

Weekly Market Analysis #569 — 3 July 2025

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This Week

This week Steve Strazza at All Star Charts pointed out:

Banks (KBE), biotechs (XBI), and builders (ITB or XHB):...could not be more different, but they share a key similarity in the sense that they all move in synchrony with the bond market.

Biotechs are some of the longest-duration equities, so lower rates boost their valuations. It also allows these chronic cash-burners to access capital cheaply. Builders sell houses, and lower rates are the key demand driver, so that one is obvious. And banks are new to the lower rates list.

Based on Steve's observation, I added XBI (Bio-Technology) to our Sector Universe. Right now on Page 5 (Sector Relative-Strength History) KBE is #15, XBI is #20, and ITB is #22. That puts them all near the bottom of the sector heap, but we can wait and watch.

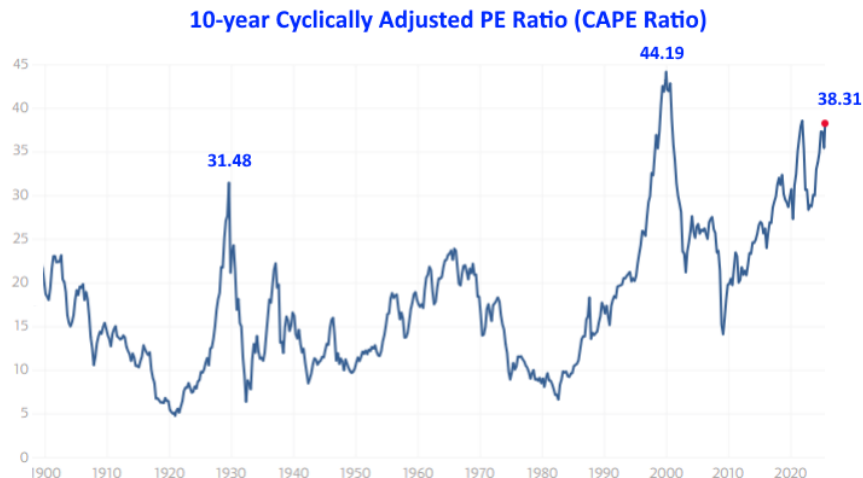
On Wednesday, Barron's said, "The big date for markets is now just a week away, with the 90-day pause on reciprocal tariffs due to end July 9. Failure to land more deals before that deadline will likely stoke concerns that sweeping levies will start to have an impact on the U.S. economy."

A Financial Times [article](#) observed:

"...Fears are growing that property markets could...be roiled...by rising numbers of climate-related disasters putting pressure on insurers and other critical financial institutions. "Property values will eventually fall...sending household wealth tumbling," said...a December report on climate change and insurance from the then Democrat-chaired US Senate Budget Committee. "The United States could be looking at a systemic shock to the economy similar to the financial crisis of 2008 — if not greater."

125-year chart of the Shiller Price-to-Earnings Ratio

With the CAPE ratio at 38.31, we can make a thumbnail calculation that the probability of the market continuing higher from this point is about 13.3% $((1 - 38.31 / 44.19) \times 100)$. Yes, the market could certainly go higher, but this is a time for cautious optimism, not euphoria.



Market Barometers

For the first time in several months, the MTAs for all 5 major indexes are up.



Week-over-week: DIA: 2.3%, SPX: 1.7%, VTI: 1.6%, COMPQ: 1.6%, IWM: 3.5%

Month-over-month: DIA: 5.7%, SPX: 5.7%, VTI: 5.6%, COMPQ: 6.8%, IWM: 7.0%

A Closer Look

On Tuesday the SPX's 50-day average rose above its 200-day average, forming what's called a "Golden Cross", and the SPX made another all-time high. The BPSPX, NYAD, SPXA50 and, the SPXA200 largely agreed with price.



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

[Bullish Universe](#)

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[Bearish Universe](#)

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[Inflation Universe](#)

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[Auxiliary Universe](#)

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[Dividend Universe](#)

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SPX Sector Universe Summary for 03-Jul-2025							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
ITA	SPACE & DEFENSE	ETF	UP	4.91:1.51	-UP-	999/0	0.2
SMH	SEMICONDUCTORS	ETF	UP	4.39:1.51	UP	999/0	0.0
IGM	EXPANDED TECH SECTOR	ETF	UP	3.13:1.51	UP	999/0	0.3
GLD	SPDR GOLD SHARES	ETF	UP	2.84:1.51	UP	0/5	0.0
XLI	INDUSTRIALS	ETF	UP	2.18:1.51	UP	999/0	0.4
XLC	COMMUNICATION SRVCS	ETF	UP	2.15:1.51	UP	999/0	0.4
PAVE	INFRASTRUCTURE	ETF	UP	1.99:1.51	UP	28/0	0.5
XRT	RETAIL	ETF	UP	1.53:1.51	UP	20/0	0.5
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	1.52:1.51	UP	999/0	0.3
XLF	FINANCIALS	ETF	UP	1.13:1.51	UP	999/0	0.4
XLY	CONSUMER DISCR	ETF	DN	0.95:1.51	=UP=	18/0	0.4
XLU	UTILITIES	ETF	UP	0.84:1.51	=UP=	3/0	0.1
XLB	MATERIALS	ETF	DN	0.50:1.51	-UP-	27/0	0.4
IYT	TRANSPORT NDX	ETF	DN	0.50:1.51	UP	18/0	0.7
KBE	S&P BANK SECTOR	ETF	UP	0.43:1.51	=UP=	18/0	0.8
KIE	INSURANCE SECTOR	ETF	DN	0.21:1.51	«UP»	5/0	0.1
XLP	CONSUMER STAPLES	ETF	UP	0.13:1.51	=UP=	3/0	0.2
XLRE	REAL ESTATE	ETF	DN	0.00:1.51	-UP-	0/0	-0.1
XLE	ENERGY	ETF	DN	-0.32:1.51	=dn=	0/0	-0.2
XBI	BIOTECHNOLOGY	ETF	DN	-0.90:1.51	«UP»	2/0	-0.0
XLV	HEALTH CARE	ETF	DN	-1.56:1.51	-DN-	2/0	0.2
ITB	HOME CONSTRUCTION	ETF	DN	-2.43:1.51	UP	15/0	0.9

[Sector Universe](#)

← Use this link to get to the live summary table

MoM price changes for the top 5 sectors: [ITA](#): 3.7%, [SMH](#): 12.1%, [IGM](#): 7.9%, [GLD](#): -0.7%, [XLI](#): 2.8%

MoM price changes for the Big 7 are: [AAPL](#): 6.4%, [AMZN](#): 7.5%, [GOOGL](#): 6.7%, [META](#): 5.0%, [MSFT](#): 6.7%, [NFLX](#): 3.7%, [TSLA](#): 10.8%

Sector Relative-Strength History

13 weeks of slope history for 21 sector ETFs and the SPX.

Relative Strength History 11-Apr-2025 to 03-Jul-2025

11 Apr	17 Apr	25 Apr	02 May	09 May	16 May	23 May	30 May	06 Jun	13 Jun	20 Jun	27 Jun	03 Jul
GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	GOLD	DFEND	DFEND	DFEND	DFEND	DFEND
INSUR	BIOTC	STAPL	STAPL	DFEND	DFEND	DFEND	DFEND	GOLD	GOLD	GOLD	SEMIS	SEMIS
BIOTC	INSUR	BIOTC	DFEND	STAPL	UTILS	UTILS	INDUS	INDUS	SEMIS	SEMIS	GOLD	TECHS
STAPL	STAPL	INSUR	BIOTC	UTILS	STAPL	INDUS	UTILS	TECHS	INDUS	TECHS	TECHS	GOLD
DFEND	DFEND	UTILS	UTILS	BIOTC	FINAN	FINAN	FINAN	SEMIS	TECHS	INDUS	INDUS	INDUS
UTILS	UTILS	DFEND	INSUR	INSUR	BIOTC	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS
FINAN	FINAN	FINAN	FINAN	FINAN	INDUS	STAPL	TECHS	INFRA	INFRA	INFRA	INFRA	INFRA
HLTHY	HLTHY	REALE	REALE	REALE	INSUR	INSUR	INFRA	UTILS	SALES	SALES	SALES	SALES
COMMS	COMMS	HLTHY	COMMS	COMMS	COMMS	INFRA	STAPL	FINAN	UTILS	SP500	SP500	SP500
REALE	REALE	COMMS	HLTHY	INDUS	REALE	BIOTC	DISCR	DISCR	FINAN	UTILS	FINAN	FINAN
ENRGY	ENRGY	INDUS	INDUS	SP500	INFRA	TECHS	INSUR	SALES	SP500	FINAN	UTILS	DISCR
INDUS	INDUS	ENRGY	SP500	HLTHY	SP500	SP500	SP500	SP500	DISCR	DISCR	DISCR	UTILS
SP500	SP500	SP500	MATER	MATER	TECHS	DISCR	SEMIS	STAPL	STAPL	STAPL	MATER	MATER
MATER	MATER	MATER	ENRGY	INFRA	DISCR	REALE	BIOTC	INSUR	INSUR	MATER	INSUR	TRANS
BANKS	DISCR	INFRA	INFRA	DISCR	MATER	SEMIS	SALES	BIOTC	MATER	INSUR	STAPL	BANKS
DISCR	INFRA	DISCR	DISCR	TECHS	BANKS	SALES	REALE	REALE	REALE	REALE	TRANS	INSUR
INFRA	BANKS	BANKS	TECHS	BANKS	SALES	MATER	MATER	MATER	BIOTC	BIOTC	REALE	STAPL
TRANS	TRANS	TECHS	BANKS	ENRGY	TRANS	BANKS	BANKS	TRANS	TRANS	TRANS	BIOTC	REALE
TECHS	TECHS	TRANS	SALES	SALES	HLTHY	TRANS	TRANS	BANKS	BANKS	BANKS	BANKS	ENRGY
SALES	SALES	SALES	TRANS	TRANS	SEMIS	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	BIOTC
SEMIS	BLDRS	BLDRS	BLDRS	SEMIS	ENRGY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY
BLDRS	SEMIS	SEMIS	SEMIS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. IIA	4.91	DFEND	AEROSPACE & DEFENSE	12. XLU	0.84	UTILS	UTILITIES
2. SMH	4.39	SEMIS	SEMICONDUCTORS	13. XLB	0.50	MATER	MATERIALS
3. IGM	3.13	TECHS	TECHNOLOGY	14. IYT	0.50	TRANS	TRANSPORTATION
4. GLD	2.84	GOLD	GOLD	15. KBE	0.43	BANKS	BANKS
5. XLI	2.18	INDUS	INDUSTRIALS	16. KIE	0.21	INSUR	INSURANCE
6. XLC	2.15	COMMS	COMMUNICATION SRVCS	17. XLP	0.13	STAPL	CONSUMER STAPLES
7. PAVE	1.99	INFRA	INFRASTRUCTURE	18. XLRE	0.03	REALE	REAL ESTATE
8. XRT	1.53	SALES	RETAIL SALES	19. XLE	-0.32	ENRGY	ENERGY
9. SPX	1.52	SP500	S&P 500	20. XBI	-0.90	BIOTC	BIOTECH
10. XLF	1.13	FINAN	FINANCIALS	21. XLV	-1.56	HLTHY	HEALTH CARE
11. XLY	0.95	DISCR	CONSUMER DISCR	22. ITB	-2.43	BLDRS	HOMEBUILDERS

This week the top 13 are the same except for some minor shuffling. Healthcare and Home Builders remain in last place.

New Highs and New Lows

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 03-Jul-2025					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
AVGO	BROADCOM	STOCK	UP	7.87	999
BYD	BOYD GAMING	STOCK	UP	2.70	999
CM	CANADIAN IMPERIAL BANK (DS 1868)	STOCK	UP	3.64	999
COMPQ	NASDAQ COMPOSITE	INDEX	UP	2.28	999
CRWD	CROWDSTRIKE	STOCK	UP	7.14	999
EMXC	EMERGING MARKETS x CHINA	ETF	UP	2.55	999
GEV	GE VERNOVA	STOCK	DN	10.88	999
GS	GOLDMAN SACHS GROUP	STOCK	UP	4.21	999
IBM	INTERNATIONAL BUSINESS MACHINES (DK)	STOCK	UP	4.69	999
IGM	EXPANDED TECH SECTOR	ETF	UP	3.13	999
IGV	SOFTWARE	ETF	UP	2.90	999
ITA	SPACE & DEFENSE	ETF	UP	4.91	999
JPM	JPMORGAN CHASE	STOCK	UP	3.42	999
META	METAVVERSE	STOCK	UP	4.44	999
MSFT	MICROSOFT	STOCK	UP	4.83	999
NFLX	NETFLIX	STOCK	UP	7.24	999
NVDA	NVIDIA	STOCK	UP	5.40	999
NVS	NOVARTIS	STOCK	UP	2.69	999
QLTY	GMO U.S. QUALITY	ETF	UP	1.43	999
QQQ	NASDAQ 100	ETF	UP	2.42	999
RY	ROYAL BANK OF CANADA (DS 1870)	STOCK	UP	2.31	999
SMH	SEMICONDUCTORS	ETF	UP	4.39	999
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	1.52	999
SPY	S&P 500 (LARGE-CAP)	ETF	UP	1.52	999
TSM	TAIWAN SEMICONDUCTOR	STOCK	UP	5.09	999
URA	URANIUM	ETF	UP	11.56	999
VGT	INFORMATION TECHNOLOGY	ETF	UP	2.82	999
VIG	DIVIDEND APPRECIATION	ETF	UP	0.97	999
VTI	TOTAL STOCK MARKET	ETF	UP	1.49	999
VUG	LARGE CAP GROWTH	ETF	UP	2.36	999
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 03-Jul-2025					
CAG	CONAGRA FOODS	STOCK	DN	-5.04	999
SJW	SJW (DK)	STOCK	DN	-3.44	999
KHC	KRAFT HEINZ COMPANY	STOCK	DN	-3.74	264
DXY	US DOLLAR INDEX	INDEX	DN	-1.57	168
UUP	DB US DOLLAR INDEX	ETF	DN	-1.35	160