$SPX S&P 500 Large Cap Index INDX ©StockCharts.com
4-Mar-2025 Open 5811.98 High 5865.08 Low 5732.59 Close 5778.15 Volume 4.3B Chg -71.57 (-1.22%)

Chart Trader ETF Report

Wednesday - 5 March 2025

Stocks were hit hard the last two weeks with small-caps and tech stocks leading the way lower. SPY is down around 6% from its late February high and in the garden-variety correction range (5-8 percent). Believe it or not, five to eight percent pullbacks are not that uncommon - but they feel 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 its support zone and the long-term breadth indicators remain bullish.

There are, however, concerns, and they are growing. Mid-caps (MDY) and Small-caps (IJR) triggered bearish trend signals with Bollinger Band breaks. Home Construction (ITB) is in a strong downtrend with a 52-week low in early March. Semiconductors (SMH/SOXX) broke support with a sharp decline and show relative weakness for over six months. Retail (XRT) is down 16% since mid December and hit a 52-week low. The Regional Bank SPDR (KRE) is rolling over with a lower high this year and sharp decline into early March. W0e are also seeing credit spreads widen and test their 200-day SMAs.

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 S&P 500 is trading near its 200-day SMA and this key moving average is often a battle zone. In other words, it does not break quietly. There are often several breaks and bounces before a decisive break.

SPY and QQQ Tests Key Support and become Oversold
RSP and XLI Breakouts Fail and both Break Down
XLF Hits 52-week High and Falls Sharply
XLC Pulls Back after New High, but Remains a Leader
XLU Holds Wedge Breakout and Shows Relative Strength
MAGS Breaks January Low, Tests 200-day SMA
AIQ Tests Support and Becomes Oversold
XLK and ARTY Break January Lows and 200-day SMAs
BOTZ Hits Bullish Setup Zone after Break Down
CLOU, SKYY and IGV Break January Lows
CIBR Holds Above January Low and Rising 200-day
BLOK Hits Bullish Setup Zone
SMH and SOXX Break Triangle Support
IHI and AMLP Consolidate Near Highs
IYZ Pulls Back from Highs, but Remains a Leader
GLD Continues to Lead
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)

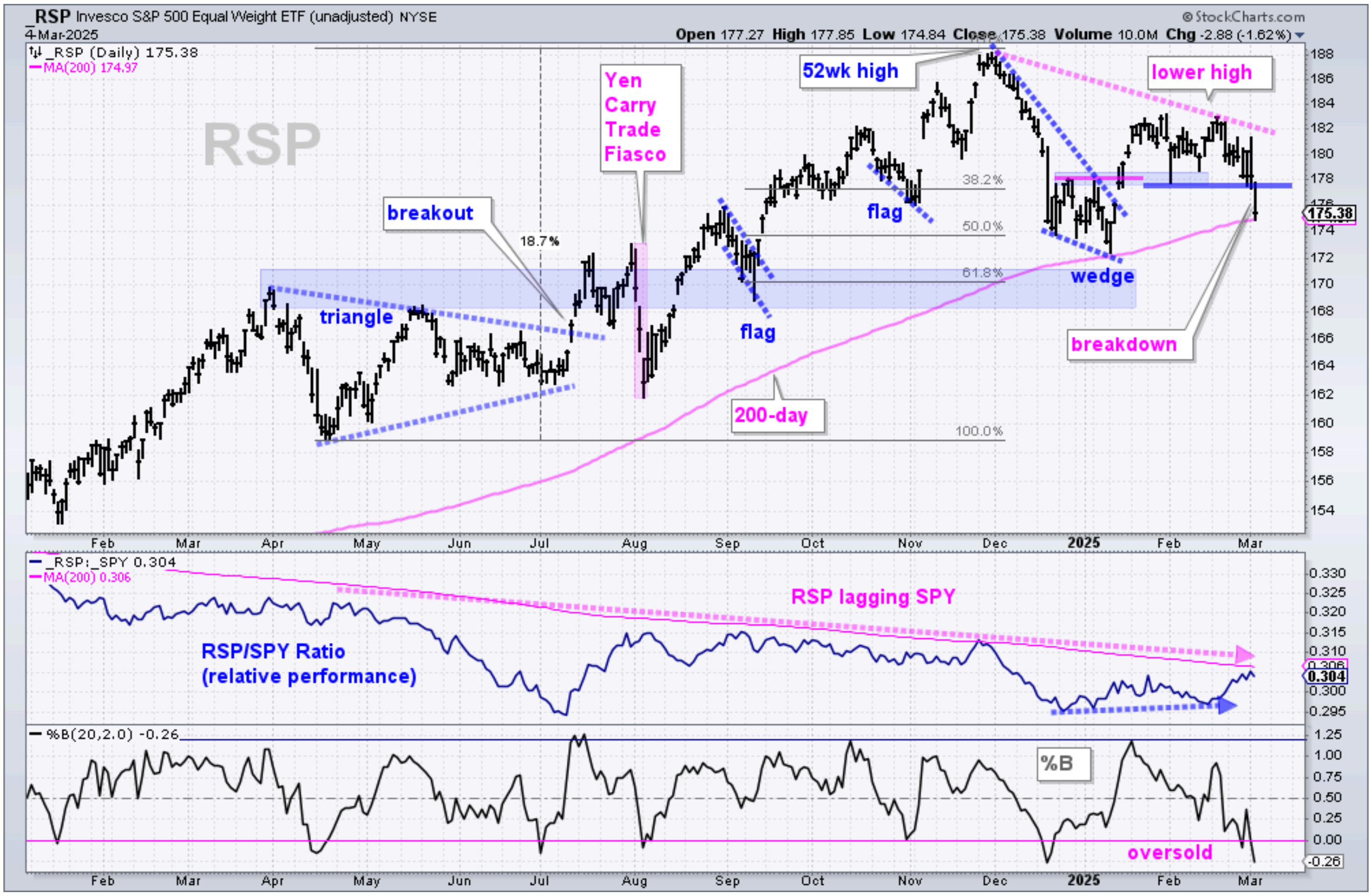
1010 S&P 500 SPY

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

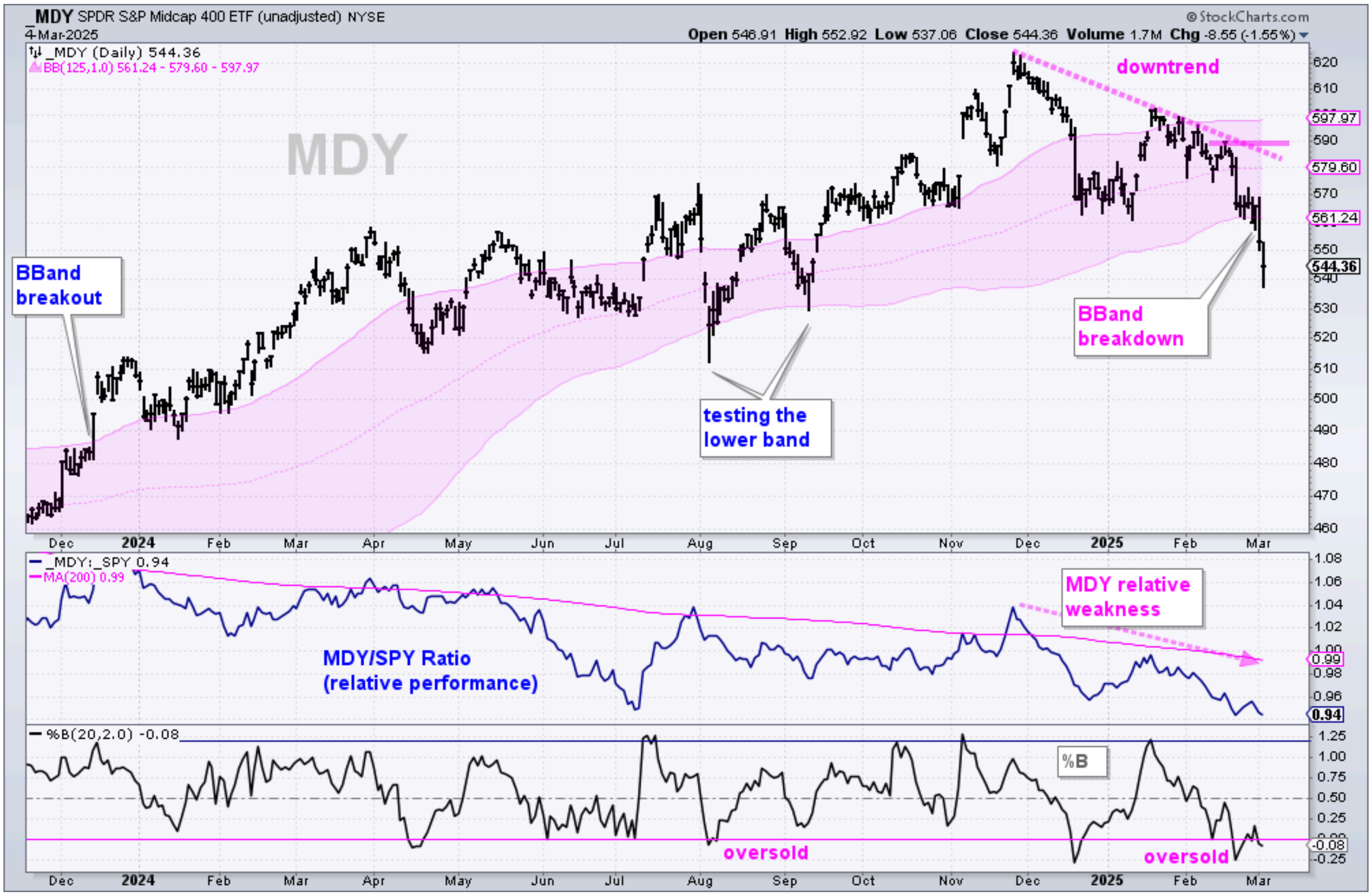
2025-03-04: QQQ Breaks January Low and Starts to Underperform // QQQ tagged at 52-wk high three weeks ago and then plunged to its 200-day SMA with an eight percent decline. This is the sharpest decline since mid July, when QQQ fell ten percent after tagging a new high. Note that I am not including the 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 Breaks Down // The S&P 500 EW ETF (RSP) broke below 177 to negate the mid January wedge breakout and solidify a lower high from late November to late January. A lower high is the first step to a downtrend. RSP joins MDY, IJR and IWM in the lower high parade. Even though the price-relative shows signs of turning up as RSP holds up better than SPY, I am not interested in relative strength when a downtrend is emerging on the price chart.

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

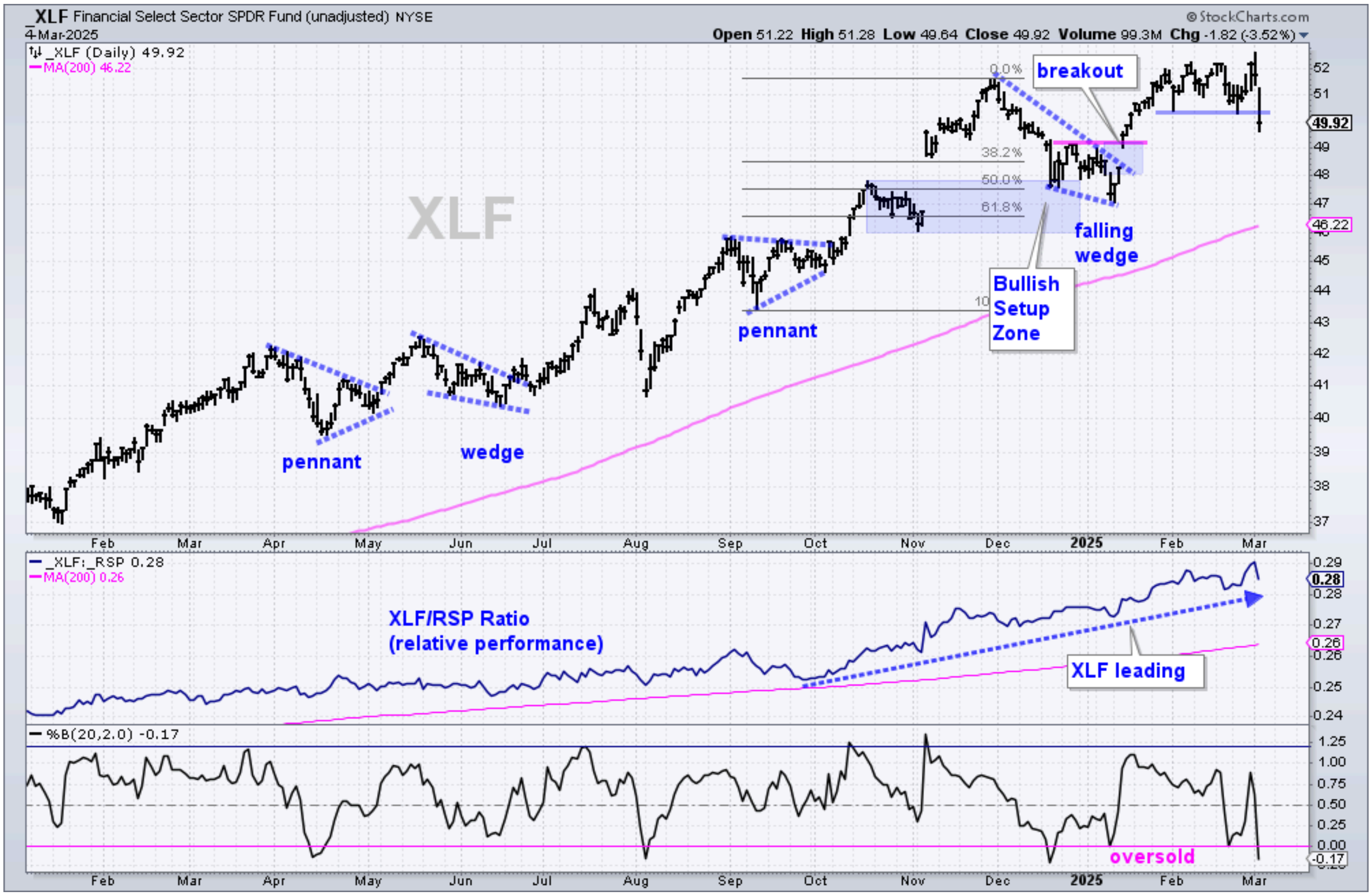
2025-03-04: The S&P SmallCap 600 SPDR (IJR) is off my radar because it broke the lower Bollinger Band and moved into a long-term downtrend. IJR is also showing long-term relative weakness as the price-relative moved to a new low.

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

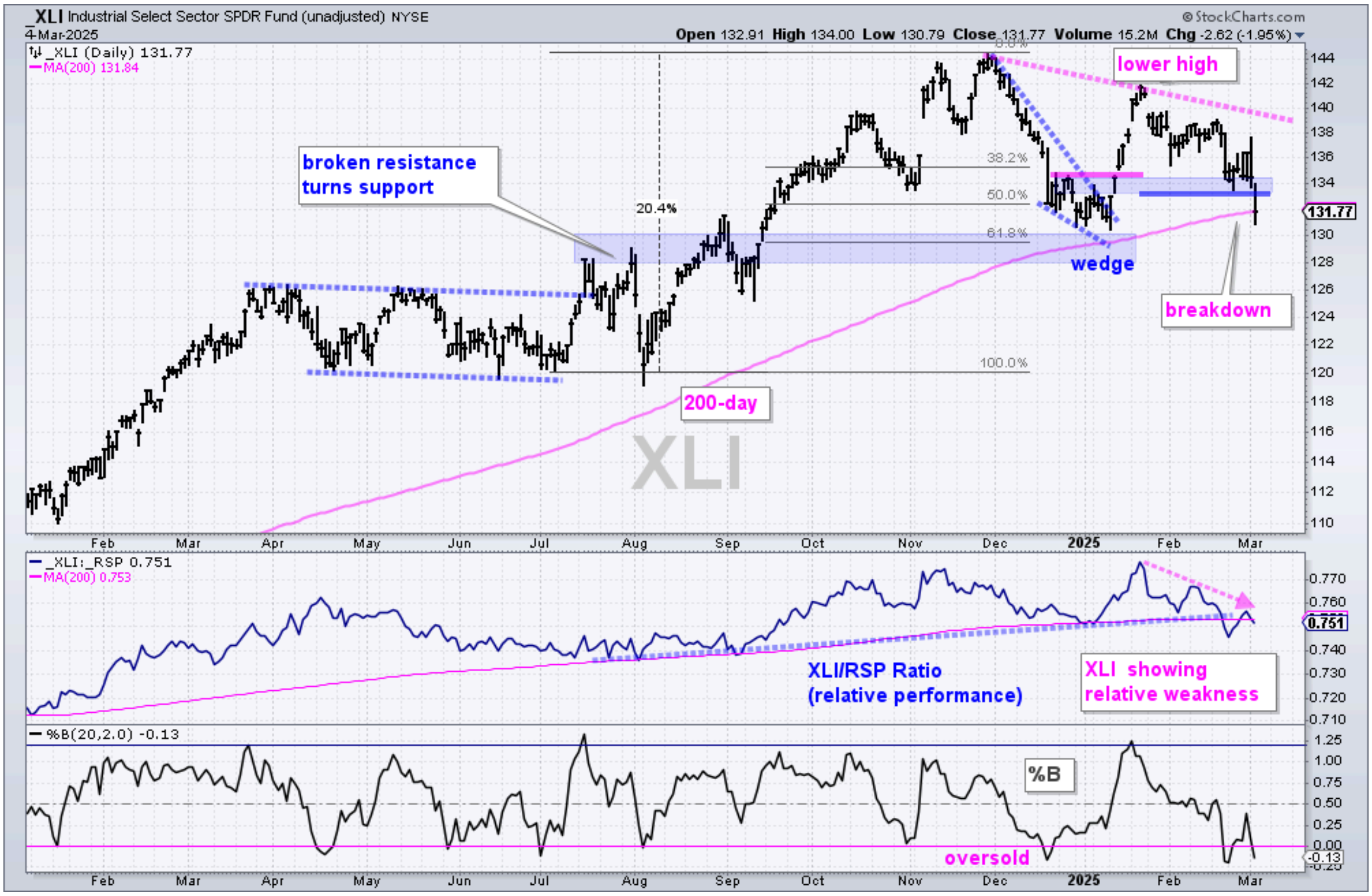
2025-03-04: XLK Breaks November Low and 200-day SMA // The Technology SPDR (XLK) moved into downtrend mode as it broke the lows from November to February and the rising 200-day SMA. XLK is also trading below its pre-election levels and showing relative weakness. The price-relative (XLK/RSP ratio) formed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

2030 Financial SPDR XLF



2025-03-04: XLF Plunges after Tagging New High // The Finance SPDR (XLF) remains in a long-term uptrend and shows long-term relative strength, but the ETF got slammed on March 3rd and broke its February lows. This is an outsized decline that likely signals the start of a correction phase. Corrections can unfold as trading ranges or declines. It is too early to suggest that this is the start of a bigger trend change.

2040 Industrials SPDR XLI



2025-03-04: XLI Forms Lower High and Breaks Down // The Industrials SPDR (XLI) failed to hold its mid January wedge breakout as it broke down with a sharp decline on March 3rd. This breakdown also forges a lower high from late November to late January. XLI is moving into a downtrend.

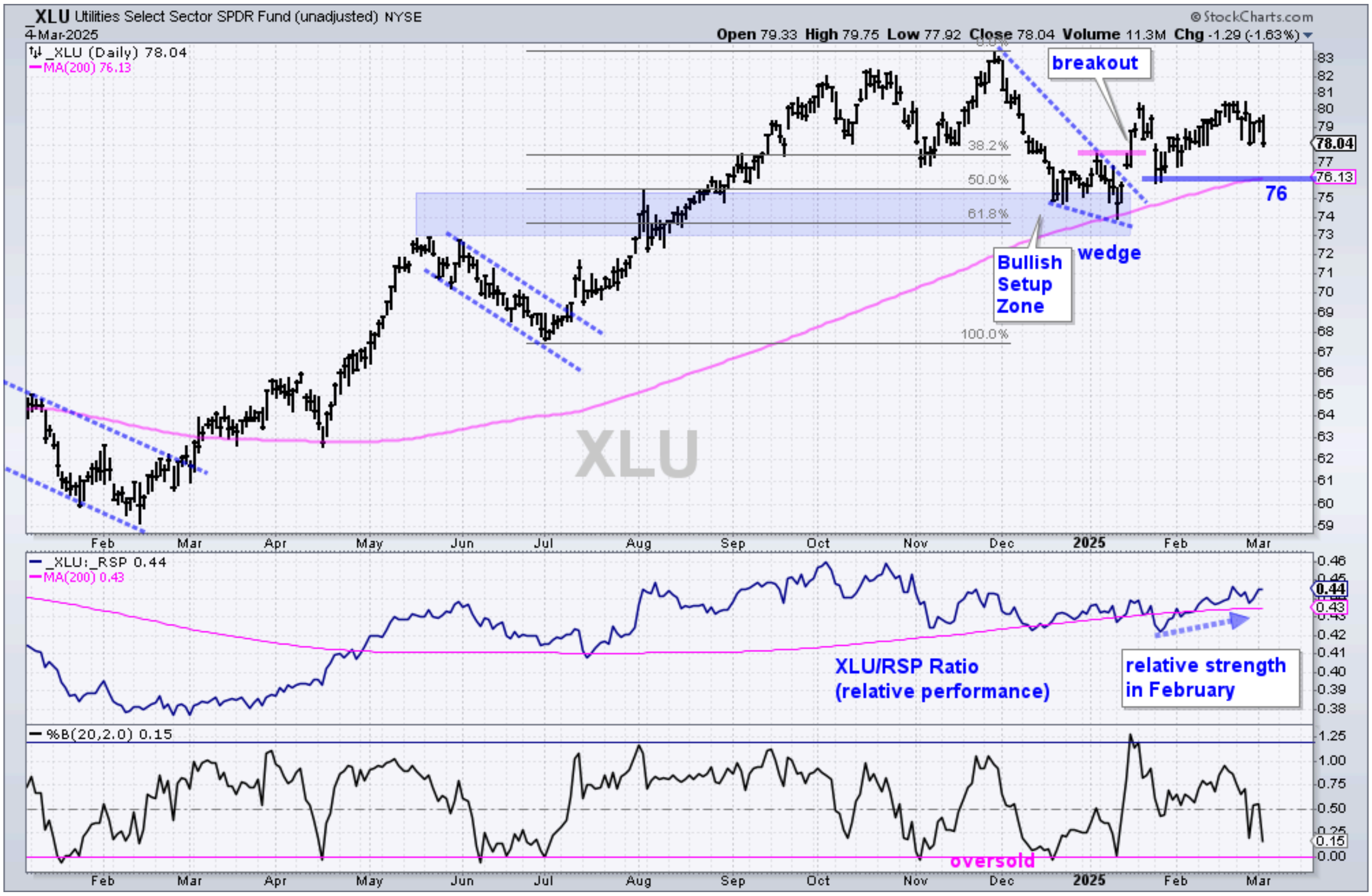
2050 Comm Services SPDR XLC

2025-03-04: XLC Pulls Back after New High, but Remains a Leader // The Communication Services SPDR (XLC) is the second strongest sector overall. XLC tagged a new high in February and remains well above the rising 200-day SMA. The ETF fell around 5% from its high, but this is considered a pullback within a bigger uptrend. A falling flag is taking shape with short-term resistance at 103. Also notice that Percent-B (20,2) became oversold in late February.

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.

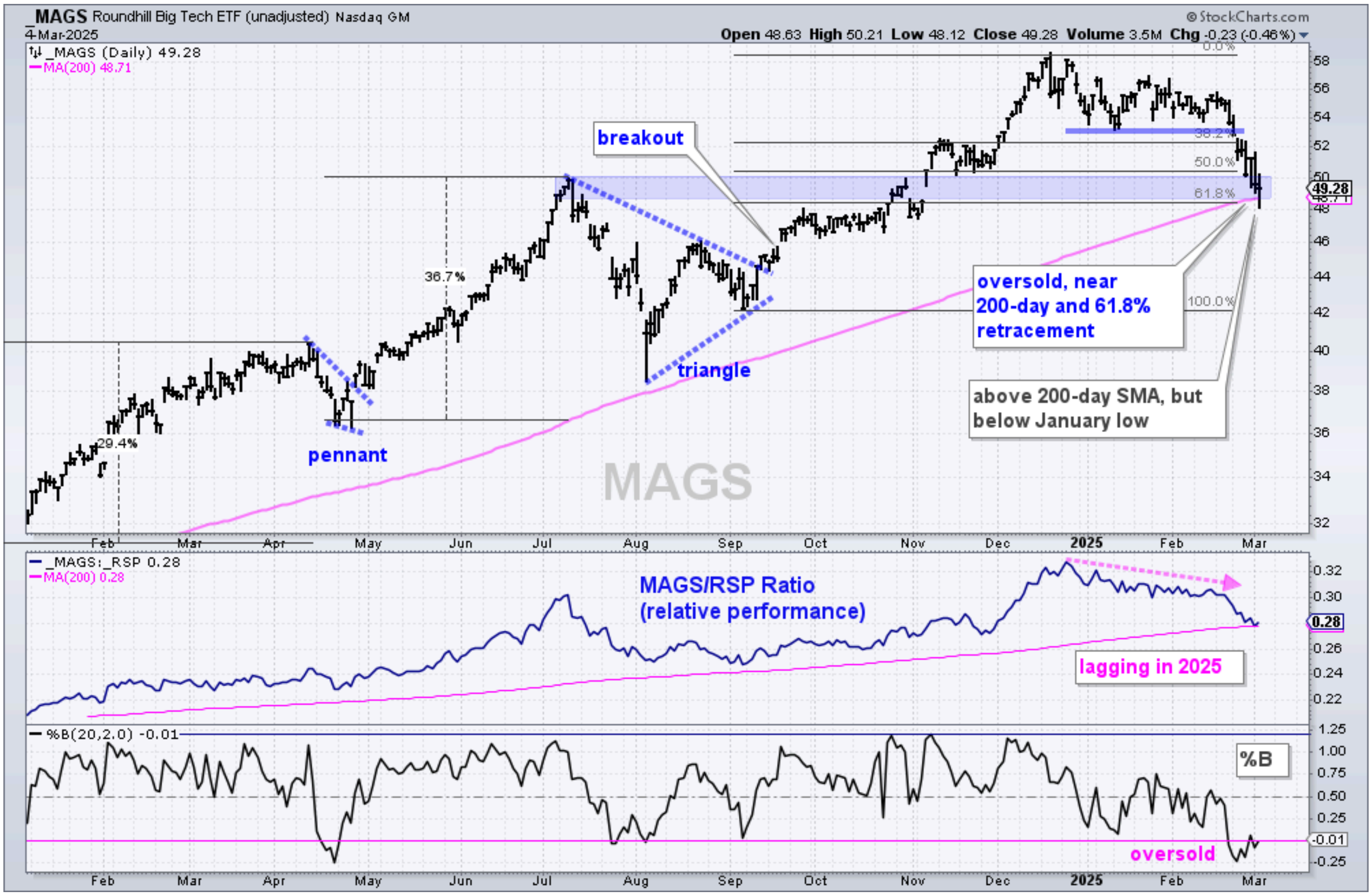
2100 Utilities SPDR XLU



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.

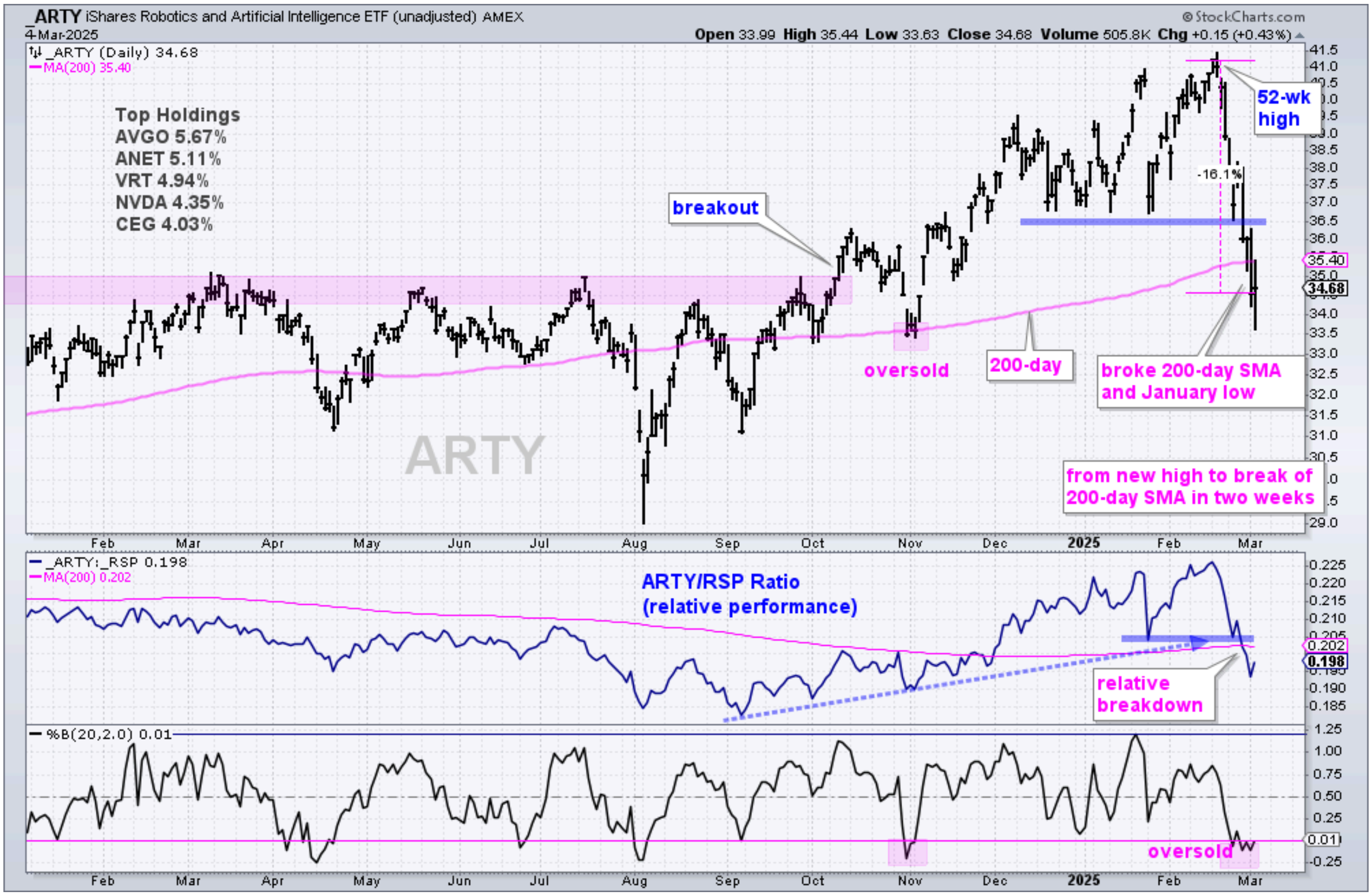
Note that MAGS is an equal-weight ETF and the seven holdings are rebalanced quarterly. These include NVDA, AMZN, AAPL, GOOGL, META, MSFT, TSLA.

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).

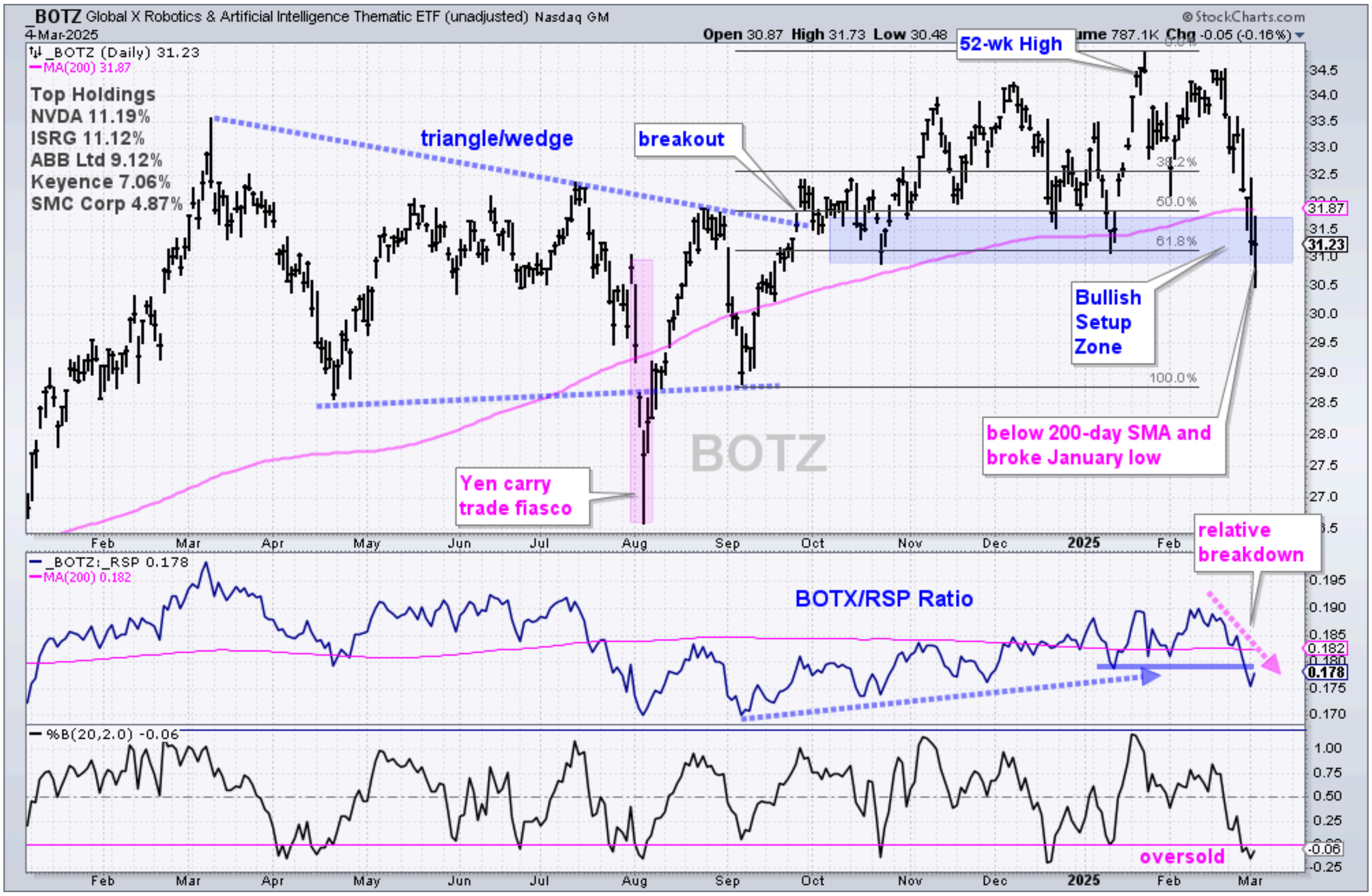
3010 TE AI Robotics ARTY



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).

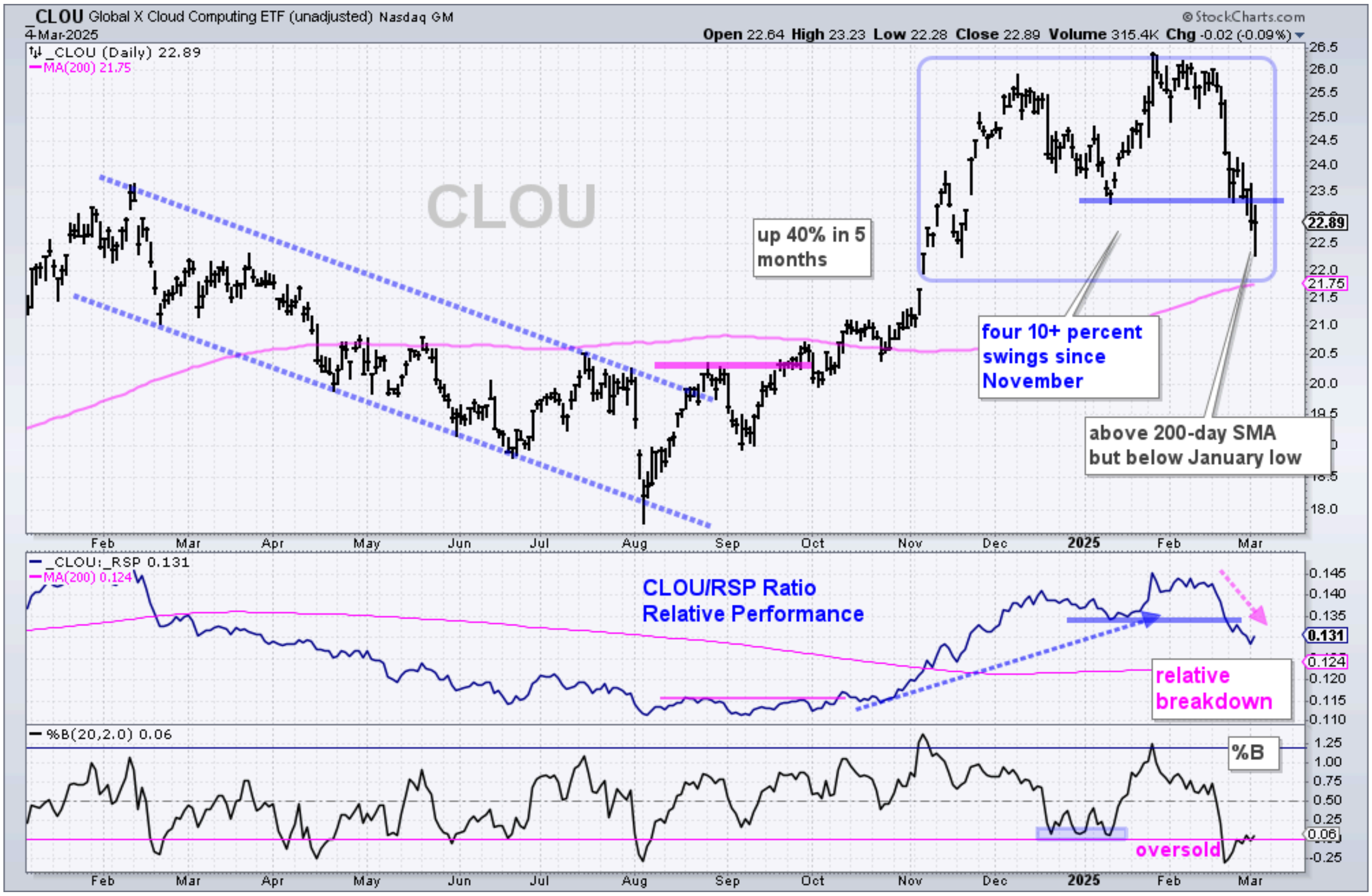
3010 TE AI Robotics BOTZ



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.

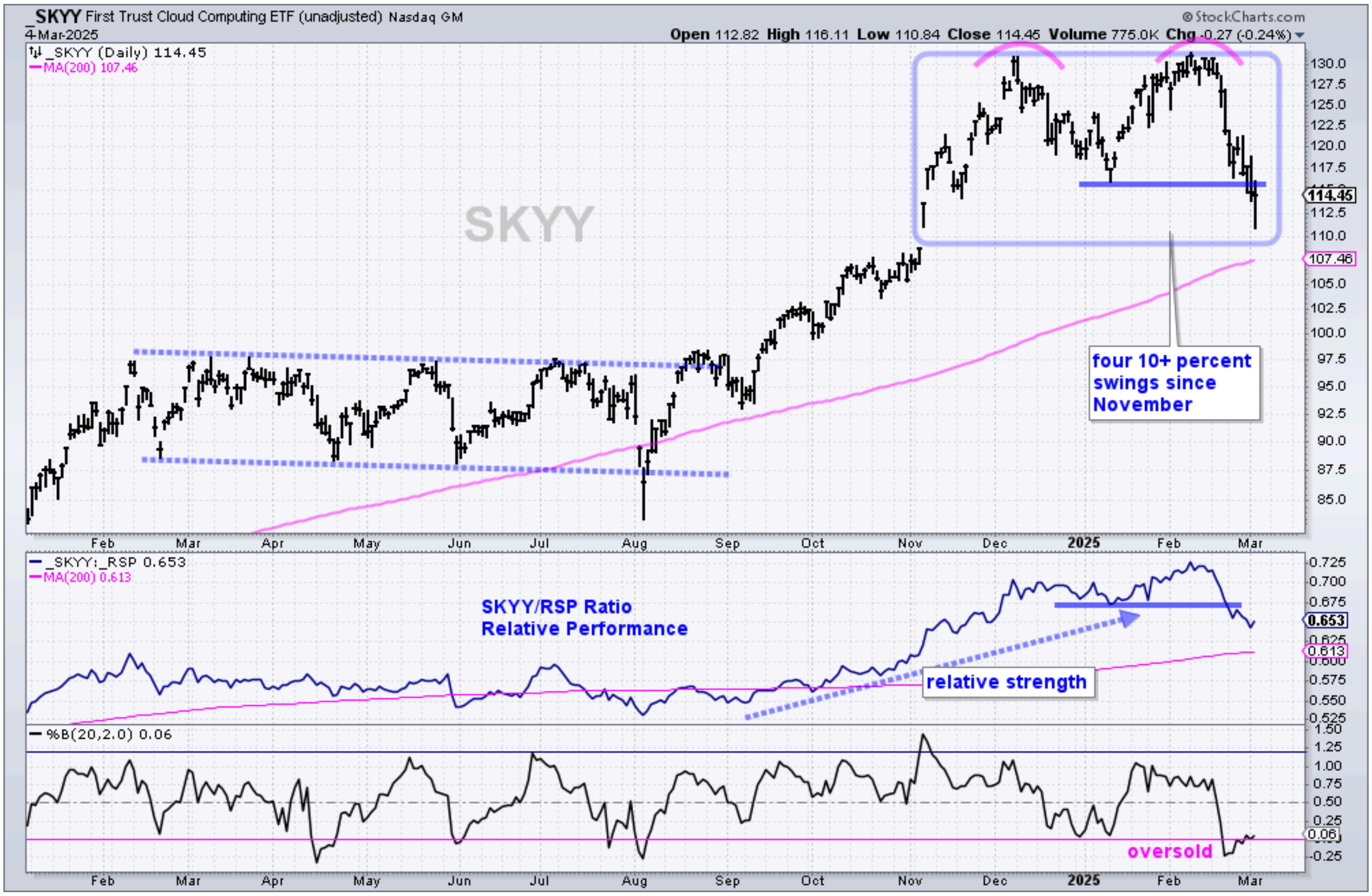
3010 TE Cloud CLOU



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

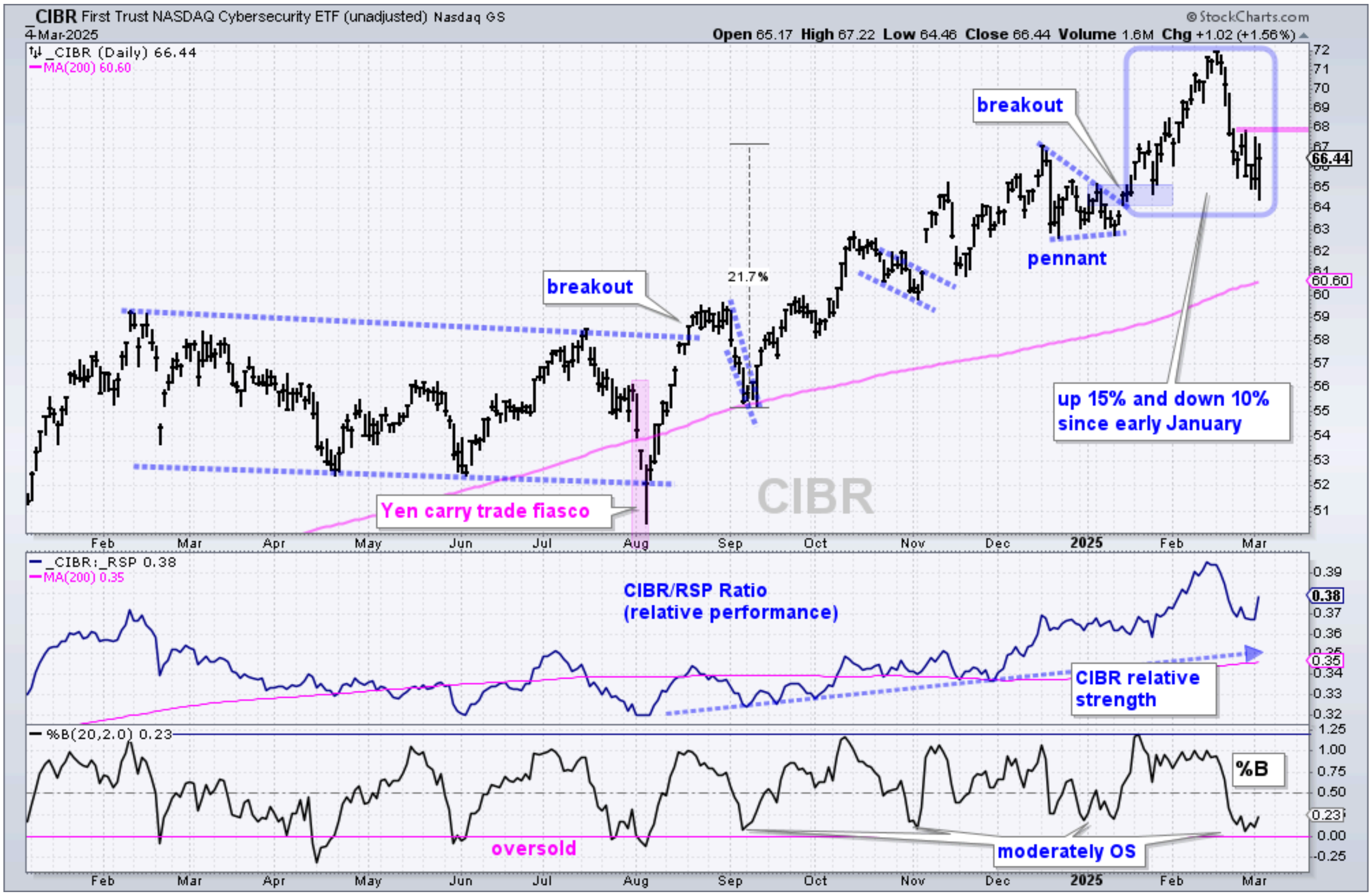
3010 TE Cloud SKYY



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.

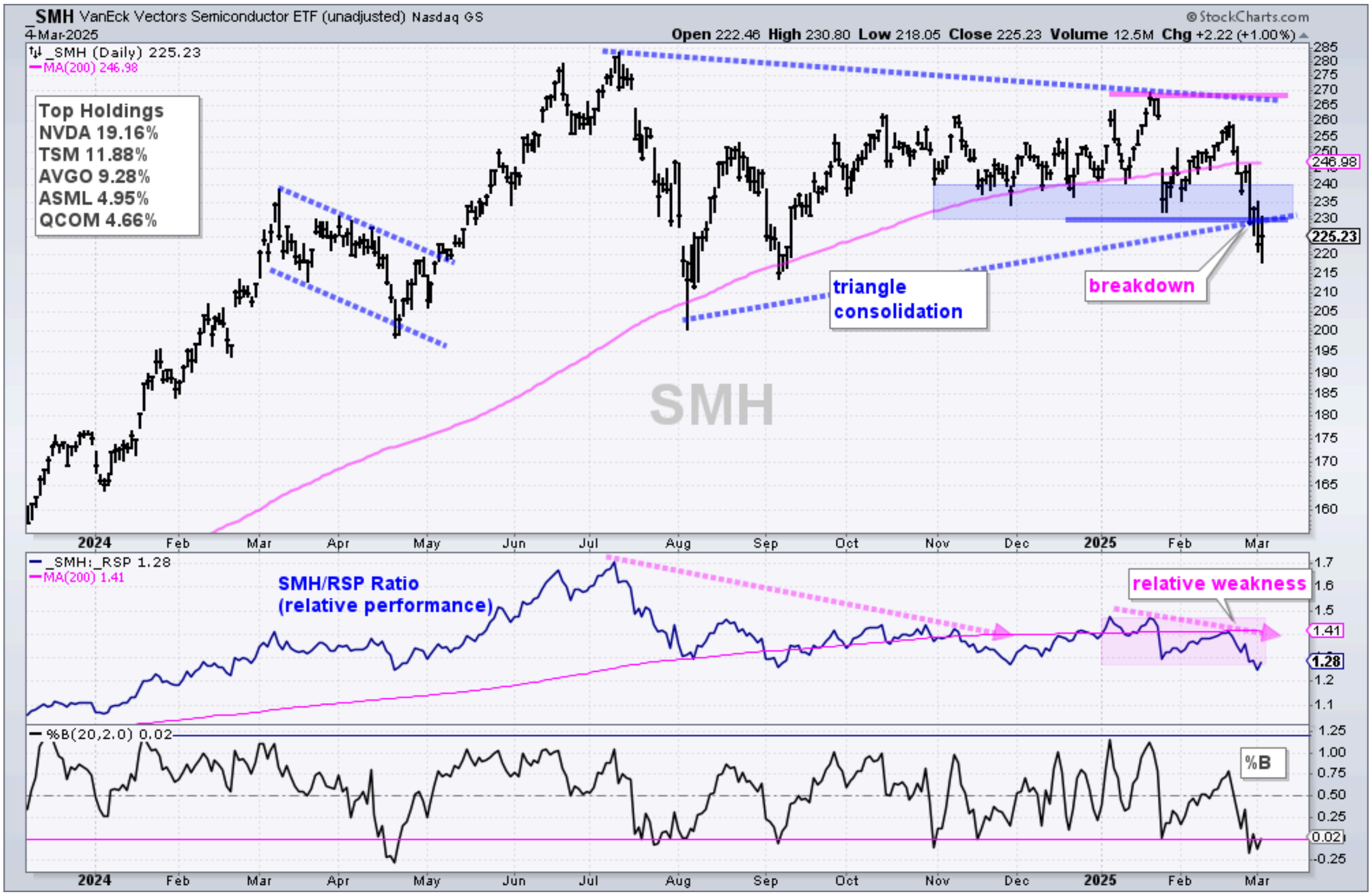
SKYY Top Holdings: PSTG, GOOGL, AMZN, MSFT, ANET, NTNX, IBM, NET, ORCL, MDB

3010 TE Cybersecurity CIBR



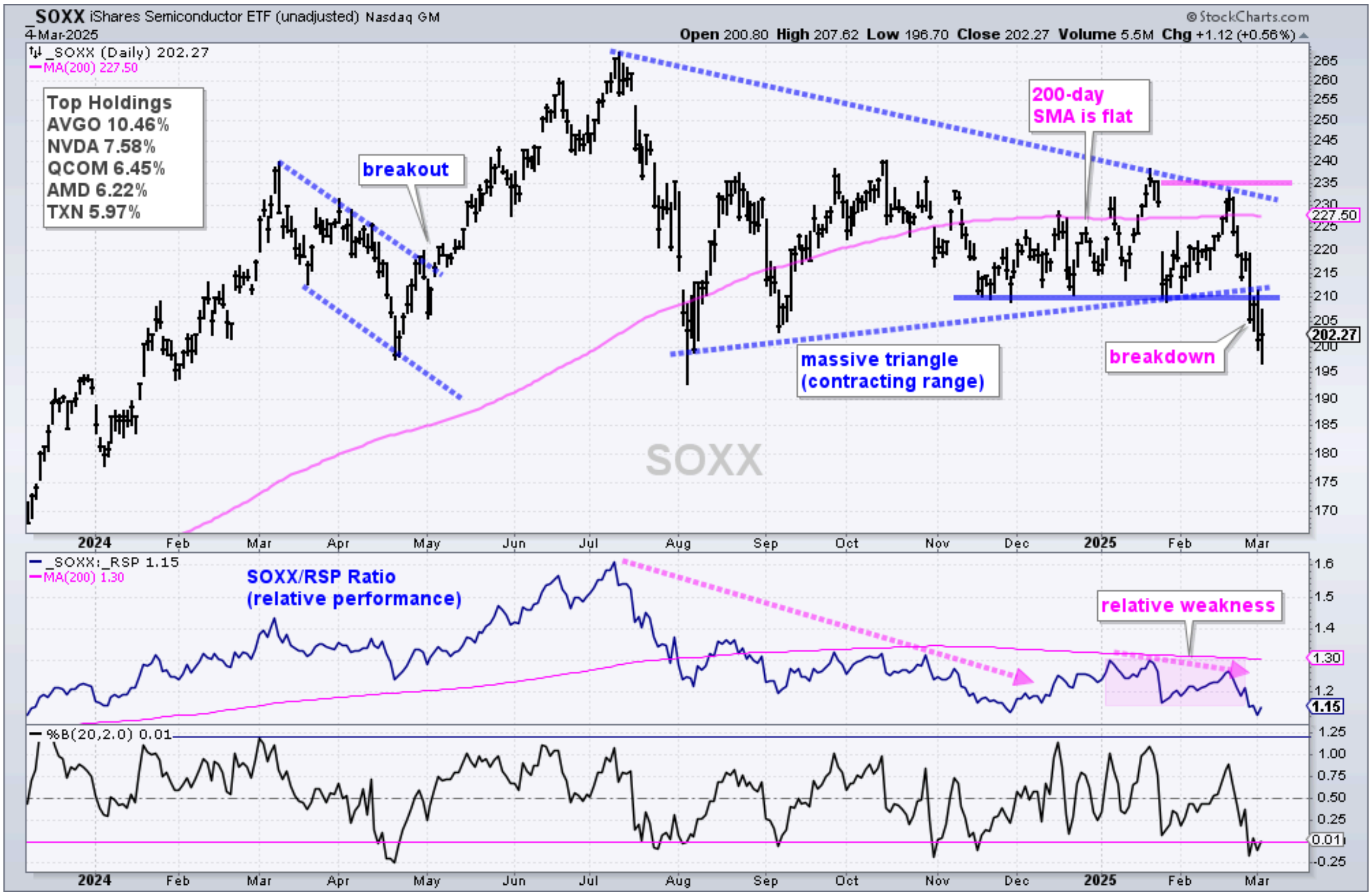
2025-03-04: CIBR Holds Above January Low and Rising 200-day // The Cybersecurity ETF (CIBR) is the strongest of the tech-related ETFs, but it is not immune to sector volatility and broad market swings. Long-term, the uptrend remains in place, but could still be on the extended side. This means we may 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



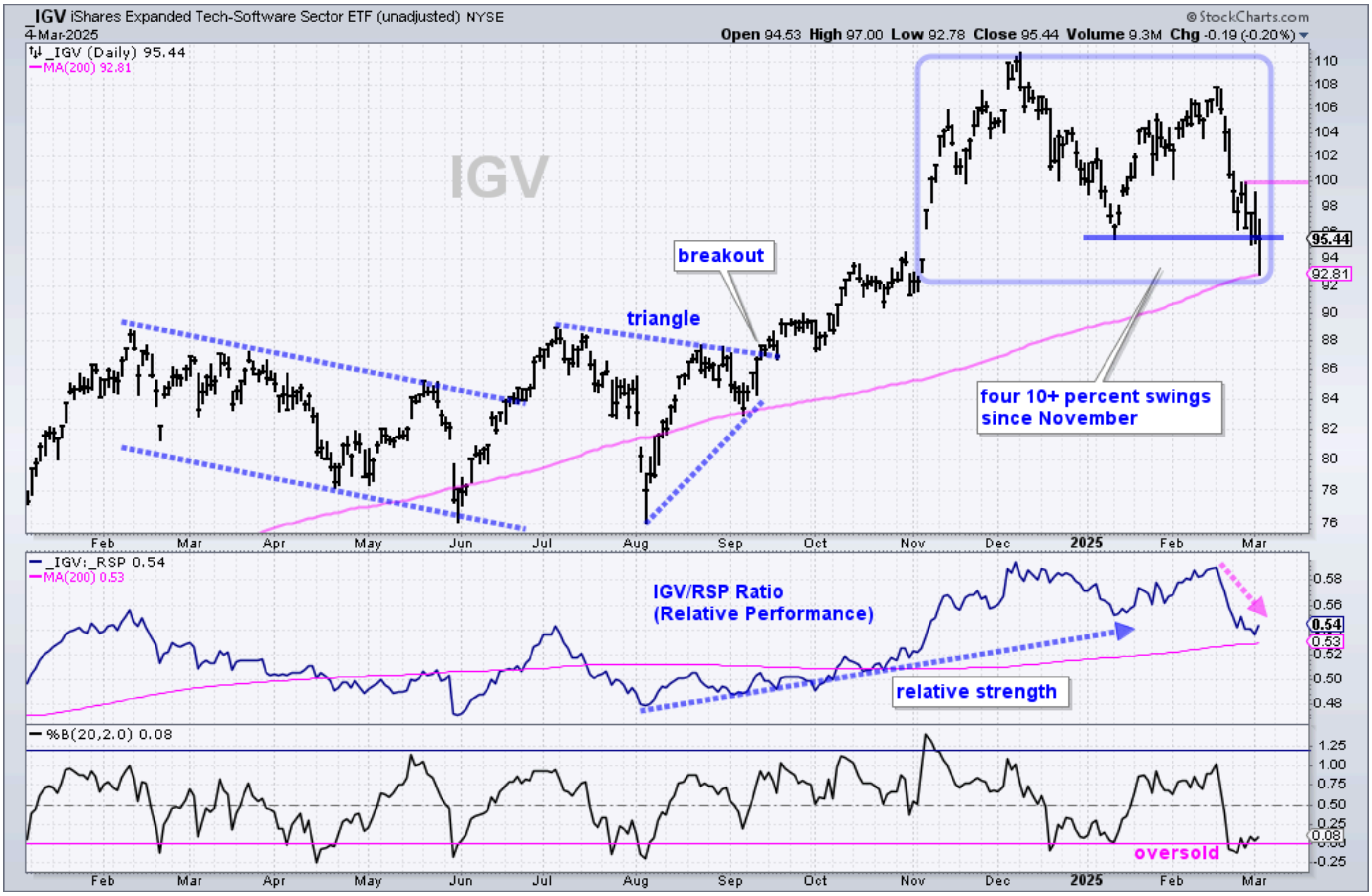
2025-03-04: SMH Breaks Triangle Support // The Semiconductor ETF (SMH) broke the January low and support from a large triangle. This is a bearish signal. The price-relative turned lower the last two weeks and hit its lowest level since April. SMH is in a downtrend and showing relative weakness.

3010 TE Semiconductor SOXX



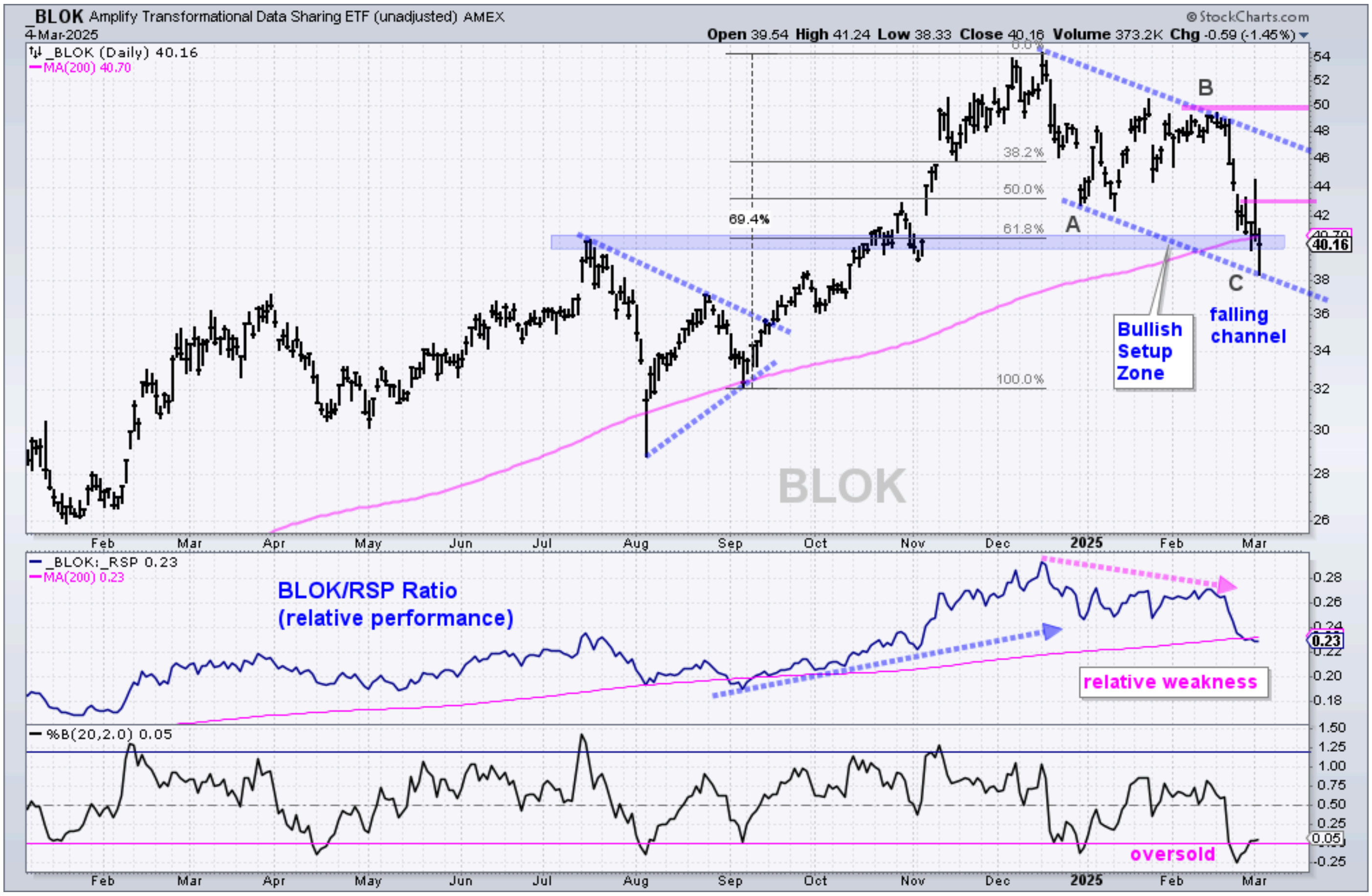
2025-03-04: SOXX Breaks Triangle Support // The Semiconductor ETF (SOXX) broke the January low and support from a large triangle. This is a bearish signal. The price-relative turned lower the last two weeks and hit a 52-wk low. SOXX is in a downtrend and showing relative weakness.

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.

3011 CY BlockChain Data BLOK



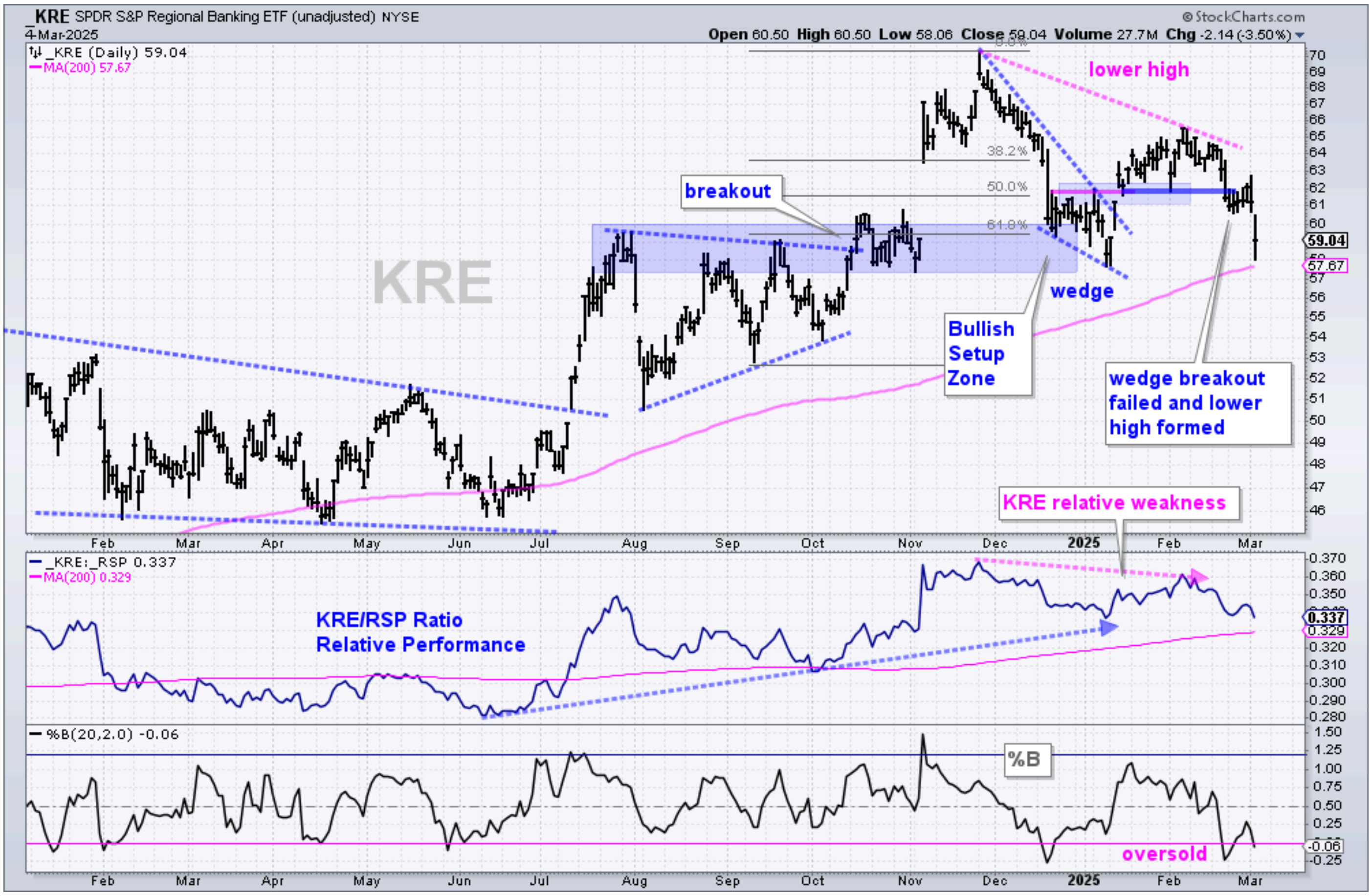
2025-03-05: BLOK Hits Bullish Setup Zone // The Transformational Data Sharing ETF (BLOK) is in a downtrend this year with a lower high in late January and lower low in late February. This decline, however, could be an ABC correction (Elliott Wave) after the 69.4 percent advance from September to December. I am not a big fan of Elliott Wave, but I will note that BLOK is trading in a Bullish Setup Zone (blue shading) marked by the 200-day SMA, broken resistance and the 61.8 percent retracement. Percent-B (20,2) is also oversold (below zero). This is a zone to watch for firming and a reversal because the falling channel could be a correction within a bigger uptrend. I am first watching the swings with this correction. The current swing (Wave C) is down with short-term resistance marked at 43. A close above this level would reverse the downswing, and improve the chances for a resistance challenge at 50. Watch Bitcoin because BLOK is correlated with crypto.

Top Holdings: HOOD, Metaplanet (Japan), COIN, BRPHF, MSTR, CORZ, XYZ, NU, BYON, CLSK

3030 FI Bank KBE

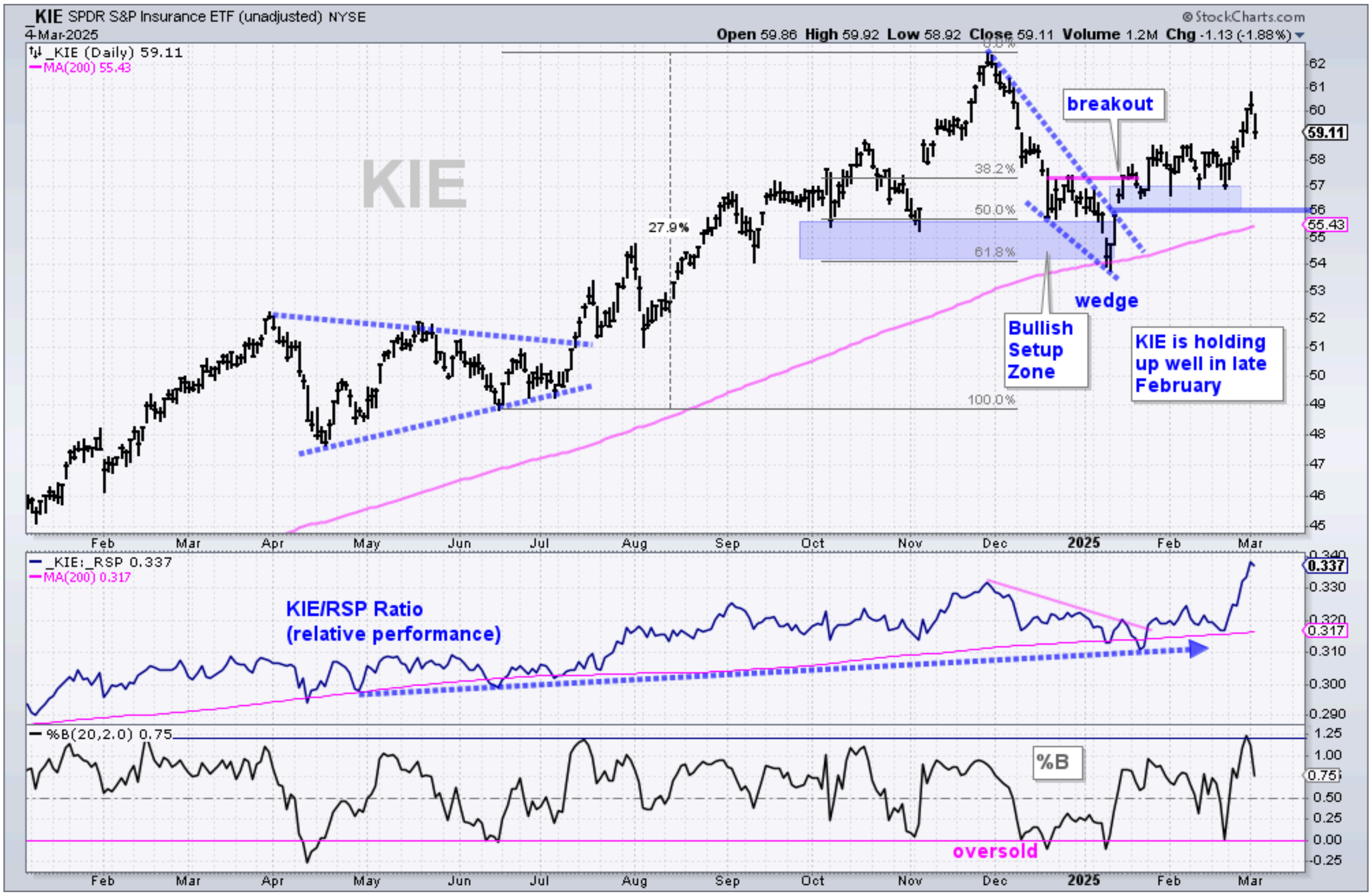
2025-02-25: KBE Fails to Hold Wedge Breakout and Lower High Forms // The Bank SPDR (KBE) remains in a long-term uptrend with price above the rising 200-day SMA, but the wedge breakout failed and a lower high formed from late November to early February. The lower high shows relative weakness in KBE, which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



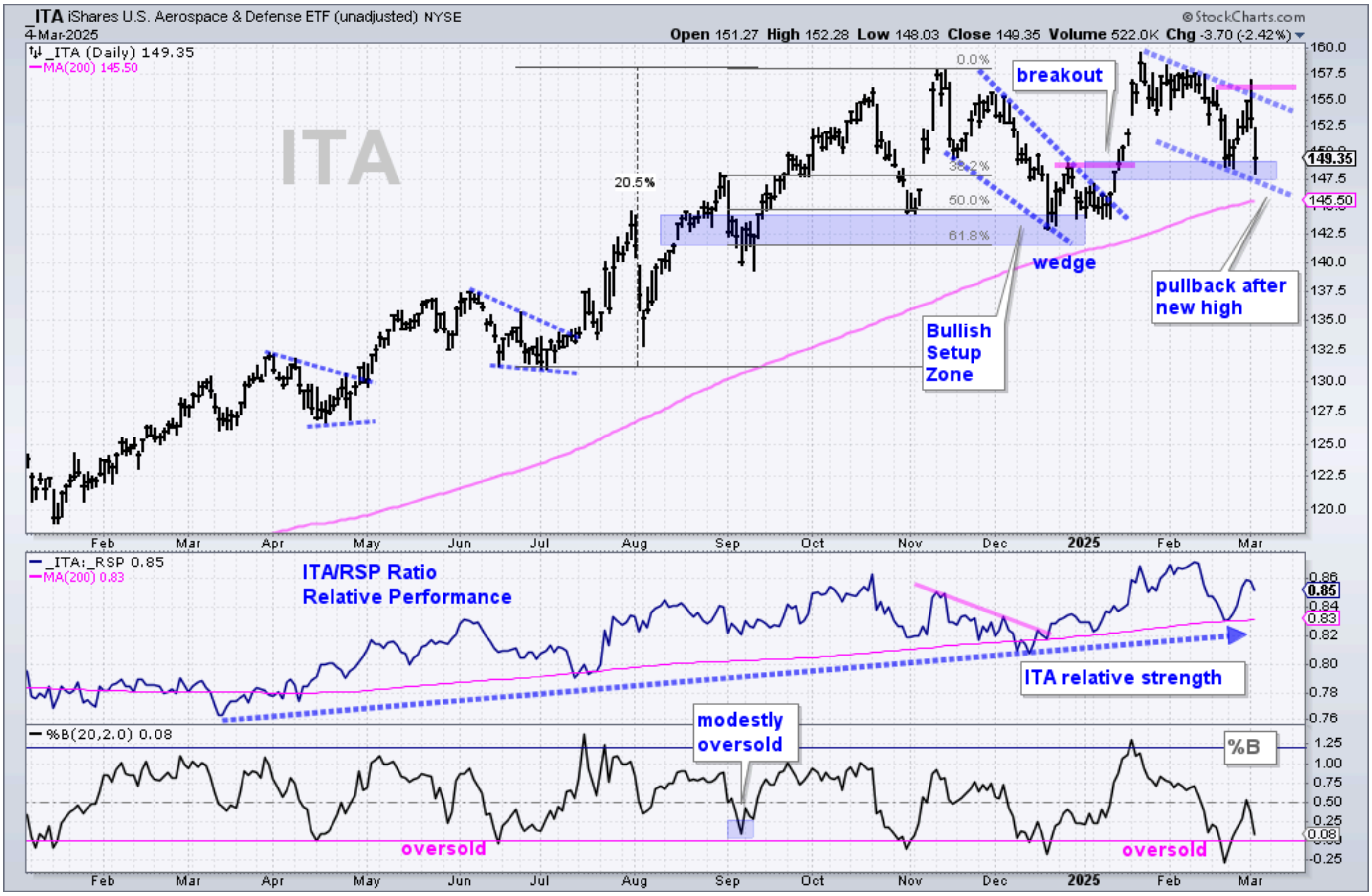
2025-02-25: KRE Fails to Hold Wedge Breakout and Lower High Forms // The Regional Bank SPDR (KRE) remains in a long-term uptrend with price above the rising 200-day SMA, but the wedge breakout failed and a lower high formed from late November to early February. The lower high shows relative weakness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



2025-03-05: ITA Corrects after New High // The Aerospace & Defense ETF (ITA) remains in a long-term uptrend with a new high in mid January and price above the 200-day SMA. ITA also shows relative strength with a rising price-relative (ITA/RSP ratio). Alas, defense stocks are also part of the stock market and not immune to broad market swings. As such, the ETF has traded rather choppy since November with a downswing into December (wedge), a breakout surge in mid January and a pullback into early March. This is still a small correction within a bigger uptrend and I am marking short-term resistance at 157. A breakout here would revive the long-term uptrend and open the door to new highs.

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

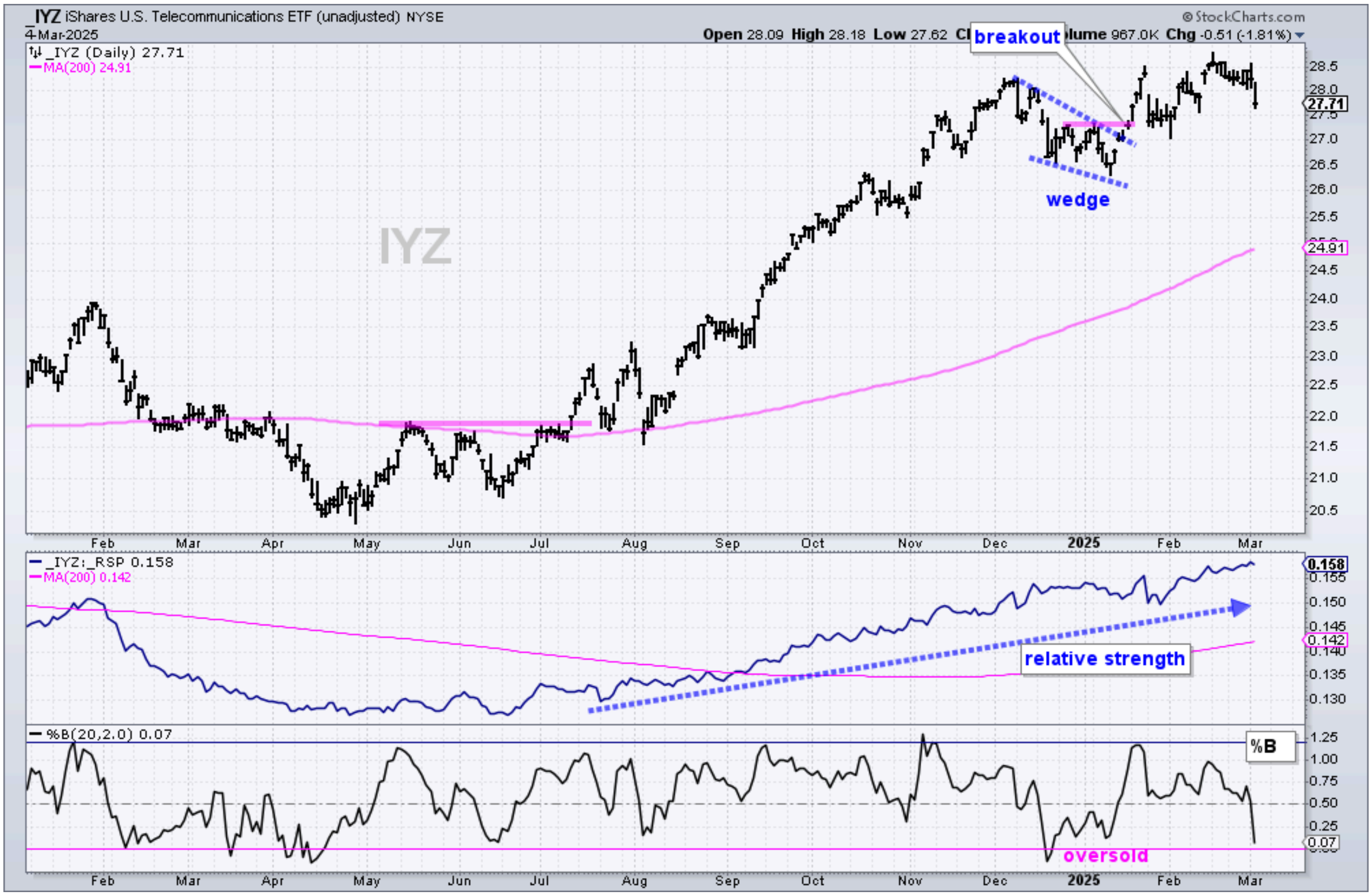
3060 HC Medical Devices IHI

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.

3085 EN MLP AMLP

2025-02-25: AMLP Consolidates Near its Highs // The MLP ETF (AMLP) remains in a leading uptrend with a new high in early February and price well above the rising 200-day SMA. The price-relative (AMLP/RSP ratio) also hit a new high in early February (long-term relative strength). Most recently, AMLP surged from late December to mid January and hit a new high. Price action then turned choppy as the ETF consolidated with a wedge near these highs. A consolidation within an uptrend is a bullish continuation pattern so a breakout at 52.5 would be bullish. Keep in mind that above average volatility means the chances of a whipsaw are high (failed breakout). Also keep in mind that a failed breakout or move below the wedge lows would not affect the long-term uptrend.

3100 TC Telecom IYZ

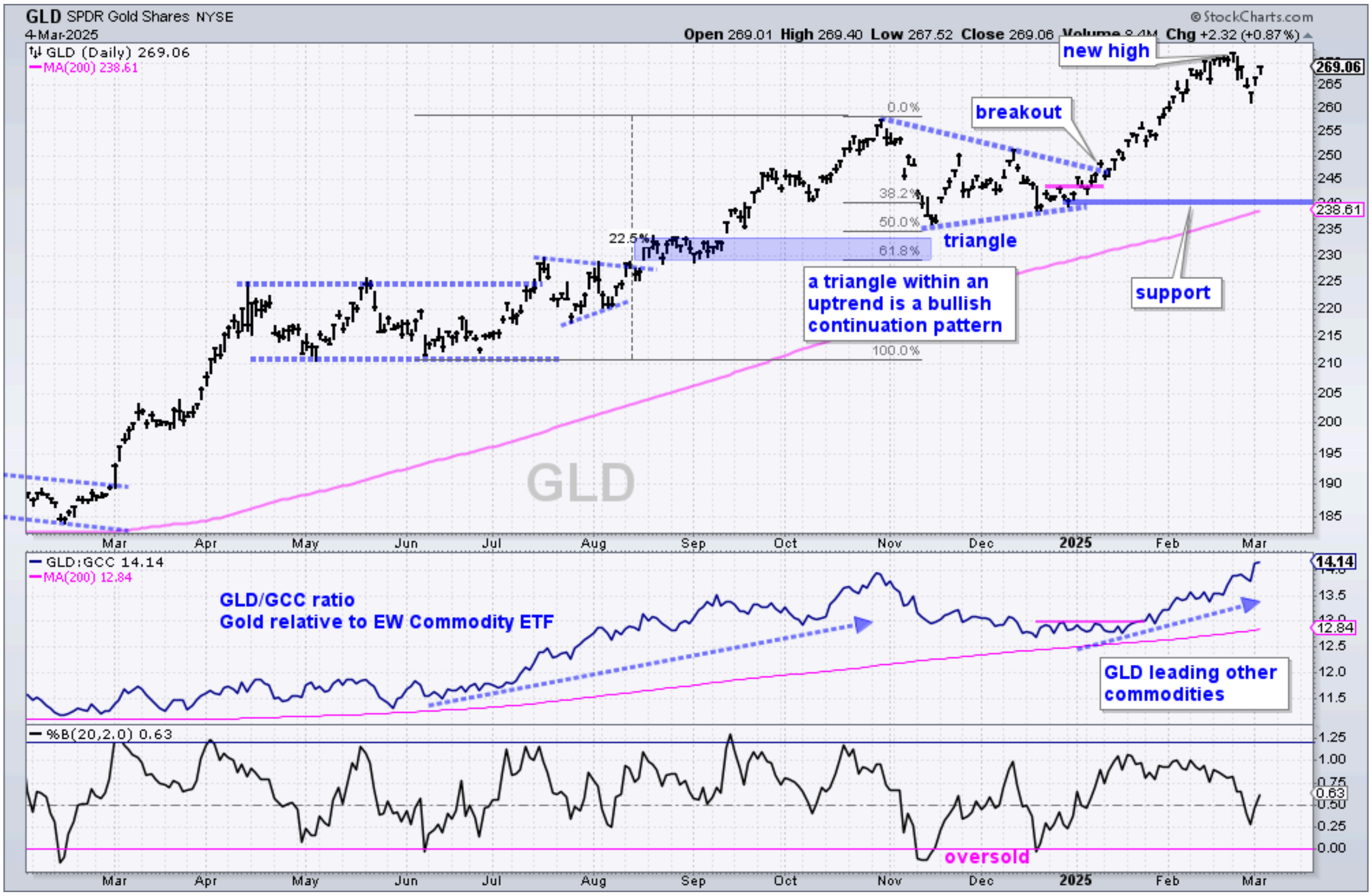


2025-03-05: IYZ Retreats from Highs // The Telecom ETF (IYZ) is in a leading uptrend with a new high in mid February and showing relative strength as the price-relative hit a new high in early March (IYZ/RSP ratio). As with many ETFs, the last setup was the falling wedge and the last signal was the breakout in mid January. IYZ stands out because the wedge breakout held and the ETF extended to new highs. The ETF fell with the broader market in early March, but this is still just a pullback within a bigger uptrend. There is no setup on this chart.

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.

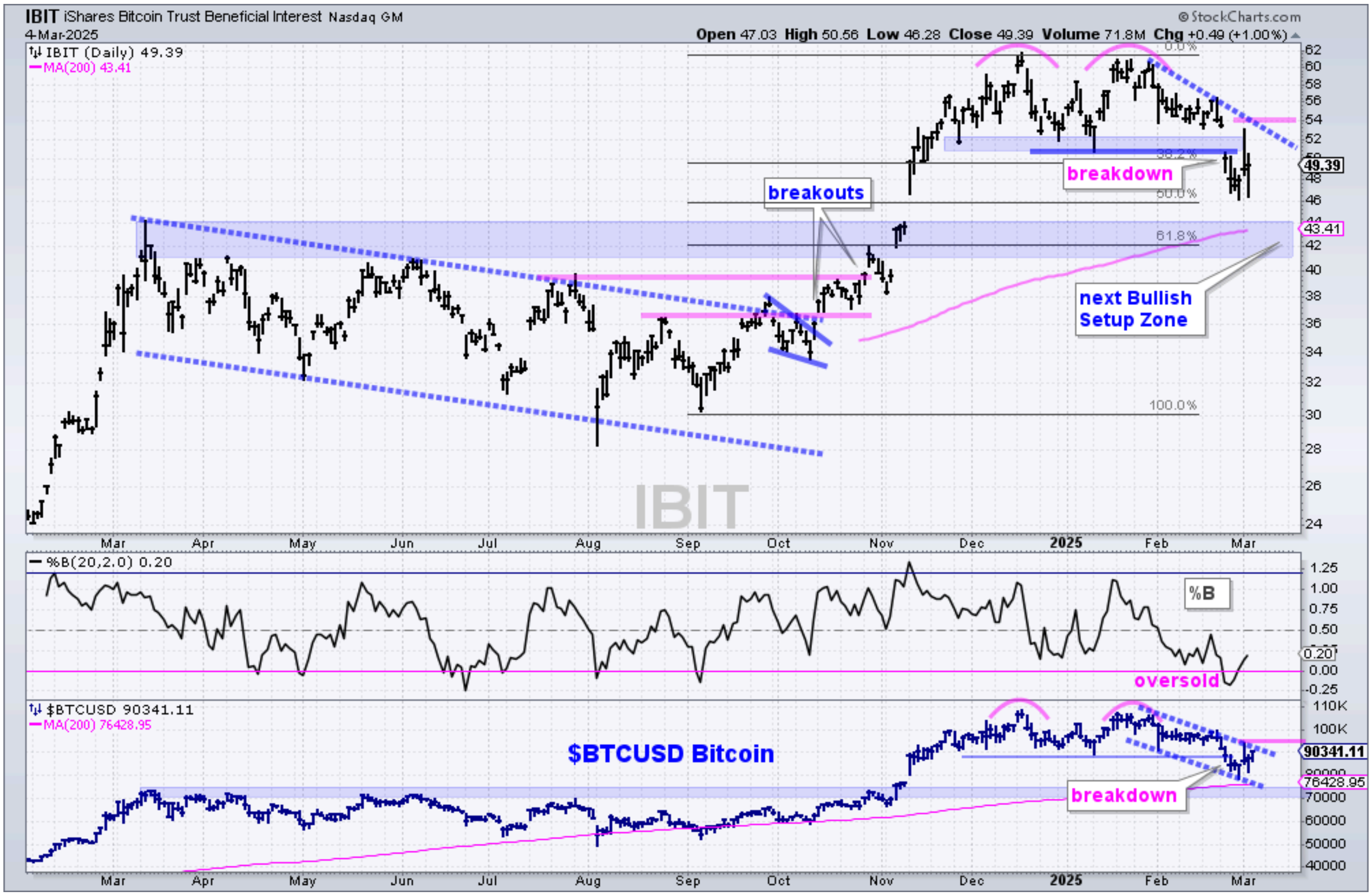
5020 PM Gold GLD



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.

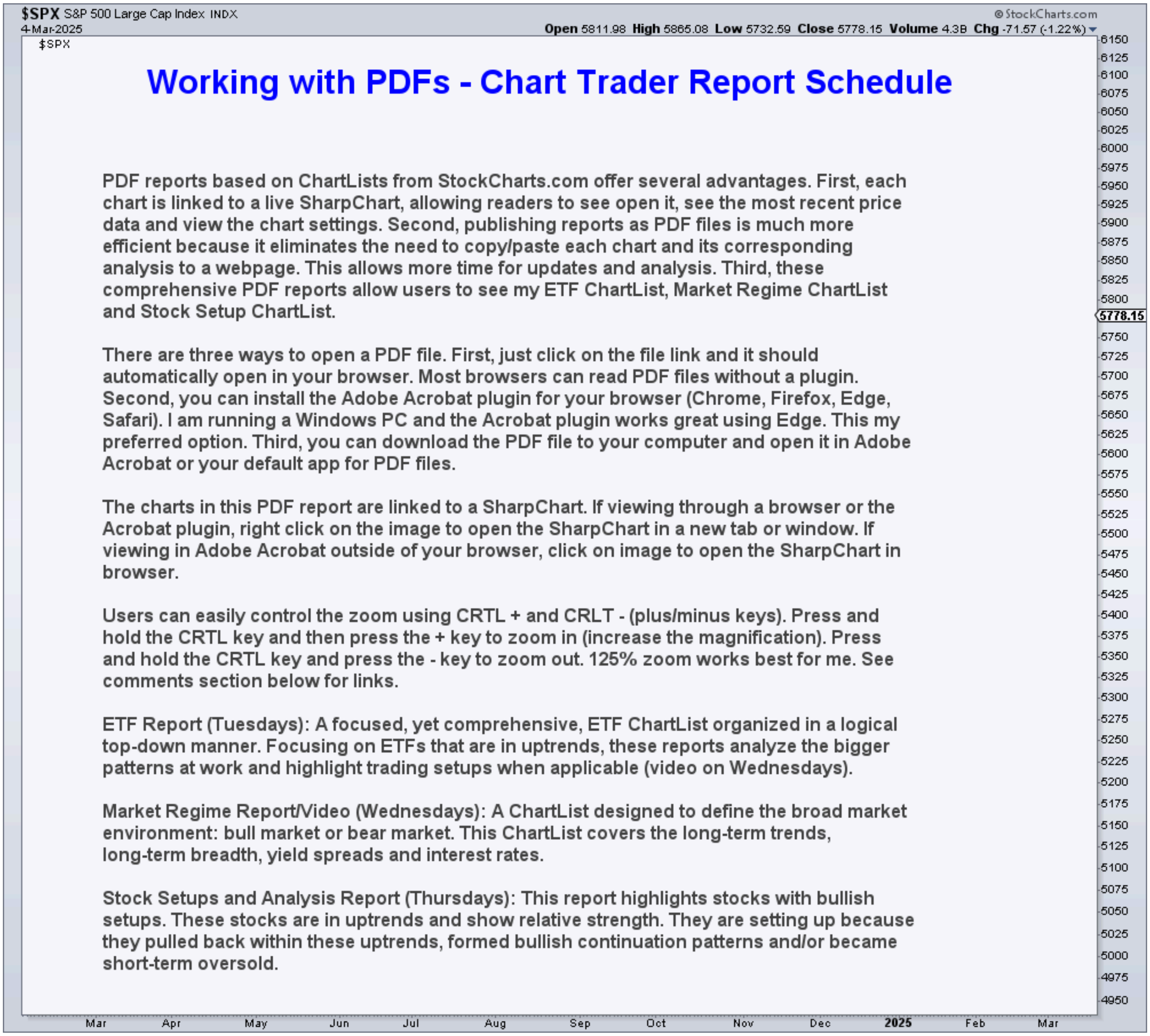
GLD broke triangle resistance on January 10th and extended higher with new highs throughout February. Overall, GLD is in a long-term uptrend and the triangle was a consolidation within this uptrend. This makes it a bullish continuation pattern with the breakout signaled a continuation of the long-term 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



2025-03-05: 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 are two peaks in the 62 area (pink arcs) and a break below intermittent support in late January (breakdown). This pattern is a Double Top, which is a bearish reversal pattern, and the support break confirms the pattern. The broken support zone in the 50-52 area turns first resistance (blue shading). The dashed blue trendline extending down from the January high defines the downswing with resistance marked at 54. A breakout here would negate the Double Top breakdown and also trigger an upside breakout. Until then, the Double Top break remains in play and IBIT is in a downtrend with the next Bullish Setup Zone in the 42-44 area.

Working with PDF Files and the Chart Trader Report Schedule



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