar-2025
©StockCharts.com
Open 5968.33 High 5986.09 Low 5810.91 Close 5849.72 Volume 3.6B Chg -104.78 (-1.76%)

Chart Trader ETF Report

Tuesday - 4 March 2025

Stocks were hit hard the last two weeks with small-caps and tech stocks leading the way lower. SPY is down around 4.6% from its late February high and entering the garden-variety correction range (5-8 percent). Believe it or not, five to eight percent pullbacks are not that uncommon. And they fell a lot worse than they look. Also keep in mind that SPY was up 20% from the August low to the February high. I will consider current weakness as a correction within a bigger uptrend as long as SPY holds above the 200-day SMA and the long-term breadth indicators remain bullish.

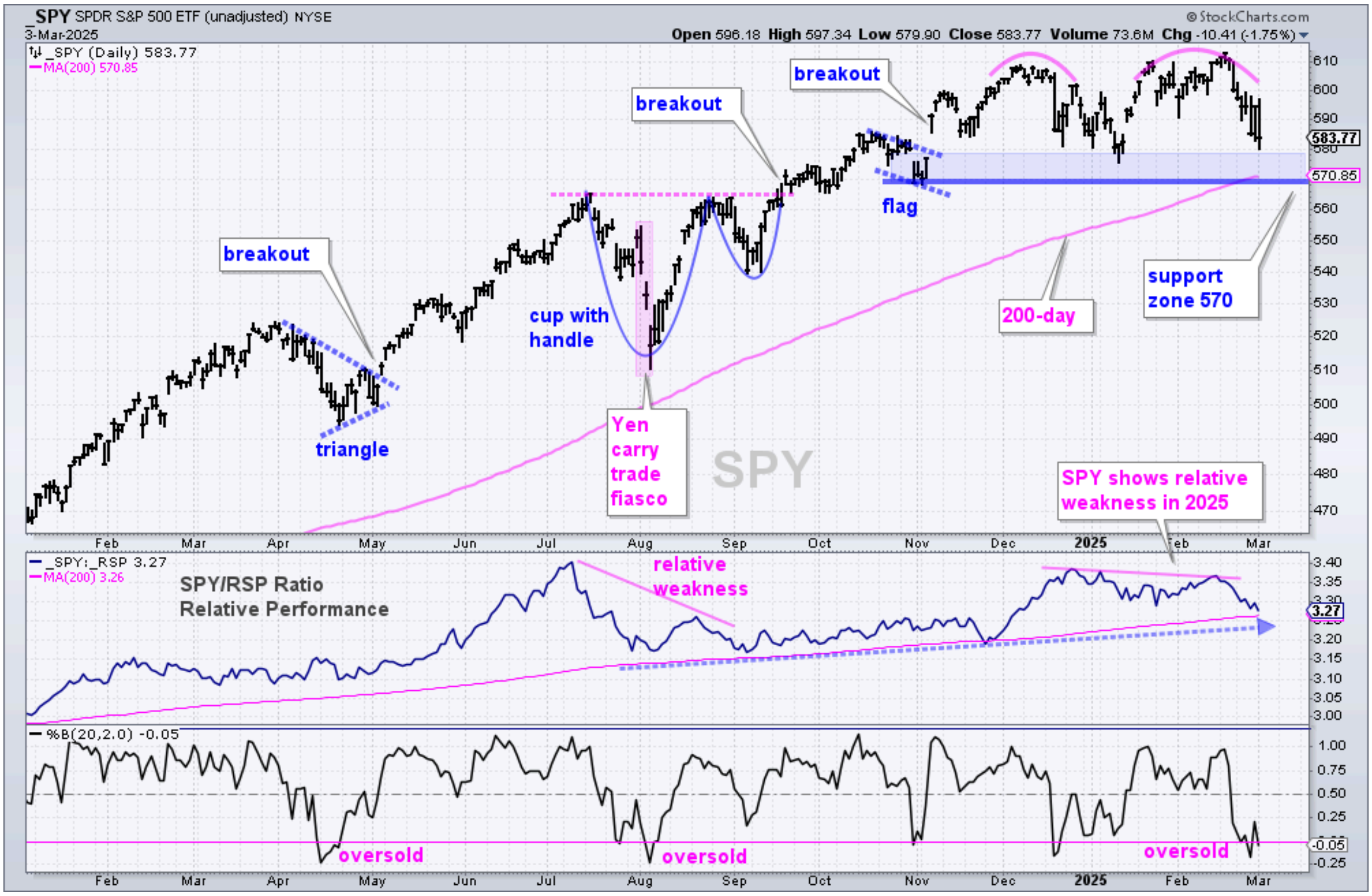
There are, however, concerns with the state of the stock market. The Home Construction ETF (ITB) is in a strong downtrend with a 52-week low on Monday. The Semiconductor ETF (SMH) broke support with a sharp decline and shows relative weakness for over six months. Despite weakness in these two cyclical groups, the EW Consumer Discretionary ETF (RSPD) and the Regional Bank SPDR (KRE) remain above their January lows and have yet to roll over. In addition, yield spreads have yet to break out and show stress in the credit markets. These are the areas to watch now.

The decline over the last two weeks is the sharpest since mid July, which is when SPY fell 5% in seven days. This decline continued into early August as the Yen-carry trade fiasco spooked the markets and stocks plunged. This plunge created some severe oversold conditions that led to a very sharp bounce. The chances of something similar happening are high because the news cycle remains in overdrive. President Trump will address Congress tonight at 9PM ET.

SPY Forms Possible Double Top as QQQ Breaks January Low
RSP Tests Breakout Zone and Holds Up Well
XLF Remains Near High and Shows Relative Strength
XLI Hits Moment of truth as it Tests Breakout Zone
XLC Pulls Back after New High, but Remains a Leader
XLU Holds Wedge Breakout and Shows Relative Strength
MAGS Breaks January Low, but Remains Above 200-day SMA
AIQ Remains above 200-day SMA and January Low
XLK and ARTY Breaks January Lows and 200-day SMAs
BOTZ Hits Bullish Setup Zone after Break Down
CLOU, SKYY and IGV Breaks January Lows, but above 200-day SMAs
CIBR Holds Above January Low and Rising 200-day
SMH and SOXX Break Triangle Support
IHI Consolidates Near High and Shows Relative Strength
IYZ Consolidates Near Highs
GLD Pulls Back after New High
IBIT Breaks Double Top Support

Leading Uptrends and Relative Strength: Finance SPDR (XLF), Communication Services SPDR (XLC), Utilities SPDR (XLU), Cybersecurity ETF (CIBR),
Global AI & Tech ETF (AIQ), Insurance ETF (KIE), Aerospace & Defense ETF (ITA), Medical Devices ETF (IHI), MLP ETF (AMLP), Telecom ETF (IYZ), Gold SPDR (GLD)

1010 S&P 500 SPY



2025-02-25: SPY Forms Possible Double Top // SPY remains in a long-term uptrend with a new high in mid February and price above the rising 200-day SMA. In addition, the long-term breadth indicators are still bullish. Thus, we are still in a bull market. These breadth indicators will be updated in tomorrow's Market Regime report. With a sharp decline from the mid February high, it is now possible that a Double Top is forming with peaks in the 610 area (pink arcs) and a support zone in the 570-580 area. Double Tops are distribution patterns with a break below the intermittent low providing confirmation. I am using the October-January lows and the rising 200-day SMA to mark a support zone in the 570-580 area. A close below 570 would confirm the pattern, arguing for a bearish reversal. For now, SPY remains just above support and Percent-B (lower window) is oversold. This combination could give way to a short-term bounce.

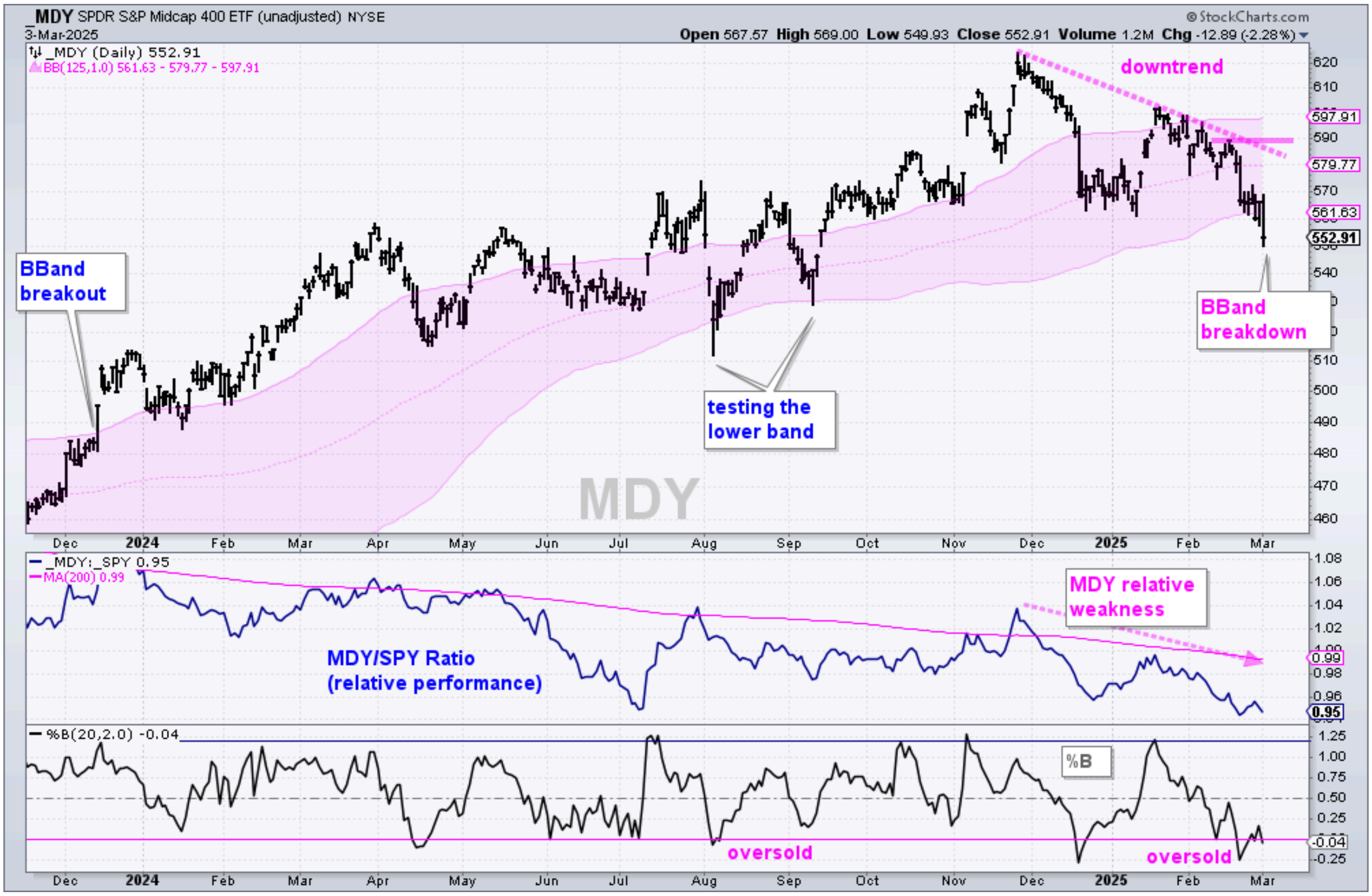
1011 Nasdaq 100 QQQ

2025-03-04: QQQ Breaks January Low and Starts to Underperform // QQQ tagged at 52-wk high three weeks ago and then plunged to its 200-day SMA with an eight percent decline. This is the sharpest decline since mid July, when QQQ fell ten percent after tagging a new high. Note that I am not including the extension lower into early August. ETFs breaking below their January lows show relative weakness, while ETFs holding above their January lows show relative strength (SPY). QQQ is moving into the relative weakness camp as the price-relative (QQQ/RSP ratio) broke its 200-day SMA (middle window). On the price chart, I am marking a support zone in the 480-490 area. QQQ is more volatile than SPY so I will give it a little more wiggle room. A close below 480 would clearly break the rising 200-day SMA and reverse the uptrend. Short-term, QQQ is trading near a support zone and oversold as Percent-B dipped below zero. This combination could give way to a bounce.

1011 S&P 500 Equal-weight RSP

2025-03-04: RSP Tests Breakout Zone and Holds Up Well // The S&P 500 EW ETF (RSP) shows relative weakness from late November to late January with a lower high, but relative strength in 2025 because it is holding up well the last six weeks. Note that mid-caps (MDY) and small-caps (IJR) moved below their January lows in late February, but RSP held up much better and remains well above its January low. Overall, RSP formed a falling wedge that returned to the rising 200-day SMA in mid January and retraced 50-61.8 percent of the prior advance. RSP broke out with a surge in mid January and then consolidated above this breakout. The ETF is consolidating above the wedge breakout with another wedge and a breakout at 182 would be bullish. I marked re-evaluation support at 177 and a break here would negate the mid January breakout. This would also be bearish because it would solidify the lower high formed from late November to late January. A downturn would also show broadening on the downside and be negative for the broader market (average S&P 500 stock).

1012 S&P 400 MidCap MDY



2025-03-04: The S&P MidCap 400 SPDR (MDY) is off my radar because it broke the lower Bollinger Band and moved into a long-term downtrend. MDY is also showing long-term relative weakness as the price-relative moved to a new low.

The pink shading shows the Bollinger Bands (125,1). The middle line is the 125-day SMA and the Bollinger Bands are 1 standard deviation above and below this SMA. As volatility bands, a price move above/below the upper/lower band signals a volatility breakout. A break above the upper Bollinger Band signals a long-term uptrend, while a break below the lower Band signals a long-term downtrend.

1013 S&P 600 SmallCap IJR

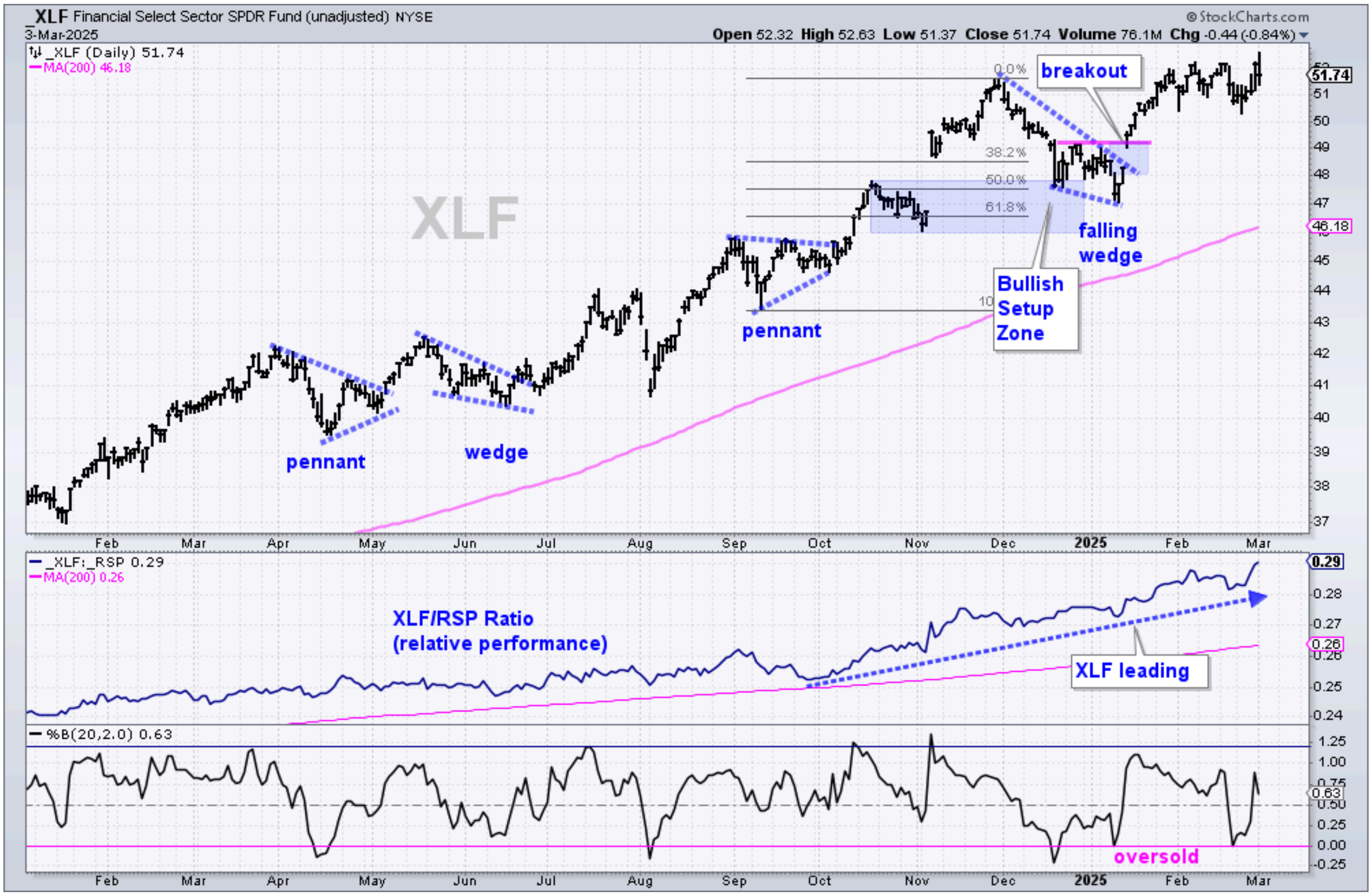
2025-03-04: The S&P SmallCap 600 SPDR (IJR) is off my radar because it broke the lower Bollinger Band and moved into a long-term downtrend. IJR is also showing long-term relative weakness as the price-relative moved to a new low.

The pink shading shows the Bollinger Bands (125,1). The middle line is the 125-day SMA and the Bollinger Bands are 1 standard deviation above and below this SMA. As volatility bands, a Bollinger Band breakout is also a volatility breakout. A break above the upper Bollinger Band signals a long-term uptrend, while a break below the lower Band signals a long-term downtrend.

2010 Technology SPDR XLK

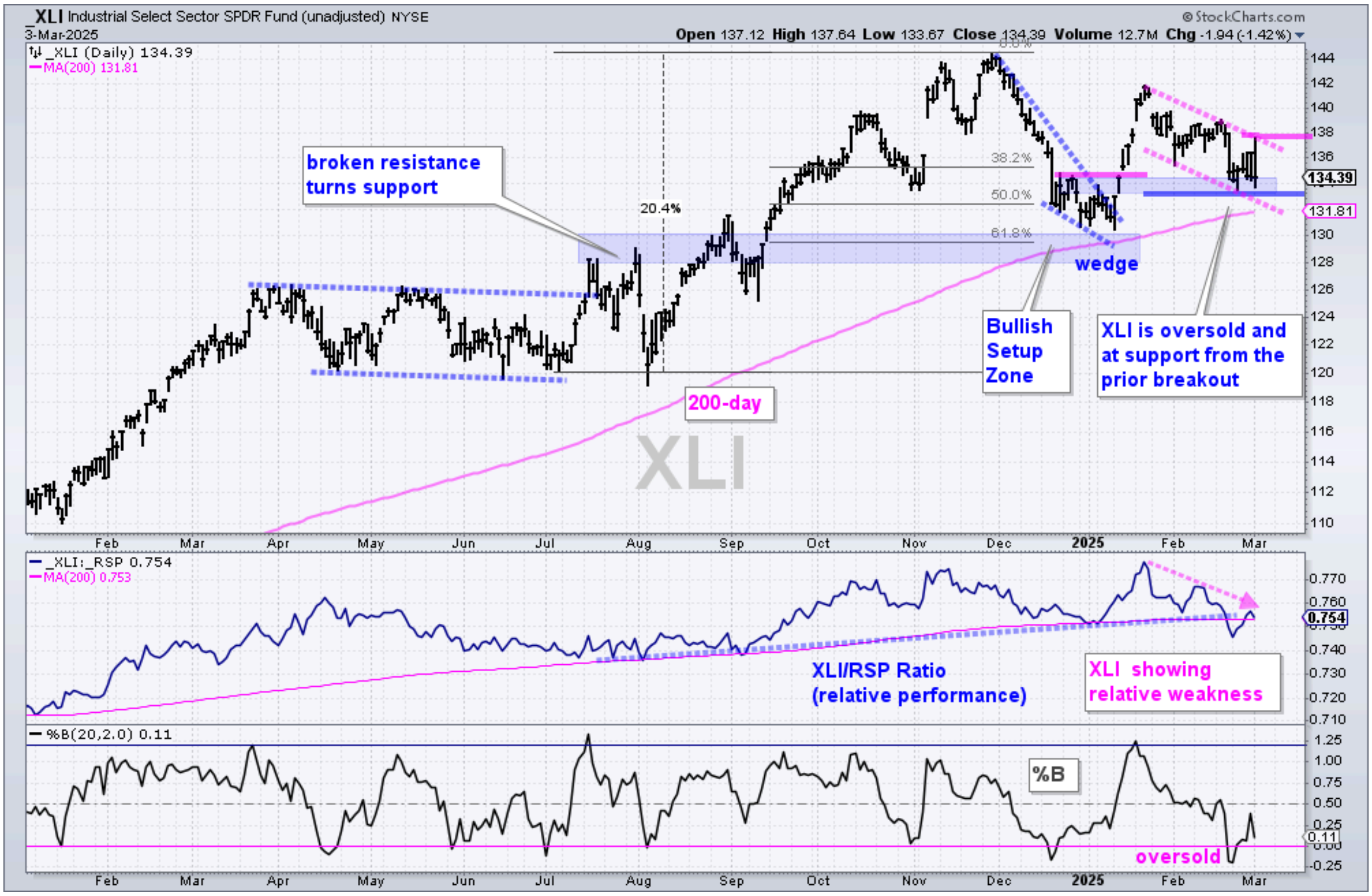
2025-03-04: XLK Breaks November Low and 200-day SMA // The Technology SPDR (XLK) moved into downtrend mode as it broke the lows from November to February and the rising 200-day SMA. XLK is also trading below its pre-election levels and showing relative weakness. The price-relative (XLK/RSP ratio) formed a lower high in February and broke the January low with a sharp decline.

2030 Financial SPDR XLF



2025-03-04: XLF Remains Near High and Shows Relative Strength // The Finance SPDR (XLF) is the strongest sector because it is the closest to a 52-week high. Actually, XLF tagged a new high intraday on Monday. XLF broke out of the falling wedge in mid January and hit a new high in late January. It has since consolidated near its highs in the 50-52 area. There is no setup on this chart, just a leading uptrend. The middle window shows the price-relative (XLF/RSP ratio) hitting a new high in early March, which means XLF shows relative strength.

2040 Industrials SPDR XLI



2025-03-04: XLI Hits Moment of truth as it Tests Breakout Zone // The Industrials SPDR (XLI) remains in a long-term uptrend with price above the rising 200-day SMA. I am concerned with XLI because a lower high formed from late November to late January and the ETF is starting to underperform. The middle window shows the XLI/RSP ratio breaking its 200-day SMA and early January low with a decline in February. On the price chart, XLI is at a moment of truth as it tests the breakout zone in the 133-135 area. The ETF surged in mid January and then fell back to the breakout zone in February. A small falling channel formed with resistance marked at 138. A breakout here would be bullish. Should XLI fail to bounce, a break below 133 would negate the mid January breakout and solidify the lower high in late January. This would be negative and likely lead to a bigger trend change (downtrend signal).

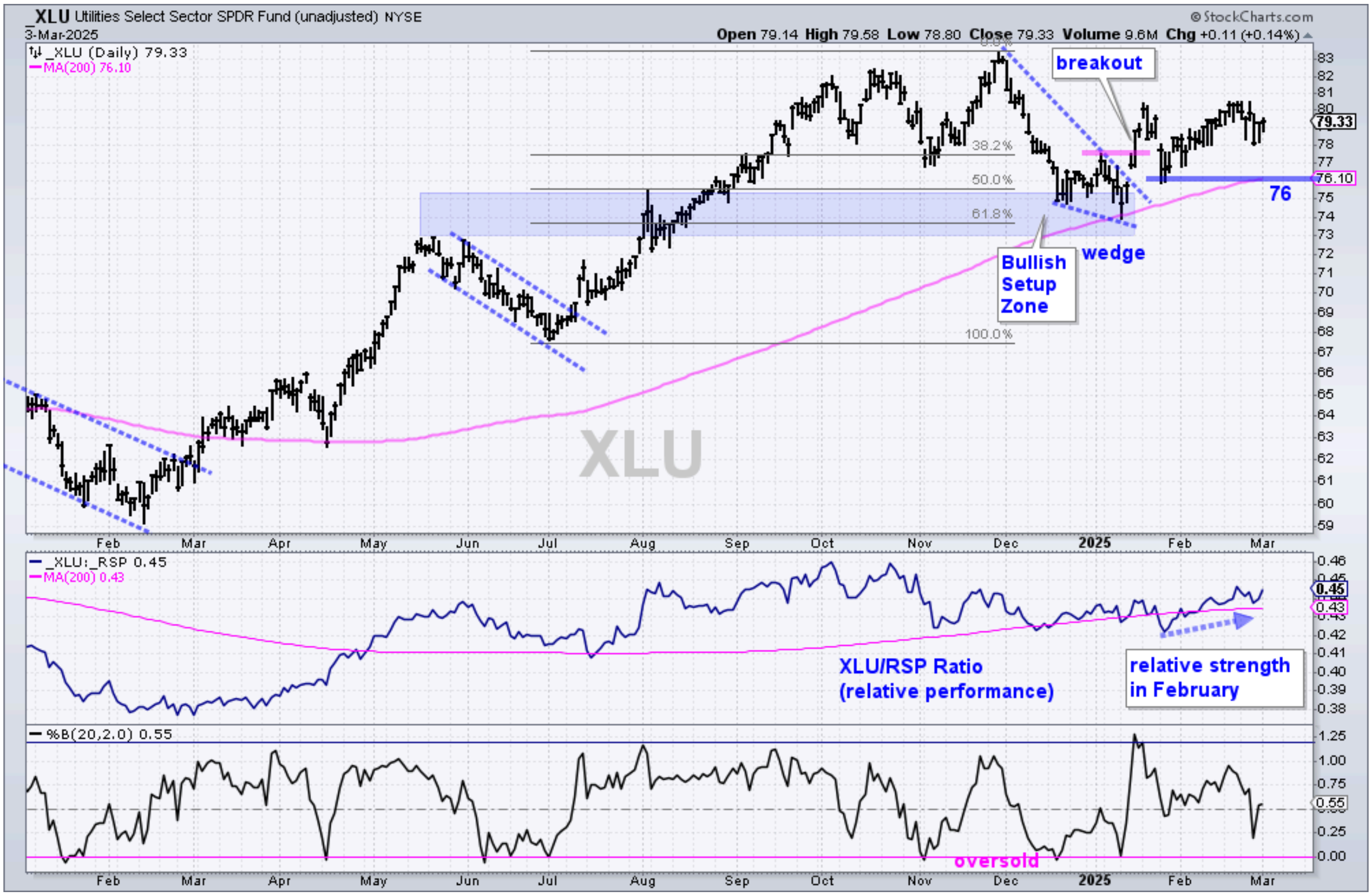
2050 Comm Services SPDR XLC

2025-02-25: XLC Pulls Back from New High // The Communication Services SPDR (XLC) remains in a leading uptrend with a new high in mid February and price well above the rising 200-day SMA. The price-relative (XLC/RSP ratio) also hit a new high in mid February and remains in a strong uptrend (relative strength). The falling wedge was the most recent setup and the ETF broke out with a surge on January 23rd. XLC extended to new highs and then pulled back a little. There is no setup on this chart.

2060 Healthcare SPDR XLV

2025-02-25: XLV Recaptures 200-day and Shows Relative Strength in 2025 // The Healthcare SPDR (XLV) broke out of a falling channel with a surge in January and even exceeded the 200-day SMA in late January. I am marking my re-evaluation level at 142, and a close below this level would negate the channel breakout. After becoming short-term overbought in late January, the ETF fell back into mid February with a small wedge and broke wedge resistance. XLV even closed broke back above its 200-day SMA. The middle window shows the XLV/RSP ratio (price-relative) turning up in mid December and rising in 2025 as XLV outperforms the broader market this year.

2100 Utilities SPDR XLU



2025-03-04: XLU Holds Wedge Breakout and Shows Relative Strength // The Utilities SPDR (XLU) is not the most exciting ETF, but it is holding its mid January wedge breakout and showing relative strength in February. The middle window shows the price-relative turning up in late January and moving higher as XLU holds up better than the broader market. Overall, XLU remains in a long-term uptrend with price above the rising 200-day SMA. XLU corrected with a falling wedge into mid January and broke out with a surge above 78. This is the active signal and the breakout is holding. Broken resistance turned into support and held in the 76 area. I am marking re-evaluation support at 76. A close below this level would negate the wedge breakout and also break the 200-day SMA.

Top Ten Stocks: NEE, SO, CEG, DUK, AEP, SRE, VST, D, PEG, EXC

3000 Mag7 MAGS

2025-03-04: MAGS Breaks January Low, but Remains Above 200-day SMA // There are two performance metrics in play this year: the January lows and the 200-day SMAs. ETFs holding above are holding up better than ETFs that broke both. Some ETFs are mixed, because they broke their January lows, but remain above the 200-day SMAs, or vice versa. I am seeing this with some tech-related ETFs. For example, MAGS broke its January low in late February and fell sharply into early March. It is currently just above the rising 200-day SMA and trading in a Bullish Setup Zone (blue shading). The 50-61.8 percent retracements, broken resistance levels and rising 200-day SMA mark this zone. When the long-term trend is up and we are in a bull market, Bullish Setup Zone mark areas to watch for firming and a reversal. MAGS is also oversold as Percent-B (20,2) dipped below zero. MAGS is setting up for an oversold bounce, but there is concern with sector performance because XLK broke down.

Note that MAGS is an equal-weight ETF and the seven holdings are rebalanced quarterly. These include NVDA, AMZN, AAPL, GOOGL, META, MSFT, TSLA.

3010 TE AI & Tech AIQ

2025-03-04: AIQ Remains above 200-day SMA and January Low // The Global AI & Tech ETF (AIQ) fell sharply the last eight days, but is holding up better than most tech-related ETFs because it is above its rising 200-day SMA and still above its January low. AIQ components focus on the software and application side of AI. Even though the long-term trend is still up, AIQ is moving into corrective mode with this outsized decline. I am marking a Bullish Setup Zone in the 36.5-37.5 area (blue shading). Here we find the October-November lows, the January low, the rising 200-day SMA and the 51-61.8 percent retracements. This is an area to watch for firming and a possible end to the correction.

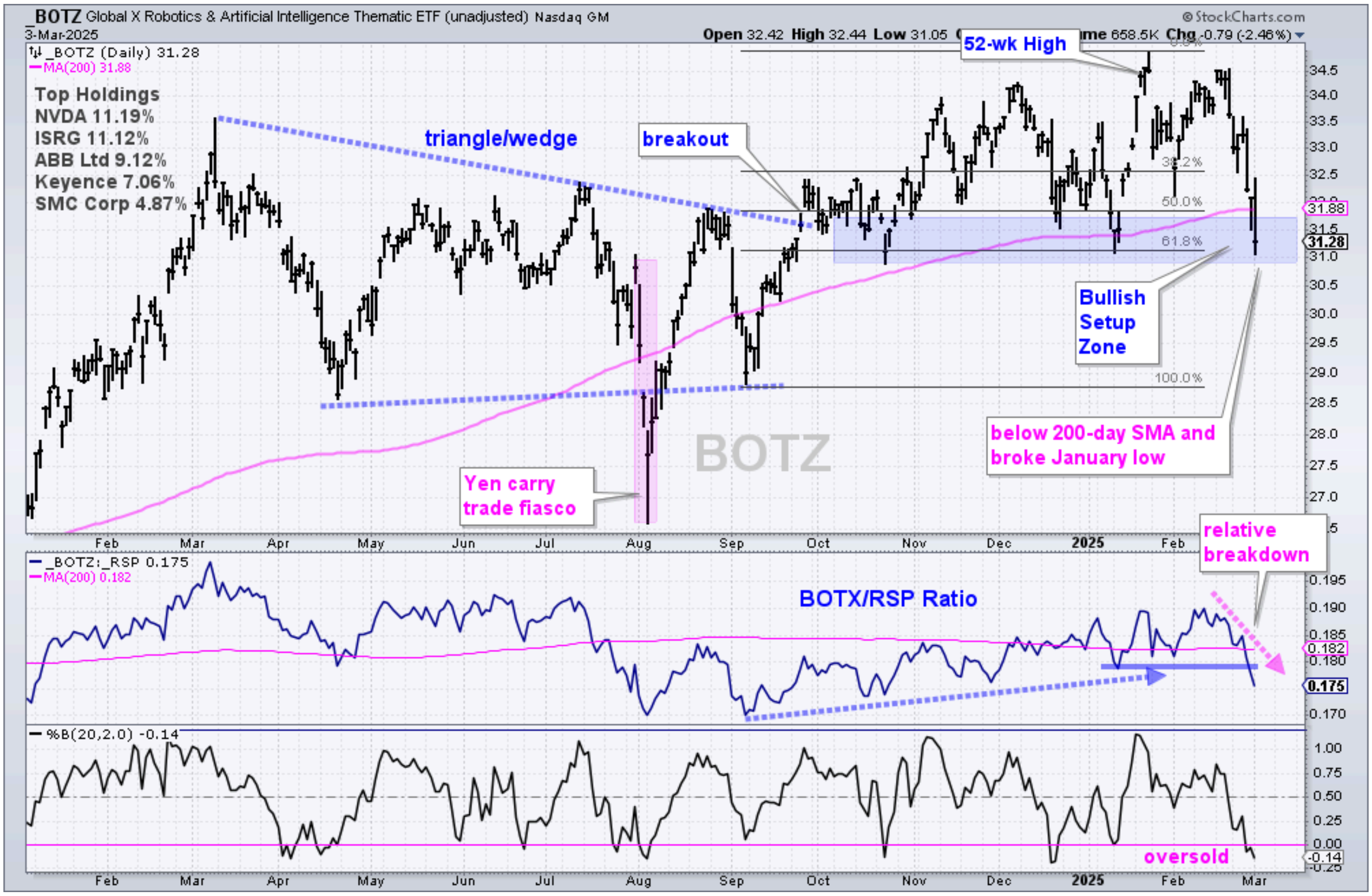
The Global AI & Tech ETF (AIQ) is an international ETF with an emphasis on software and applications (TSLA, NFLX, NOW, CRM, META).

3010 TE AI Robotics ARTY

2025-03-04: ARTY Breaks Down and Starts Underperforming // The Robotics AI ETF (ARTY) broke support from the December-January lows and broke the 200-day SMA with a 16% decline the last eight days. The price-relative also broke down with a move below the January low and 200-day SMA. ARTY moved from uptrend and relative strength to downtrend and relative weakness in less than two weeks. This is the world we live in.

The Robotics AI ETF (ARTY) is largely focused on AI infrastructure (AVGO, ANET, VRT, NVDA, CEG).

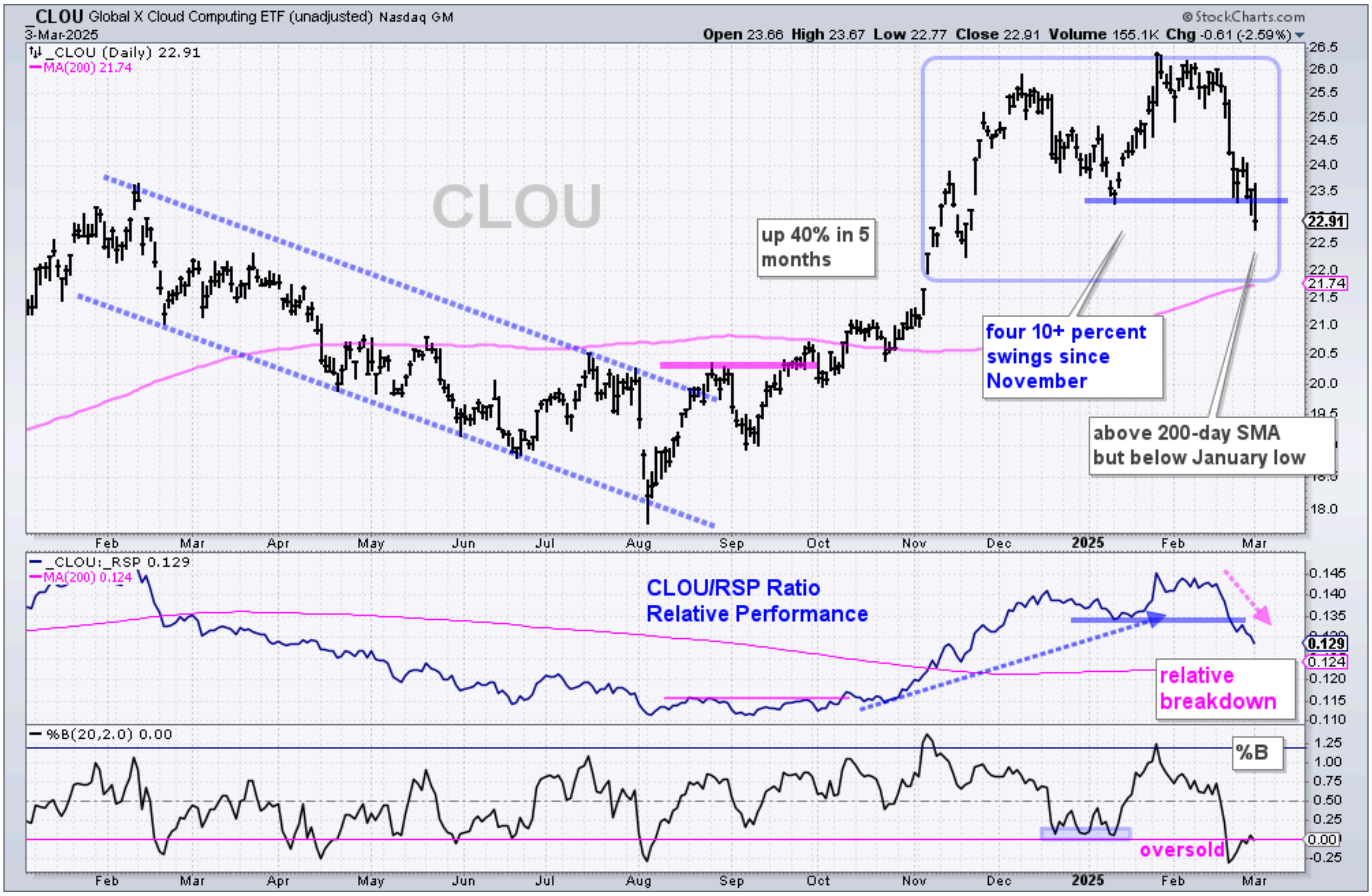
3010 TE AI Robotics BOTZ



2025-03-04: BOTZ Hits Bullish Setup Zone after Break Down // The Global Robotics & AI ETF (BOTZ) chart is harder to decipher because it is still very close to the January low and in a Bullish Setup Zone (blue shading). Academically speaking, Monday's low is below the January low and BOTZ closed below the 200-day SMA. Thus, it shows signs of a breakdown. We are also seeing relative weakness as the price-relative broke the January low with a sharp decline.

The Global Robotics & AI ETF (BOTZ) is international with an emphasis on physical AI.

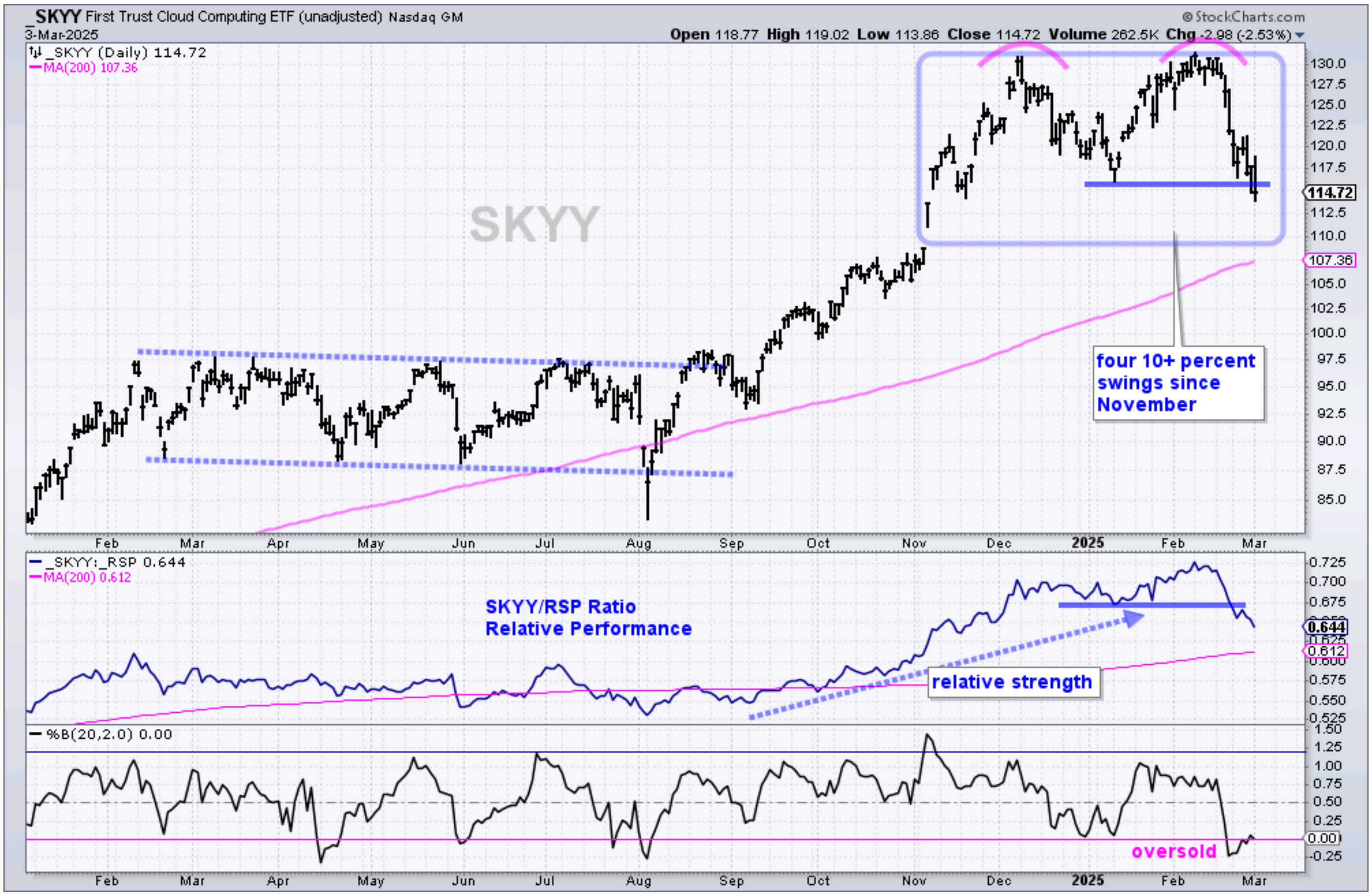
3010 TE Cloud CLOU



2025-03-04: CLOU Breaks January Low, but Remains above 200-day SMA // The Cloud ETF (CLOU) is all over the place with four 10+ percent moves since November. That's around one per month since the election. CLOU broke the January low with a sharp decline and the price-relative also broke its January low.

CLOU Top Holdings: TWLO, SNOW, SHOP, WIX, HUBS, DBX, NOW, PCOR, QLYS, CRM

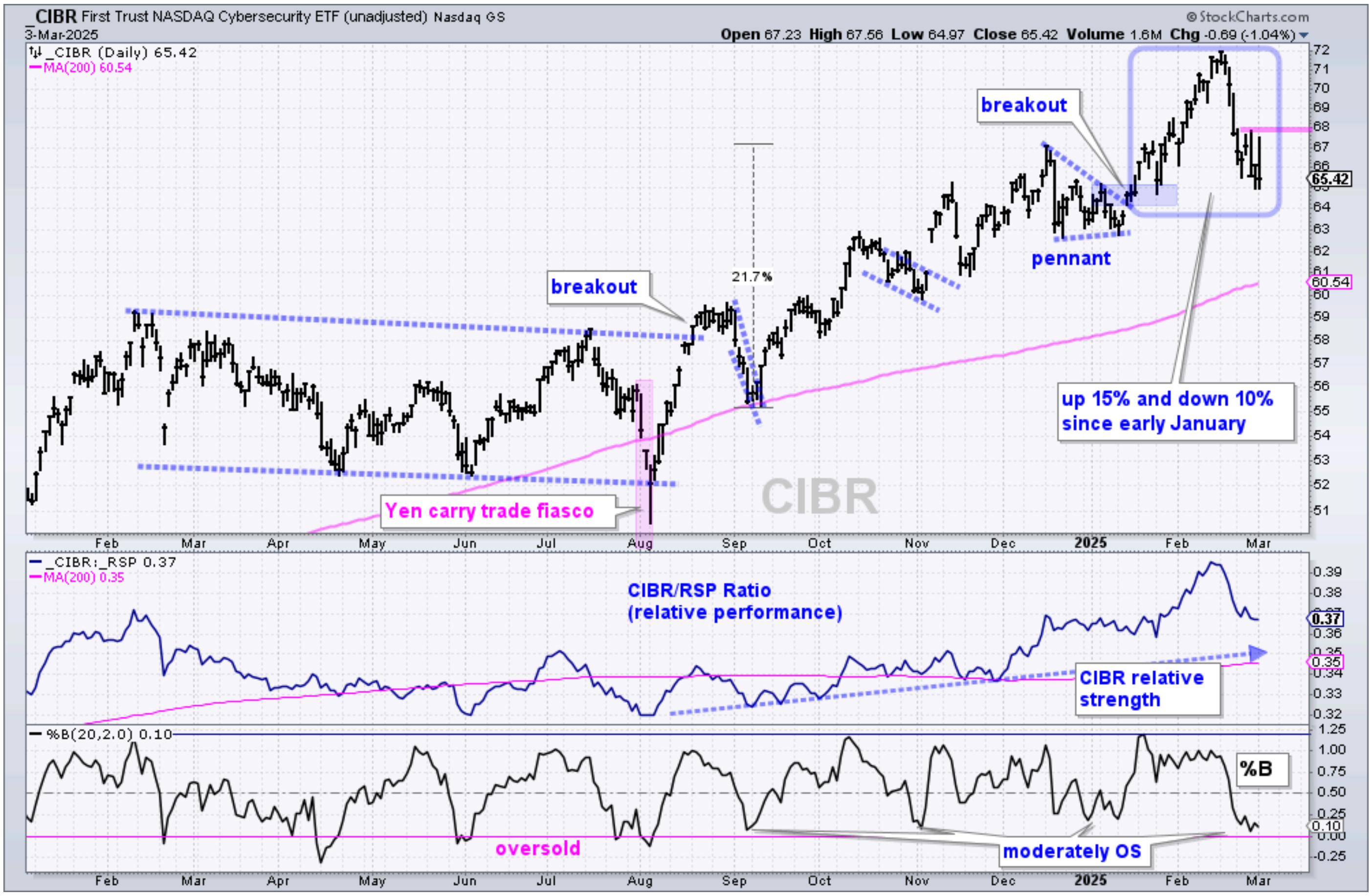
3010 TE Cloud SKYY



2025-03-04: SKYY Breaks Double Top Support // The Cloud Computing ETF (SKYY) broke its January low, but remains above its 200-day SMA. SKYY formed two peaks in the 130 area and broke the intermittent low to confirm the pattern. Regardless of the pattern, the lower low shows an increase in selling pressure this month and reverses the uptrend. Also notice that the price-relative (SKYY/RSP ratio) broke its January low.

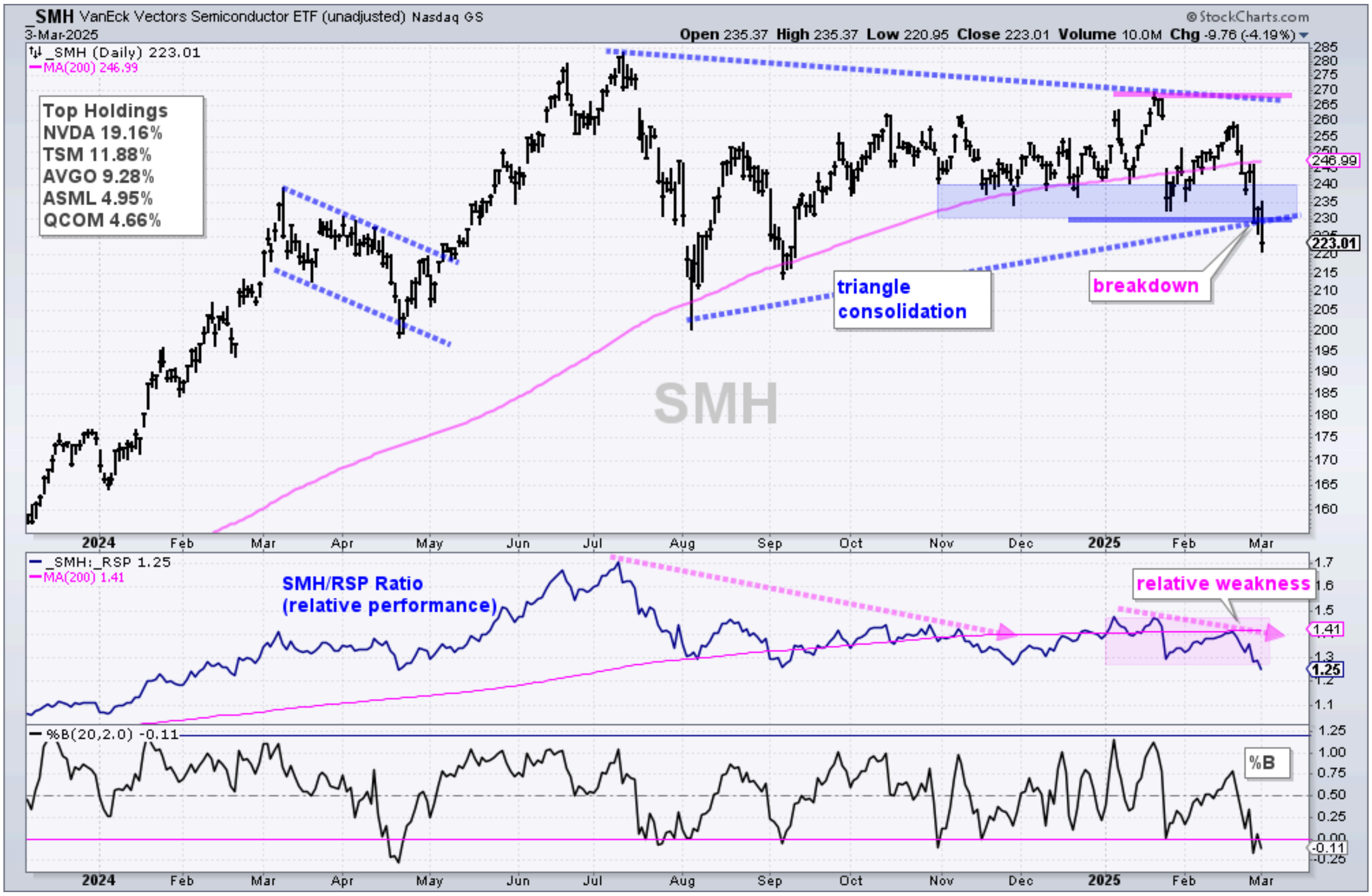
SKYY Top Holdings: PSTG, GOOGL, AMZN, MSFT, ANET, NTNX, IBM, NET, ORCL, MDB

3010 TE Cybersecurity CIBR



2025-03-04: CIBR Holds Above January Low and Rising 200-day // The Cybersecurity ETF (CIBR) is the strongest of the tech-related ETFs, but it is not immune to sector volatility and broad market swings. Long-term, the uptrend remains in place, but could still be on the extended side. This means we may see some consolidating or corrective. The price-relative is also in an uptrend (relative strength) and above its January low. CIBR tagged a new high in late February with a 15% surge, and then fell 10% the last two weeks. The ETF is now trading back near its wedge breakout in the 65 area, and Percent-B (20,2) is moderately oversold. ETFs with Percent-B below zero experienced strong selling pressure the last two weeks. The fact that Percent-B did NOT become oversold means selling pressure in CIBR was less intense. This is also a sign of relative strength.

3010 TE Semiconductor SMH

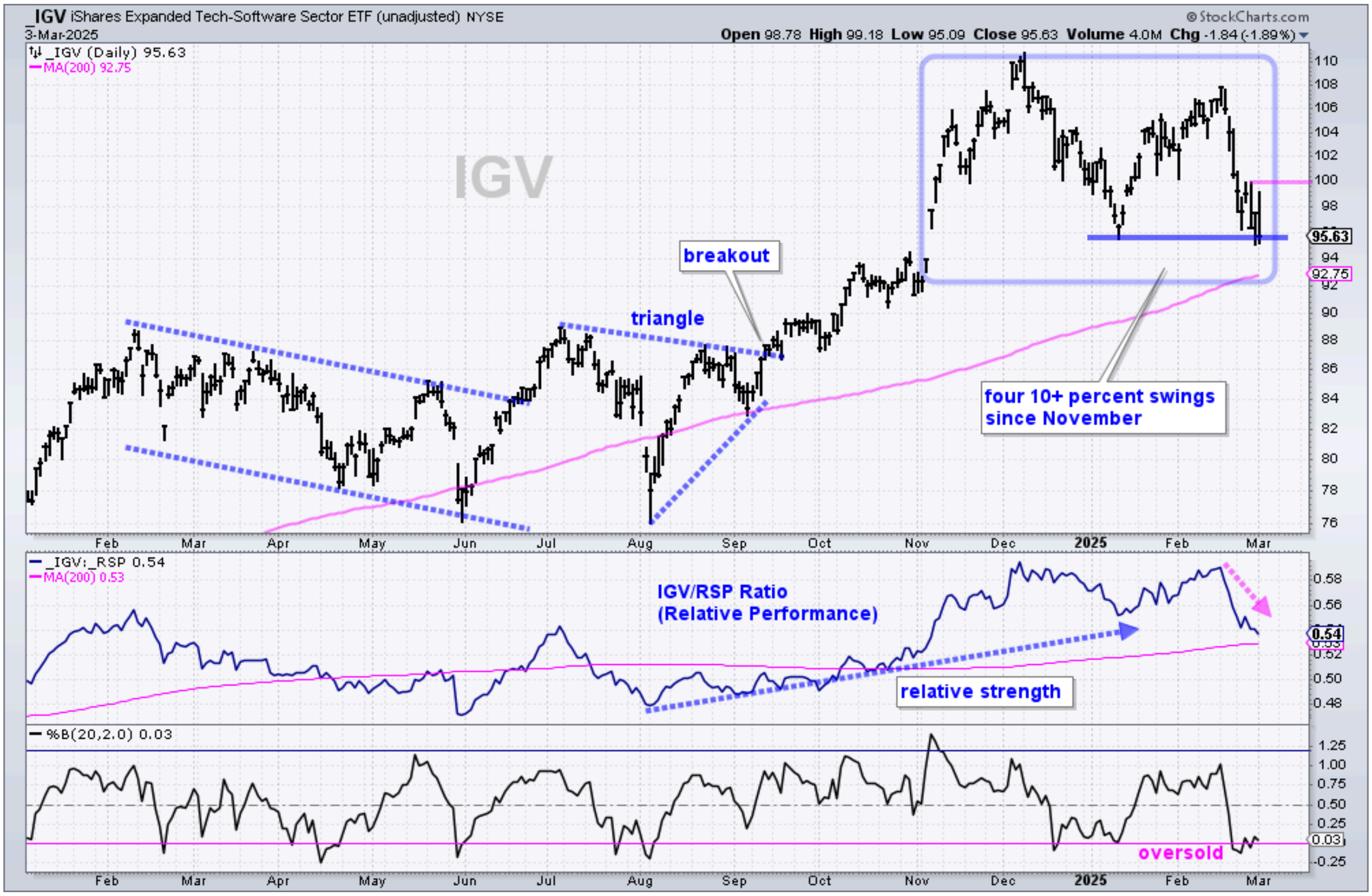


2025-03-04: SMH Breaks Triangle Support // The Semiconductor ETF (SMH) broke the January low and support from a large triangle. This is a bearish signal. The price-relative turned lower the last two weeks and hit its lowest level since April. SMH is in a downtrend and showing relative weakness.

3010 TE Semiconductor SOXX

2025-03-04: SOXX Breaks Triangle Support // The Semiconductor ETF (SOXX) broke the January low and support from a large triangle. This is a bearish signal. The price-relative turned lower the last two weeks and hit a 52-wk low. SOXX is in a downtrend and showing relative weakness.

3010 TE Software IGV

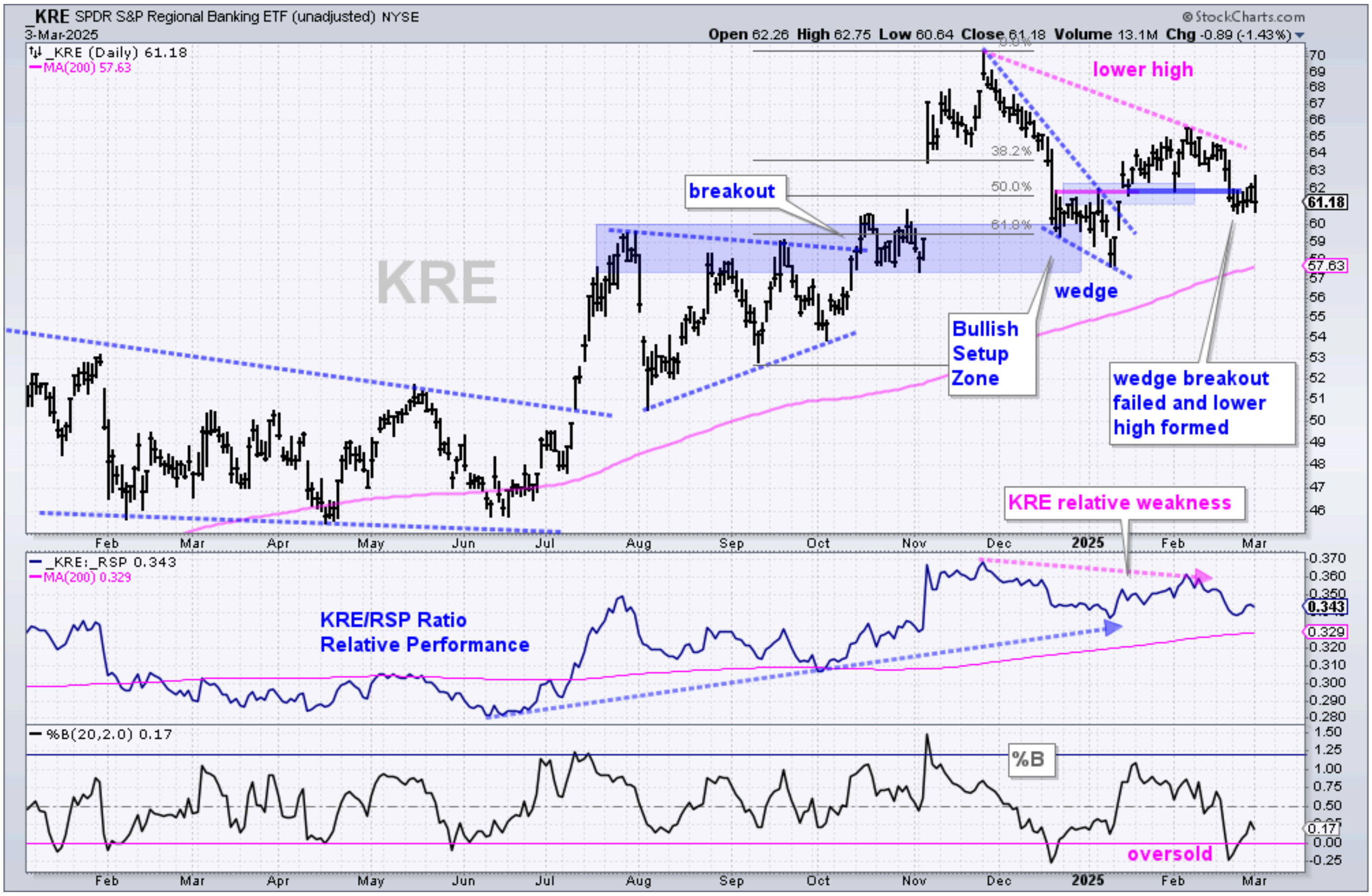


2025-03-04: IGV Breaks January Low, but Remains above 200-day // The Software ETF (IGV) formed a lower high from December to February and broke the January low with a sharp decline the last two weeks. Lower high + lower low = downtrend. IGV is still above its rising 200-day SMA, but the downtrend and high volatility detract from this possible positive. As with the Cloud ETFs, IGV produced four 10+ percent swings in the last four months. These wild swings reflect a market that is not in control of its emotions.

3030 FI Bank KBE

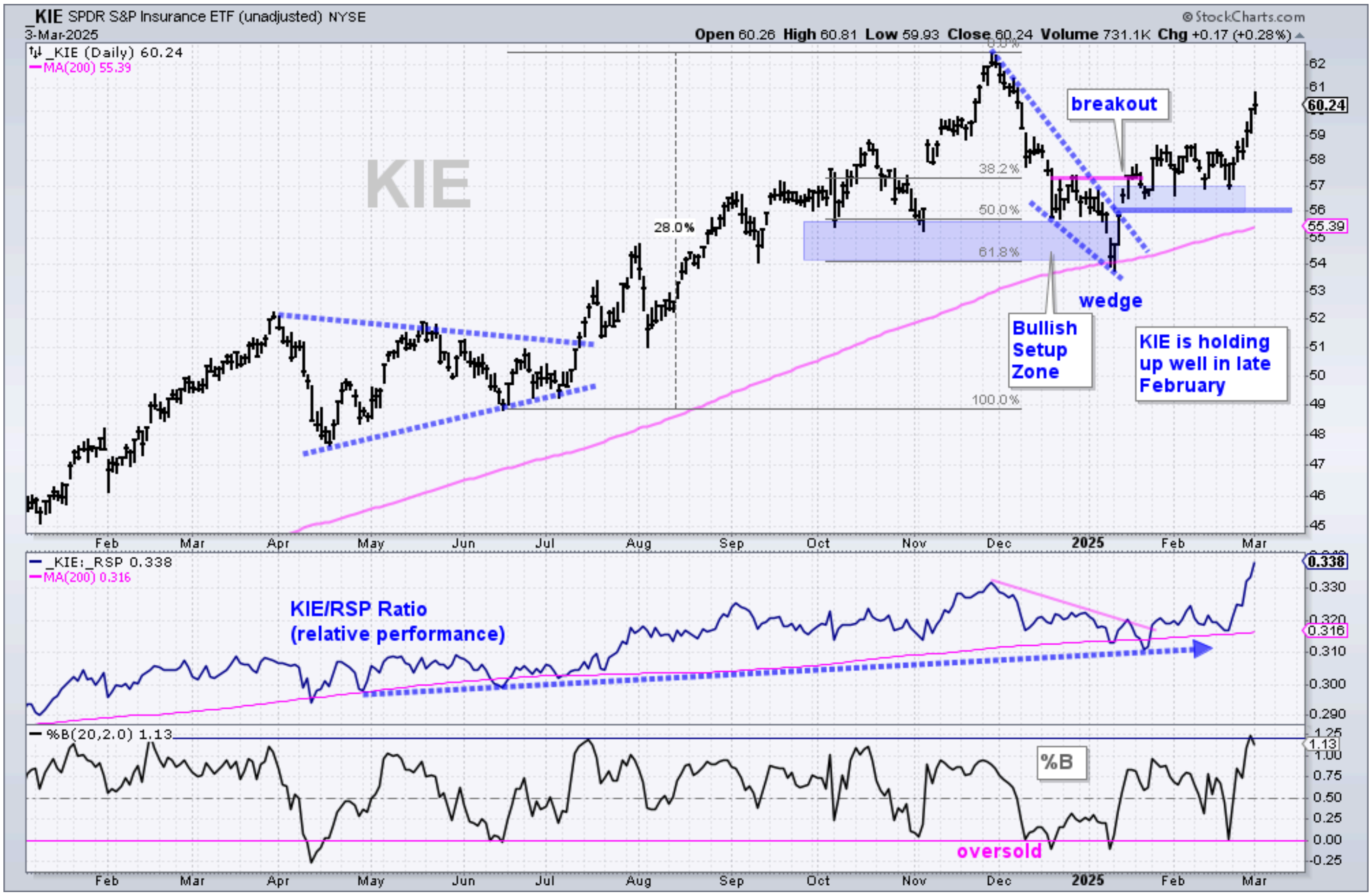
2025-02-25: KBE Fails to Hold Wedge Breakout and Lower High Forms // The Bank SPDR (KBE) remains in a long-term uptrend with price above the rising 200-day SMA, but the wedge breakout failed and a lower high formed from late November to early February. The lower high shows relative weakness in KBE, which is confirmed with the lower high in the price-relative (pink line in middle window). Relative weakness, a lower high and failed wedge are negatives.

3030 FI Banks Regional KRE



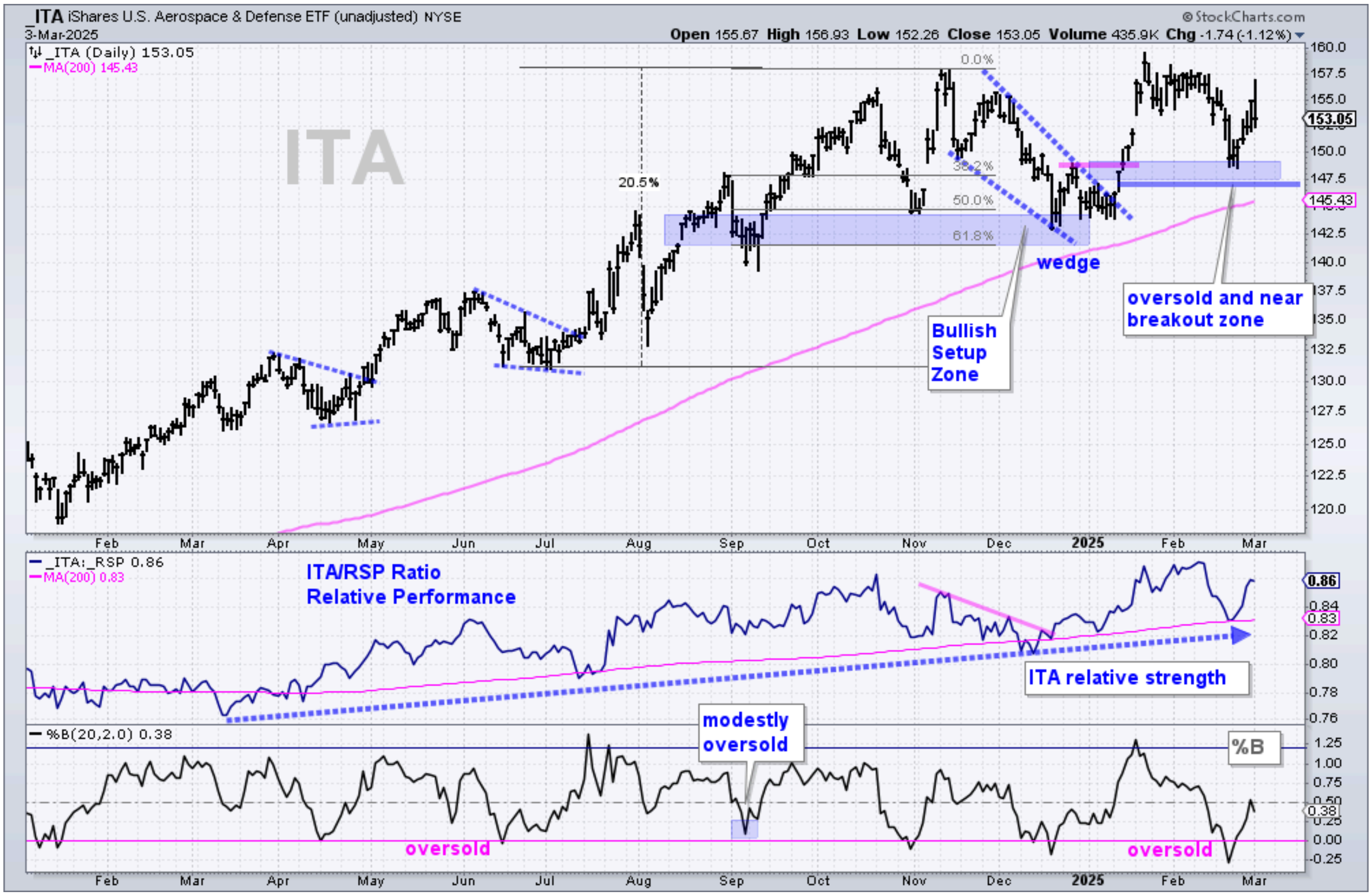
2025-02-25: KRE Fails to Hold Wedge Breakout and Lower High Forms // The Regional Bank SPDR (KRE) remains in a long-term uptrend with price above the rising 200-day SMA, but the wedge breakout failed and a lower high formed from late November to early February. The lower high shows relative weakness in KRE, which is confirmed with the lower high in the price-relative (pink line in middle window). Relative weakness, a lower high and failed wedge are negatives.

3030 FI Insurance KIE



2025-02-25: KIE Holds Wedge Breakout and Shows Relative Strength // The Insurance ETF (KIE) remains in a long-term uptrend with a new high in late November and price above the rising 200-day SMA. KIE corrected with a falling wedge into January and broke out with a surge in mid January. In contrast to KRE and KBE, KIE is holding up better because its wedge breakout is holding. KIE consolidated above this breakout zone and the cup is half full as long as 56 holds. The middle window shows the price-relative (KIE/RSP ratio) holding above its 200-day SMA in February.

3040 IN AeroDefense ITA



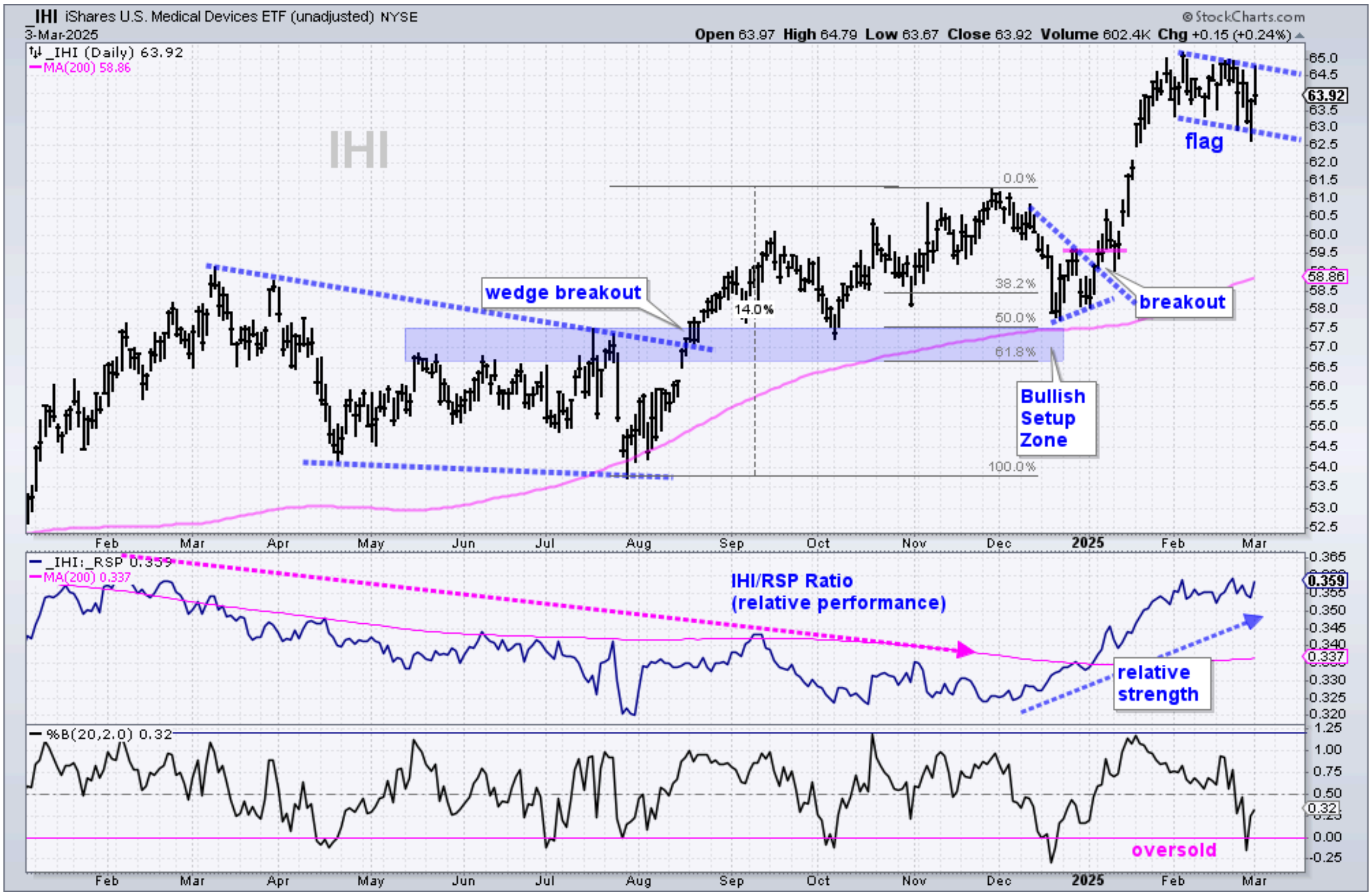
2025-02-25: ITA Hits Breakout Zone and becomes Short-term Oversold // The Aerospace & Defense ETF (ITA) remains in a long-term uptrend with a new high in January and price above the rising 200-day SMA. ITA also shows relative strength because the price-relative (ITA/RSP ratio) hit a new high in early February. Short-term, ITA fell back to the wedge breakout zone which is broken resistance that turns into support. The bottom window shows Percent-B become oversold with a move below 0. This means the close is below the lower Bollinger Band (20,2). This is a bullish setup: long-term uptrend, long-term relative strength, short-term oversold and near a support zone. Chartists should be on alert for firming and a possible bounce.

3060 HC Biotech IBB

2025-02-26: IBB Battles its Breakout Zone // The Biotech ETF (IBB) broke wedge resistance with a surge above 138 on January 24th, extended above 142 and then turned volatile. Biotechs are volatile and traders should expect a bumpy ride with these stocks. There is some sort of upward dynamic at work as a higher low formed from April to December (gray line) and there is a 52-week high in between (September). Overall, I view the falling wedge as a corrective pattern and the breakout as bullish. With a sharp decline into mid February and rebound last week, the ETF affirmed support in the 132-134 area. A close below 132 would negate the wedge breakout. The middle window shows the price-relative (IBB/RSP ratio) falling into November and edging higher the last few months (blue arrow). A breakout would show a return to relative strength.

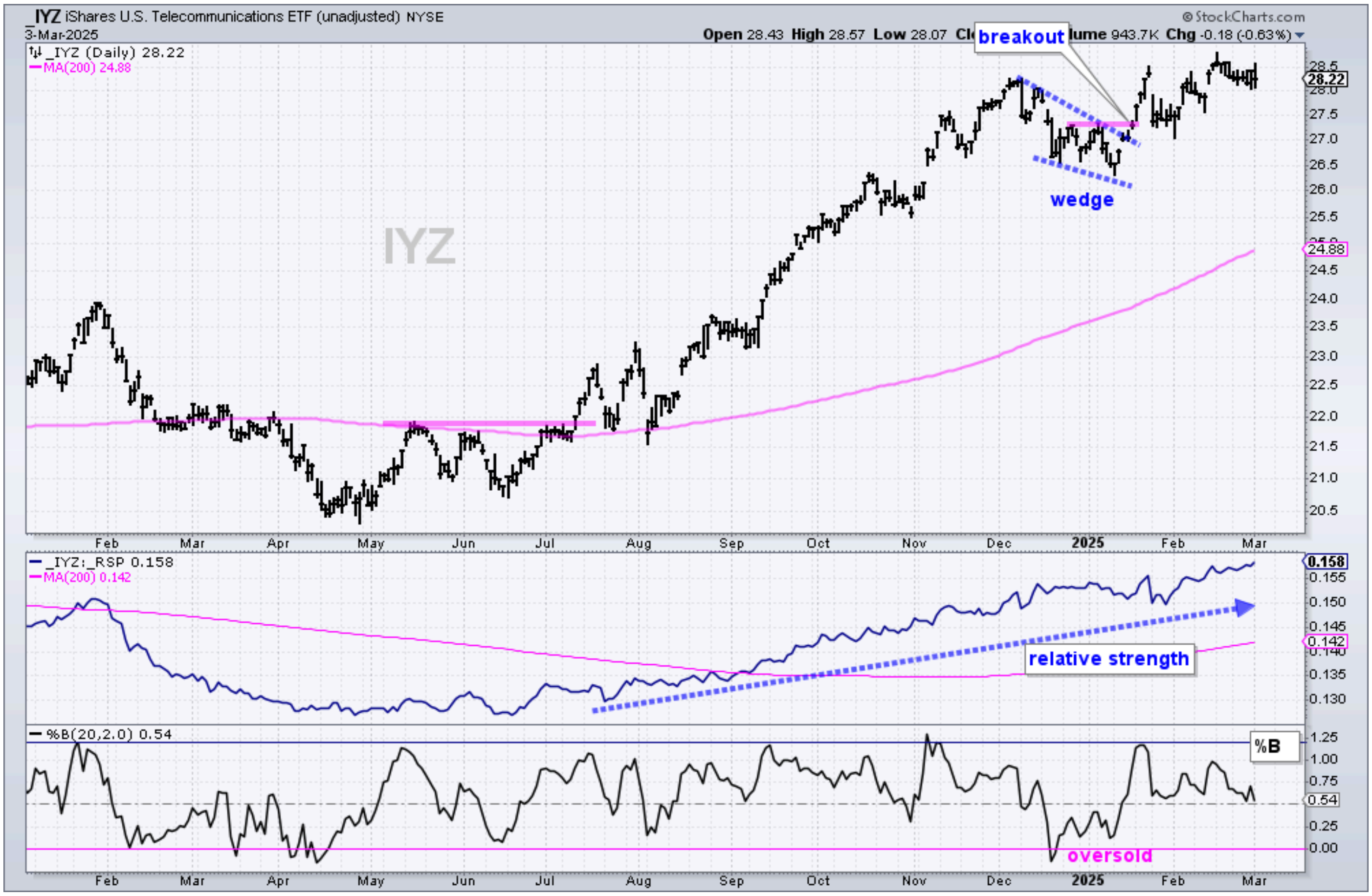
IBB has over 200 stocks with the top ten accounting for almost 50% of the ETF.
Top Holdings: AMGN, GILD, VRTX, REGN, IQV, ALNY, ARGX, MTD, WAT, BNTX

3060 HC Medical Devices IHI



2025-03-04: IHI Consolidates Near High and Shows Relative Strength // The Medical Devices ETF (IHI) remains in a long-term uptrend and shows relative strength. IHI surged to new highs in January, closed above 65 in early February and then consolidated into early March. A bull flag is taking shape and the ETF became oversold as Percent-B (20,2) dipped below zero last week. This is a bullish setup: short-term oversold in uptrend. Flag resistance is set at 65 and a breakout here would be bullish. Keep in mind that market volatility is high and this increases the chances for a failed breakout.

3100 TC Telecom IYZ

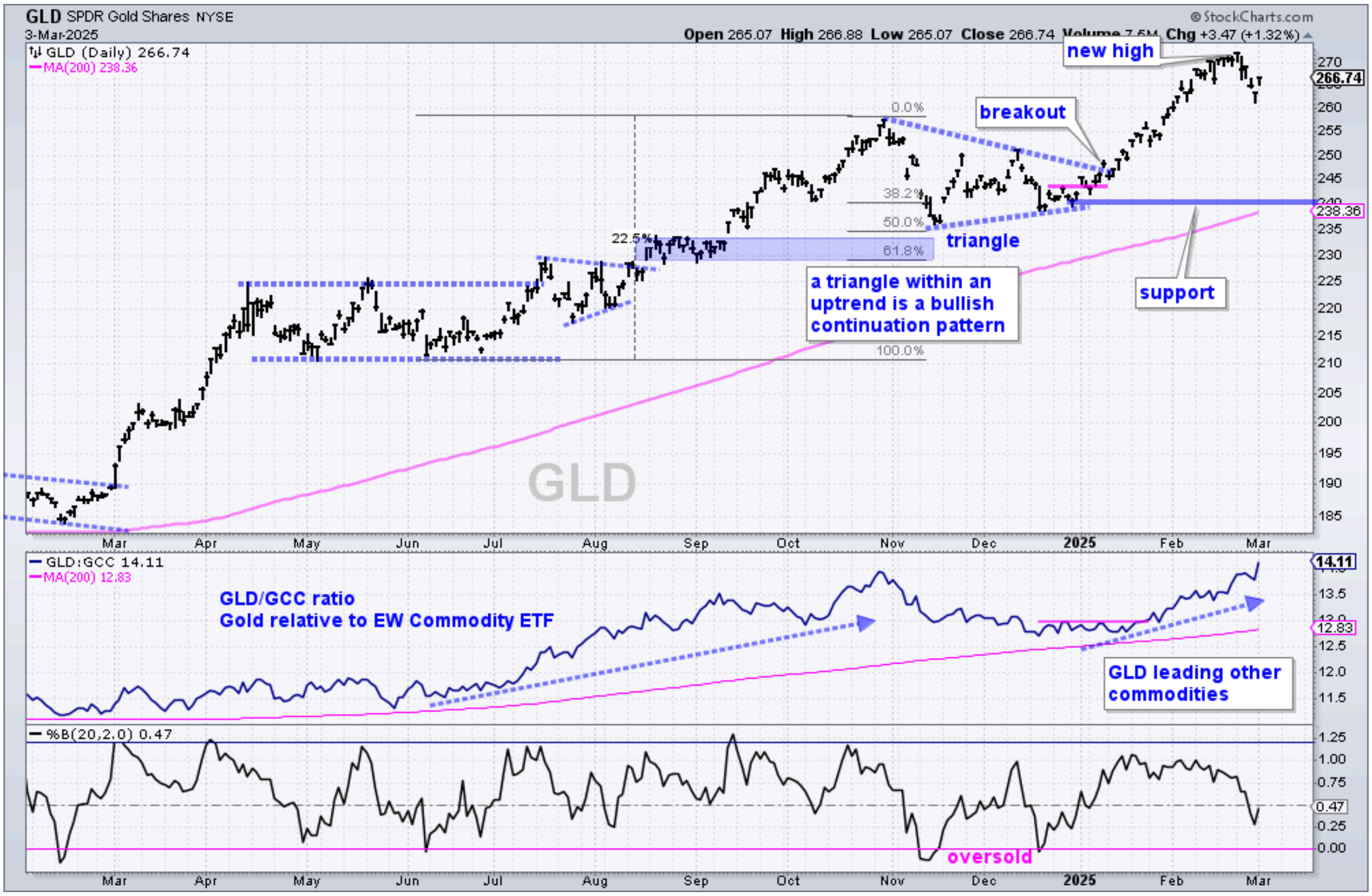


2025-03-04: IYZ Consolidates Near Highs // The Telecom ETF (IYZ) is in a leading uptrend with a new high in mid February and price near this high. IYZ also shows relative strength as the price-relative hit a new high in early March (IYZ/RSP ratio). As with many ETFs, the last setup was the falling wedge and the last signal was the breakout in mid January. IYZ stands out because the wedge breakout held and the ETF extended to new highs. There is no setup on this chart, just a leading uptrend.

4014 T-Bond 20+YR TLT

2025-02-26: TLT Reverses Downtrend with Channel Breakout // The 20+ Yr Treasury Bond ETF (TLT) reversed its downtrend with a break above the early February high and the upper line of a falling channel. TLT is mostly about price swings because it has been range-bound since December 2023 (85 to 103). TLT hit the bottom of this range in January and reversed the downtrend with this week's breakout. This is bullish for Treasury bonds and bearish for Treasury yields. I will mark my re-evaluation level at 86.50 (blue line). The middle window shows the TLT/RSP ratio falling from August to January as bonds underperformed stocks. This ratio flattened into mid February and turned up in late February. It is still early days, but relative strength in bonds would be a negative for stocks.

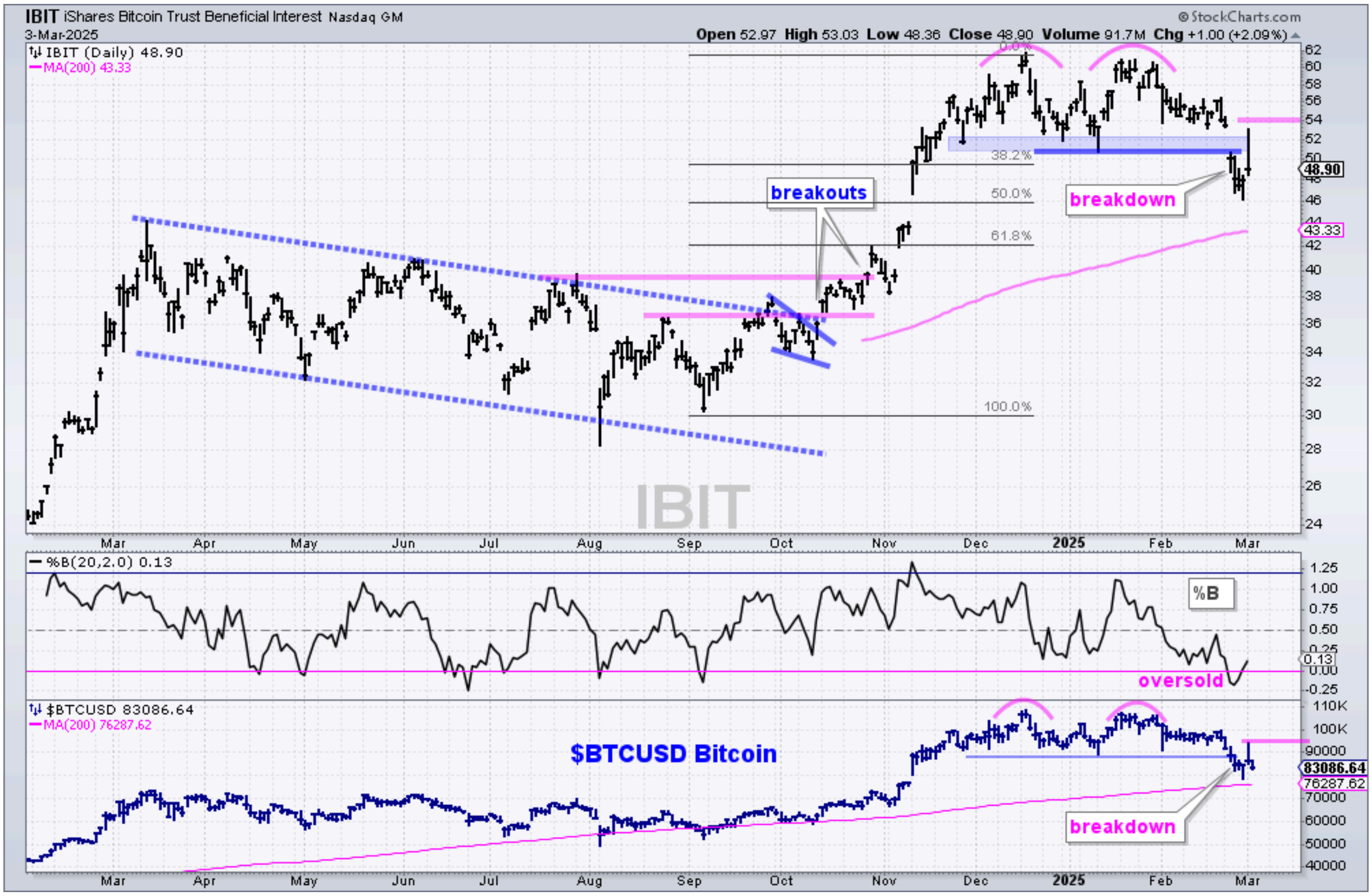
5020 PM Gold GLD



2025-03-04: GLD Pulls Back after New High // The Gold SPDR (GLD) remains in a leading uptrend. The triangle was the last setup and the triangle breakout on January 10th was the last signal. GLD extended to new highs in late February and then pulled back with a dip below 265 at the end of the month. This is a very short pullback within a strong and leading uptrend. It is too short for a pattern or setup, at least for my style. I do not see a setup on this chart, just a leading uptrend.

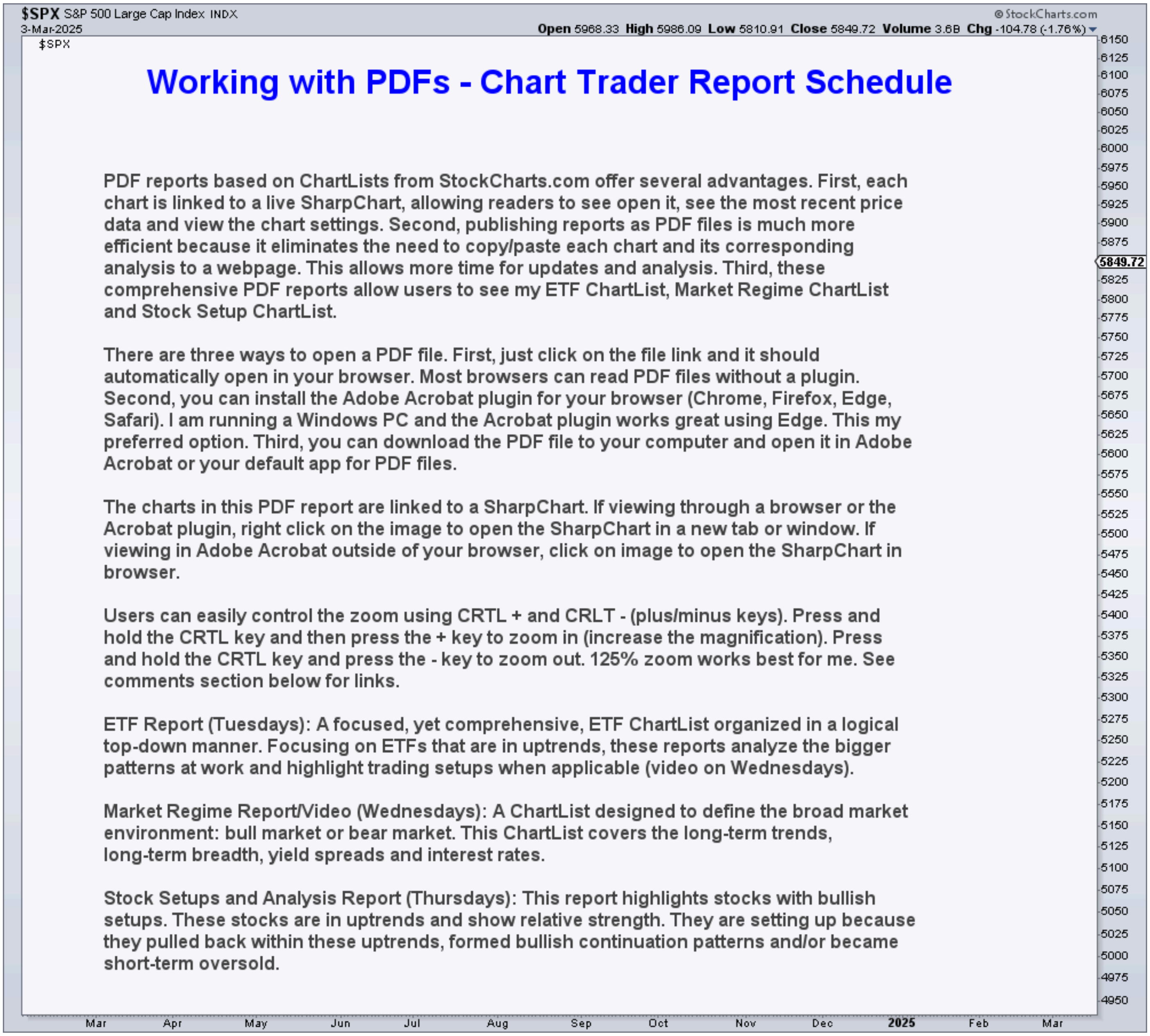
GLD broke triangle resistance on January 10th and extended higher with new highs throughout February. Overall, GLD is in a long-term uptrend and the triangle was a consolidation within this uptrend. This makes it a bullish continuation pattern with the breakout signaled a continuation of the long-term uptrend. I am marking re-evaluation support at 240. Instead of showing GLD relative to the S&P 500 EW ETF (RSP), I am showing it relative to the WisdomTree Continuous Commodity ETF (GCC), which is an equal weight commodity ETF. This ratio turned up the last few weeks as gold started outperforming the average commodity.

7200 CY BitCoin IBIT



2025-03-04: IBIT Breaks Double Top Support // The Bitcoin ETF (IBIT) remains above the rising 200-day SMA and, perhaps, still in a long-term uptrend. However, there is no denying two highs in the 62 area (pink arcs) and a break below intermittent support. The pattern is a Double Top, which is a bearish reversal pattern, and the support break confirms the pattern. Overall, I see a support zone in the 50-52 area and this area turns first resistance (blue shading). IBIT surged above 52 intraday, but did not hold these gains as it fell back below 50. This pop-drop establishes resistance at 54 and a breakout here is needed to put the uptrend back on track. Until then, the Double Top break remains in play and IBIT is in a downtrend. Bitcoin ($BTCUSD) shows a similar pattern with resistance marked at 96,000.

Working with PDF Files and the Chart Trader Report Schedule



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