

Weekly Market Analysis #568 – 27 June 2025

Richard "Doc" Ahrens

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This Week

Once again, John Mauldin explains the economy and the national debt in terms that even I can understand. In this week's [Thoughts From The Frontline](#): John shows us why the economy is slowing down, Ed Easterling provides a graph of GDP – Real Growth by Decade, and in a single, 4–sentence paragraph at the bottom of page 4 John explains how national debt is strangling the economy.

This week's edition also brings together charts and thoughts from Dr. Lacy Hunt, Niall Ferguson, Torsten Slok, and economic historians Reinhart and Rogoff. If you want a clear picture in simple terms of where the US economy is headed, this is it.

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Here's an important excerpt from what Steve Blumenthal wrote this week:

I've been talking about a "Debt Death Spiral." This is what I mean:

A debt death spiral occurs when a government's debt and interest costs become so large that it must borrow more to pay the interest on its existing debt. As borrowing increases, so do interest expenses, especially if lenders demand higher yields to compensate for rising risk. This leads to even larger deficits, necessitating further borrowing, perpetuating a vicious cycle.

Eventually, investors may lose confidence in the government's ability to manage its finances, driving up borrowing costs further or drying up demand altogether. At that point, the government faces limited choices: default, aggressively print money (leading to inflation or currency collapse), or implement severe austerity, each with painful consequences.

The key trigger is when debt grows faster than the economy and revenues can no longer keep up. That's when the spiral tightens.

"You are going to see a crack in the bond markets. It is going to happen. I am telling you it's going to happen, and you're going to panic. I'm not going to panic."

What Jamie Dimon is saying is that, at some point, bond investors will stop buying U.S. government debt. Absent buyers of the debt, interest rates will move up, and bond prices will move down. We are in the early innings of a debt death spiral.

To read all of this week's "On My Radar" go [here](#).

Market Barometers

The MTAs for SPX, VTI, and COMPQ are still up and the 3 indexes made all-time highs. DIA and IWM are still lagging behind.



Week-over-week: DIA: 3.9%, SPX: 3.4%, VTI: 3.4%, COMPQ: 4.2%, IWM: 3.0%

Month-over-month: DIA: 3.6%, SPX: 4.4%, VTI: 4.6%, COMPQ: 6.1%, IWM: 5.1%

A Closer Look

The SPX lit up this week, climbing 3.4% in 5 days and making an all-time high. The BPSPX confirmed price. The NYAD, the SPXA50 and, the SPXA200 declined more on Tuesday, but overall confirmed price for the week. The SPX's 50-day average is climbing toward crossing above its 200-day average.



[S&P Price](#) [Bullish Percent](#) [Advance-Decline Line](#) [Stocks Above Averages](#)

[Bullish Universe](#)

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SPX Sector Universe Summary for 27-Jun-2025							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITA	SPACE & DEFENSE	ETF	UP	4.82:1.24	«UP»	999/0	0.1
SMH	SEMICONDUCTORS	ETF	UP	3.71:1.24	=UP=	48/1	0.5
GLD	SPDR GOLD SHARES	ETF	UP	3.09:1.24	=UP=	0/5	-0.5
IGM	EXPANDED TECH SECTOR	ETF	UP	2.77:1.24	-UP-	999/0	0.3
XLI	INDUSTRIALS	ETF	UP	2.05:1.24	«UP»	999/0	0.2
XLC	COMMUNICATION SRVCS	ETF	UP	1.87:1.24	«UP»	999/0	0.2
PAVE	INFRASTRUCTURE	ETF	UP	1.70:1.24	-UP-	20/3	0.4
XRT	RETAIL	ETF	UP	1.36:1.24	-UP-	1/0	0.0
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	1.25:1.24	«UP»	999/3	0.3
XLF	FINANCIALS	ETF	UP	0.92:1.24	-UP-	16/0	0.4
XLU	UTILITIES	ETF	UP	0.90:1.24	DN	1/0	0.1
XLY	CONSUMER DISCR	ETF	DN	0.80:1.24	«UP»	17/0	0.4
XLB	MATERIALS	ETF	DN	0.27:1.24	DN	0/0	-0.0
KIE	INSURANCE SECTOR	ETF	DN	0.20:1.24	-UP-	3/0	0.2
XLP	CONSUMER STAPLES	ETF	UP	0.15:1.24	=DN=	1/5	0.0
IYT	TRANSPORT NDX	ETF	DN	0.08:1.24	≡UP≡	15/0	0.8
XLRE	REAL ESTATE	ETF	DN	0.05:1.24	=DN=	15/4	-0.2
KBE	S&P BANK SECTOR	ETF	DN	-0.10:1.24	«dn»	15/0	0.7
XLE	ENERGY	ETF	DN	-0.45:1.24	DN	0/2	-0.8
XLV	HEALTH CARE	ETF	DN	-1.77:1.24	«DN»	0/3	-0.1
ITB	HOME CONSTRUCTION	ETF	DN	-3.02:1.24	UP	2/0	0.7

MoM price changes for the top 5 sectors: [ITA](#): 5.8%, [SMH](#): 16.1%, [GLD](#): -0.8%, [IGM](#): 8.5%, [XLI](#): 2.8%

MoM price changes for the Big 7 are: [AAPL](#): 0.1%, [AMZN](#): 8.9%, [GOOGL](#): 4.0%, [META](#): 13.3%, [MSFT](#): 7.7%, [NFLX](#): 9.6%, [TSLA](#): -6.6%

Sector Relative-Strength History

13 weeks of slope history for 20 sector ETFs and the SPX.

04 Apr	11 Apr	17 Apr	25 Apr	02 May	09 May	16 May	23 May	30 May	06 Jun	13 Jun	20 Jun	27 Jun
GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	DFEND	DFEND	DFEND	DFEND
INSUR	INSUR	INSUR	STAPL	STAPL	DFEND	DFEND	DFEND	DFEND	GOLD	GOLD	GOLD	SEMIS
DFEND	STAPL	STAPL	INSUR	DFEND	STAPL	UTILS	UTILS	INDUS	INDUS	SEMIS	SEMIS	GOLD
STAPL	DFEND	DFEND	UTILS	UTILS	UTILS	STAPL	INDUS	UTILS	TECHS	INDUS	TECHS	TECHS
FINAN	UTILS	UTILS	DFEND	INSUR	INSUR	FINAN	FINAN	FINAN	SEMIS	TECHS	INDUS	INDUS
UTILS	FINAN	FINAN	FINAN	FINAN	FINAN	INDUS	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS
ENRGY	HLTHY	HLTHY	REALE	REALE	REALE	INSUR	STAPL	TECHS	INFRA	INFRA	INFRA	INFRA
COMMS	COMMS	COMMS	HLTHY	COMMS	COMMS	COMMS	INSUR	INFRA	UTILS	SALES	SALES	SALES
HLTHY	ENRGY	REALE	COMMS	HLTHY	INDUS	REALE	INFRA	STAPL	FINAN	UTILS	SP500	SP500
REALE	REALE	ENRGY	INDUS	INDUS	SP500	INFRA	TECHS	DISCR	DISCR	FINAN	UTILS	FINAN
INDUS	INDUS	INDUS	ENRGY	SP500	HLTHY	SP500	SP500	INSUR	SALES	SP500	FINAN	UTILS
SP500	SP500	SP500	SP500	MATER	MATER	TECHS	DISCR	SP500	SP500	DISCR	DISCR	DISCR
MATER	MATER	MATER	MATER	ENRGY	INFRA	DISCR	REALE	SEMIS	STAPL	STAPL	STAPL	MATER
BANKS	BANKS	DISCR	INFRA	INFRA	DISCR	MATER	SEMIS	SALES	INSUR	INSUR	MATER	INSUR
DISCR	DISCR	INFRA	DISCR	DISCR	TECHS	BANKS	SALES	REALE	REALE	MATER	INSUR	STAPL
TRANS	INFRA	BANKS	BANKS	TECHS	BANKS	SALES	MATER	MATER	MATER	REALE	REALE	TRANS
TECHS	TRANS	TRANS	TECHS	BANKS	ENRGY	TRANS	BANKS	BANKS	TRANS	TRANS	TRANS	REALE
INFRA	TECHS	TECHS	TRANS	SALES	SALES	HLTHY	TRANS	TRANS	BANKS	BANKS	BANKS	BANKS
SALES	SALES	SALES	SALES	TRANS	TRANS	SEMIS	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY
SEMIS	SEMIS	BLDRS	BLDRS	BLDRS	SEMIS	ENRGY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY
BLDRS	BLDRS	SEMIS	SEMIS	SEMIS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. ITA	4.82	DFEND	AEROSPACE & DEFENSE	12. XLY	0.80	DISCR	CONSUMER DISCR
2. SMH	3.71	SEMIS	SEMICONDUCTORS	13. XLB	0.27	MATER	MATERIALS
3. GLD	3.09	GOLD	GOLD	14. KIE	0.20	INSUR	INSURANCE
4. IGM	2.77	TECHS	TECHNOLOGY	15. XLP	0.15	STAPL	CONSUMER STAPLES
5. XLI	2.05	INDUS	INDUSTRIALS	16. IYT	0.08	TRANS	TRANSPORTATION
6. XLC	1.87	COMMS	COMMUNICATION SRVCS	17. XLRE	0.05	REALE	REAL ESTATE
7. PAVE	1.70	INFRA	INFRASTRUCTURE	18. KBE	-0.10	BANKS	BANKS
8. XRT	1.36	SALES	RETAIL SALES	19. XLE	-0.45	ENRGY	ENERGY
9. SPX	1.25	SP500	S&P 500	20. XLV	-1.77	HLTHY	HEALTH CARE
10. XLF	0.92	FINAN	FINANCIALS	21. ITB	-3.02	BLDRS	HOMEBUILDERS
11. XLU	0.90	UTILS	UTILITIES				

The top 12 are the same except for some minor shuffling. The bottom 6 are, too.

This Week's Selections

My sector choices last week were: GLD 10%, ITA 10%, XLI 10%, and BIL 70%.

Top Sector ETFs By Slope

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
ITA	UP	Up	4.82%	\$172.55	\$187.55	Hold 10%
SMH	UP	Up	3.71%	\$256.15	\$278.42	BUY 10%
GLD	UP	Up	3.09%	\$290.99	\$301.22	WATCH –
IGM	UP	Up	2.77%	\$102.44	\$111.35	BUY 10%x
XLI	UP	Up	2.05%	\$135.05	\$146.79	Hold 10%x
XLC	UP	Up	1.87%	\$99.07	\$107.68	No
PAVE	UP	Up	1.70%	\$40.19	\$43.68	No
XRT	UP	Up	1.36%	\$72.66	\$77.35	No
SPX	UP	Dn	1.25%	\$5,679.22	\$6,173.07	INDEX

Legend: Up: ↑, Down: ↓, Flat/Stable: —

Analysis

[ITA](#) made an all-time high. [SMH](#) powered up to a 48-week high and is approaching \$280. [GLD](#) has largely been flat for 10 weeks. For 2 weeks it declined toward the \$300 level and the basic charts are mostly down. [IGM](#) made an all-time high and all basic charts are up. [XLI](#) made an all-time high a 5 out of 6 basic charts are up.

[XLC](#) crossed above \$105 and made an all-time high. [PAVE](#)'s basic charts are up; however, there is about 50 million shares of overhead supply left over from last autumn. [XRT](#) is still in the ~\$75 and \$80 trading range and most of the basic charts are flat. [SPX](#) has been below \$6000 for 4 of the last 5 days.

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Thoughts and Decisions

If GLD puts in an open and a close below \$300, I'll probably sell it. No point in waiting for it to go all the way down to \$290.

I'm going to buy SMH and IGM.

So my positions for this week are: GLD 10%, IGM 10%, ITA 10%, SMH 10%, XLI 10%, and BIL 50%.

New Highs And New Lows (New highs less than 999 were left out)

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 27-Jun-2025					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
AVGO	BROADCOM	STOCK	UP	7.52	999
CM	CANADIAN IMPERIAL BANK (DS 1868)	STOCK	UP	3.50	999
COMPQ	NASDAQ COMPOSITE	INDEX	UP	1.99	999
CRWD	CROWDSTRIKE	STOCK	UP	6.97	999
GEV	GE VERNOVA	STOCK	DN	11.05	999
GS	GOLDMAN SACHS GROUP	STOCK	UP	3.17	999
IBM	INTERNATIONAL BUSINESS MACHINES (DK)	STOCK	UP	4.40	999
IGM	EXPANDED TECH SECTOR	ETF	UP	2.77	999
ITA	SPACE & DEFENSE	ETF	UP	4.82	999
JPM	JPMORGAN CHASE	STOCK	UP	2.89	999
MSFT	MICROSOFT	STOCK	UP	4.60	999
NFLX	NETFLIX	STOCK	UP	7.15	999
NVDA	NVIDIA	STOCK	UP	4.72	999
PLTR	PALANTIR	STOCK	UP	12.69	999
PM	PHILIP MORRIS INTL	STOCK	UP	5.80	999
QLTY	GMO U.S. QUALITY	ETF	UP	1.09	999
QQQ	NASDAQ 100	ETF	UP	2.15	999
RY	ROYAL BANK OF CANADA (DS 1870)	STOCK	UP	2.19	999
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	1.25	999
SPY	S&P 500 (LARGE-CAP)	ETF	UP	1.28	999
TSM	TAIWAN SEMICONDUCTOR	STOCK	UP	4.32	999
URA	URANIUM	ETF	UP	10.83	999
VGT	INFORMATION TECHNOLOGY	ETF	UP	2.43	999
VTI	TOTAL STOCK MARKET	ETF	UP	1.25	999
VUG	LARGE CAP GROWTH	ETF	UP	2.12	999
XAR	EQU-WTD SPACE & DEFENSE	ETF	UP	5.07	999
XLC	COMMUNICATION SRVCS	ETF	UP	1.87	999
XLI	INDUSTRIALS	ETF	UP	2.05	999
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 27-Jun-2025					
CAG	CONAGRA FOODS	STOCK	DN	-4.86	999
DEO	DIAGEO	STOCK	DN	-2.61	999
GIS	GENERAL MILLS	STOCK	DN	-3.38	263
KHC	KRAFT HEINZ COMPANY	STOCK	DN	-3.93	263
PEP	PEPSICO (DK)	STOCK	DN	-3.53	253
DXY	US DOLLAR INDEX	INDEX	DN	-1.47	167
CLX	CLOROX (DK)	STOCK	DN	-4.93	82
UUP	DB US DOLLAR INDEX	ETF	DN	-1.28	75