

Weekly Market Analysis #573 — 1 August 2025
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This Week

David Kotok described Friday's job report as "dismal". Cathie Wood called it "jarring". The market agreed and all 5 major indexes gapped down on Friday's open.

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On Aug 1, [Ed Yardeni said](#):

The April 2 Liberation Day reciprocal tariffs were postponed on April 9 to July 9 and again to August 1. The S&P 500's latest correction bottomed on April 8. The rebound to new record highs has been extraordinary. Today's selloff on mostly good news suggests that investors and traders might be starting to take profits before going on their August vacations.

On the tariff front, Trump seems intent on using them as a revenue-raising and foreign policy tool. However, the courts might soon rule that he doesn't have the legal authority to impose them in the first place.

And [Barry Ritholtz added](#):

"On April 23, 12 states filed a parallel lawsuit...and a three-judge panel ruled on May 28 that the president had no authority to impose across-the-board tariffs under the IEEPA. As a result of the findings, the USCIT issued a permanent injunction against future tariffs."

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Jared Dillian --- Everyone is loaded up on large-cap growth. 100 shares of Nvidia are in the retail investor starter kit. It won't work forever, and we may be closer to the end than the start of the growth trend.

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Barron's on 31-July-2025 said:

The Fed chief struck a hawkish tone alongside the central bank's decision to keep interest rates steady Wednesday. He said it is still "early days" in assessing how tariffs will affect inflation and brushed off President Donald Trump's pressure to lock in a September cut.

That briefly looked like it might puncture the positive market mood...But artificial intelligence is what has powered the market rally, sending the S&P 500 up 14% over the past three months, and Microsoft and Meta Platforms earnings kept the feel-good vibe going. Microsoft's 39% growth in its Azure cloud-computing division suggests booming AI demand from corporate clients. And Meta's results showed AI is keeping consumers hooked on social-media feeds, boosting time spent on Instagram by 6%.

Big Tech dominates even amid high interest rates, because huge technology companies are funding AI investment out of their own cash flow rather than borrowing. And while some might be concerned about a limited group of massive companies powering the rally while smaller companies struggle with the high cost of loans, the market strength isn't that narrow -- AI infrastructure spending should also flow through to utility and energy stocks.

Right now, by keeping rates high, it feels like the Fed is trying to keep things from getting out of hand but that might not be enough to stop the AI-driven market from partying hard.

Market Barometers

Despite a declining week, MTAs for all major indexes are still up.



Week-over-week: DIA: -3.0%, SPX: -2.4%, VTI: -2.5%, COMPQ: -2.2%, IWM: -4.2%

Month-over-month: DIA: -2.8%, SPX: -0.7%, VTI: -0.7%, COMPQ: 0.2%, IWM: -3.7%

A Closer Look

The SPX opened marginally higher on Monday then declined every day this week. The BPSPX confirmed the price, as did the NYAD, the SPXA50, and the SPXA200.



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

[Bullish 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 01-Aug-2025							
Symbol	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
SMH	SEMICONDUCTORS	ETF	UP	5.81:2.20	-up-	999/3	-0.6
ITA	SPACE & DEFENSE	ETF	UP	5.49:2.20	<<UP>>	999/0	-0.1
IGM	EXPANDED TECH SECTOR	ETF	UP	3.96:2.20	-DN-	999/2	-0.2
PAVE	INFRASTRUCTURE	ETF	UP	3.30:2.20	up	0/1	-0.0
XLI	INDUSTRIALS	ETF	UP	2.93:2.20	up	0/3	-0.1
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	2.30:2.20	-DN-	999/3	-0.1
XRT	RETAIL	ETF	DN	2.27:2.20	≡DN≡	0/4	-0.6
XLC	COMMUNICATION SRVCS	ETF	UP	2.18:2.20	DN	0/2	-0.3
KBE	S&P BANK SECTOR	ETF	UP	1.90:2.20	≡DN≡	0/4	-0.9
GLD	SPDR GOLD SHARES	ETF	UP	1.81:2.20	<<up>>	0/9	-0.2
IYT	TRANSPORT NDX	ETF	DN	1.74:2.20	DN	0/5	-0.9
XLY	CONSUMER DISCR	ETF	DN	1.63:2.20	-DN-	0/4	-0.1
XLF	FINANCIALS	ETF	UP	1.49:2.20	-DN-	0/5	-0.1
XLU	UTILITIES	ETF	UP	1.44:2.20	up	999/1	0.3
XLB	MATERIALS	ETF	DN	1.19:2.20	-DN-	0/5	-0.4
XBI	BIOTECHNOLOGY	ETF	DN	0.64:2.20	DN	0/3	-0.4
XLE	ENERGY	ETF	DN	0.25:2.20	<<DN>>	2/0	0.0
XLRE	REAL ESTATE	ETF	DN	0.24:2.20	<<DN>>	0/4	0.1
ITB	HOME CONSTRUCTION	ETF	DN	0.20:2.20	<<UP>>	0/0	0.0
XLP	CONSUMER STAPLES	ETF	UP	-0.08:2.20	-DN-	0/10	-0.0
KIE	INSURANCE SECTOR	ETF	UP	-0.62:2.20	≡DN≡	0/13	-0.1
XLV	HEALTH CARE	ETF	DN	-1.15:2.20	-DN-	0/9	-0.0

[Sector Universe](#)

← Use this link to get to the live summary table

MoM price changes for the top 5 sectors: SMH: 0.1%, ITA: 4.8%, IGM: -0.0%, PAVE: 0.4%, XLI: 0.2%

MoM price changes for the Big 7 are: AAPL: -5.2%, AMZN: -3.9%, GOOGL: 5.3%, META: 4.3%, MSFT: 5.1%, NFLX: -10.7%, TSLA: -4.0%

Sector Relative-Strength History

13 weeks of slope history for 21 sector ETFs and the SPX. (Or 20 sectors, gold, and the SPX, depending on how you feel about it :-)

Relative Strength History 09-May-2025 to 01-Aug-2025

09 May	16 May	23 May	30 May	06 Jun	13 Jun	20 Jun	27 Jun	03 Jul	11 Jul	18 Jul	25 Jul	01 Aug
GOLD	GOLD	GOLD	GOLD	DFEND	DFEND	DFEND	DFEND	DFEND	SEMIS	SEMIS	SEMIS	SEMIS
DFEND	DFEND	DFEND	DFEND	GOLD	GOLD	GOLD	SEMIS	SEMIS	DFEND	DFEND	DFEND	DFEND
STAPL	UTILS	UTILS	INDUS	INDUS	SEMIS	SEMIS	GOLD	TECHS	TECHS	TECHS	TECHS	TECHS
UTILS	STAPL	INDUS	UTILS	TECHS	INDUS	TECHS	TECHS	GOLD	GOLD	INFRA	INFRA	INFRA
INSUR	FINAN	FINAN	FINAN	SEMIS	TECHS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS	INDUS
FINAN	INDUS	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS	COMMS	INFRA	COMMS	COMMS	SP500
REALE	INSUR	STAPL	TECHS	INFRA	INFRA	INFRA	INFRA	INFRA	COMMS	GOLD	SALES	SALES
COMMS	COMMS	INFRA	INFRA	UTILS	SALES	SALES	SALES	SALES	SALES	SP500	SP500	COMMS
INDUS	REALE	INSUR	STAPL	FINAN	UTILS	SP500	SP500	SP500	SP500	SALES	GOLD	BANKS
SP500	INFRA	TECHS	DISCR	DISCR	FINAN	UTILS	FINAN	FINAN	FINAN	BANKS	BANKS	GOLD
HLTHY	SP500	SP500	INSUR	SALES	SP500	FINAN	UTILS	DISCR	BANKS	TRANS	TRANS	TRANS
INFRA	TECHS	DISCR	SP500	SP500	DISCR	DISCR	DISCR	UTILS	TRANS	FINAN	DISCR	DISCR
MATER	DISCR	REALE	SEMIS	STAPL	STAPL	STAPL	MATER	MATER	DISCR	DISCR	FINAN	FINAN
DISCR	MATER	SEMIS	SALES	INSUR	INSUR	MATER	INSUR	TRANS	MATER	MATER	MATER	UTILS
TECHS	BANKS	SALES	REALE	REALE	MATER	INSUR	STAPL	BANKS	UTILS	UTILS	UTILS	MATER
BANKS	SALES	MATER	MATER	MATER	REALE	REALE	TRANS	INSUR	STAPL	ENRGY	BIOTC	BIOTC
ENRGY	TRANS	BANKS	BANKS	TRANS	TRANS	TRANS	REALE	STAPL	ENRGY	BIOTC	ENRGY	ENRGY
SALES	HLTHY	TRANS	TRANS	BANKS	BANKS	BANKS	BANKS	REALE	INSUR	REALE	REALE	REALE
TRANS	SEMIS	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	ENRGY	REALE	STAPL	STAPL	BLDRS
SEMIS	ENRGY	HLTHY	HLTHY	HLTHY	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	INSUR	INSUR	STAPL
BIOTC	BLDRS	BIOTC	BIOTC	BIOTC	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	BLDRS	BLDRS	INSUR
BLDRS	BIOTC	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	BLDRS	HLTHY	HLTHY	HLTHY

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. SMH	5.81	SEMIS	SEMICONDUCTORS	12. XLY	1.63	DISCR	CONSUMER DISCR
2. ITA	5.49	DFEND	AEROSPACE & DEFENSE	13. XLF	1.49	FINAN	FINANCIALS
3. IGM	3.96	TECHS	TECHNOLOGY	14. XLU	1.44	UTILS	UTILITIES
4. PAVE	3.30	INFRA	INFRASTRUCTURE	15. XLB	1.19	MATER	MATERIALS
5. XLI	2.93	INDUS	INDUSTRIALS	16. XBI	0.64	BIOTC	BIOTECH
6. SPX	2.30	SP500	S&P 500	17. XLE	0.25	ENRGY	ENERGY
7. XRT	2.27	SALES	RETAIL SALES	18. XLRE	0.24	REALE	REAL ESTATE
8. XLC	2.18	COMMS	COMMUNICATION SRVCS	19. ITB	0.20	BLDRS	HOMEBUILDERS
9. KBE	1.90	BANKS	BANKS	20. XLP	-0.08	STAPL	CONSUMER STAPLES
10. GLD	1.81	GOLD	GOLD	21. KIE	-0.62	INSUR	INSURANCE
11. IYT	1.74	TRANS	TRANSPORTATION	22. XLV	-1.15	HLTHY	HEALTH CARE

The top 5 sectors are the same this week. The SPX went up from 8th place to 6th. The Home Builders moved up from terrible to merely awful (#19).

This Week's Selections

My sector choices last week were: GLD 10%, IGM 10%, ITA 10%, PAVE 10%, SMH 10%, URA 10%, XLI 10%, and BIL 30%.

Top Sector ETFs By Slope

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
SMH	UP	Up	5.81%	\$272.56	\$283.95	Hold 10%
ITA	UP	Up	5.49%	\$182.75	\$195.78	Hold 10%
IGM	UP	Up	3.96%	\$106.82	\$113.41	Hold 10%
PAVE	UP	Up	3.30%	\$43.11	\$45.00	Hold 10%
XLI	UP	Up	2.93%	\$142.59	\$149.74	Hold 10%
SPX	UP	Up	2.30%	\$5878.59	\$6238.01	INDEX
XRT	DN	Up	2.27%	\$76.27	\$77.85	No
GLD	UP	Up	1.81%	\$290.99	\$309.11	Watch \$300
XLU	UP	Up	1.44%	\$78.94	\$85.80	BUY
URA	Up	Up	10.75%	\$38.79	\$38.22	Hold 10%

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

Analysis

[SMH](#) hasn't made \$300 yet, but it made a new all-time high on Wednesday. And it rose from open to close on Friday even though the SPX was gradually falling during the day. [ITA](#) made a new all-time high on Monday, fell Tue-Thu, then fought the tide and rose on Friday. [IGM](#) made a new all-time high on Wednesday, gapped up to open above \$118 on Thursday, then fell all day Thursday and most of Friday. [PAVE](#) declined every day this week except for a tiny advance on Friday.

[XLI](#) was all down except for a short rise on Thursday, then it gapped below \$150 on Friday. [SPX](#) opened up \$1.13 on Monday. That was pretty much the only good news for the index this week. [XRT](#) did slightly worse than the SPX, declining 5 days in a row. [GLD](#) closed at \$301 on Wednesday, then climbed on Thursday and Friday as stocks got pummeled.

[XLU](#) — While almost everybody else was getting clobbered, XLU broke up through psychological resistance at \$85 and made an all-time high on Friday. [URA](#) largely followed SPX on Monday–Thursday, but on Friday the SPX gapped down at the open, then fell from there without a single print above its open during the trading session. URA fell proportionately further at the open but was above its opening price an hour later and ended the day even higher than that. While the rest of the market was edging downward on Friday, URA gradually advanced.

Thoughts and Decisions

I usually don't even look at the market until Friday, but I'll be watching the market next week. If this week's decline continues next week, I may have to unload weaker positions. Nonetheless, this week I'm keeping URA despite the fact that it's below its 8% stop. And I'm adding XLU because it's the epitome of a defensive stock and almost all its charts are up as people get serious about finding safe havens.

My sector positions for this week are: GLD 10%, IGM 10%, ITA 10%, PAVE 10%, SMH 10%, URA 10%, XLI 10%, XLU 10%, and BIL 20%.

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New Highs and New Lows

Despite market weakness, there were still plenty of new all-time highs this week. Lots of food producers made new lows, and PG (Procter and Gamble) made a 76 week low.

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 01-Aug-2025					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
AVGO	BROADCOM	STOCK	UP	8.81	999
BBSI	BARRETT BUSINESS SERVICES	STOCK	UP	1.97	999
BYD	BOYD GAMING	STOCK	UP	4.58	999
CAT	CATERPILLAR	STOCK	UP	5.74	999
COMPQ	NASDAQ COMPOSITE	INDEX	UP	3.27	999
GEV	GE VERNOVA	STOCK	DN	13.44	999
GS	GOLDMAN SACHS GROUP	STOCK	UP	5.90	999
IGM	EXPANDED TECH SECTOR	ETF	UP	3.96	999
IGV	SOFTWARE	ETF	UP	3.22	999
ITA	SPACE & DEFENSE	ETF	UP	5.49	999
JPM	JPMORGAN CHASE	STOCK	UP	4.10	999
META	METaverse	STOCK	UP	3.91	999
MSFT	MICROSOFT	STOCK	UP	5.35	999
NVDA	NVIDIA	STOCK	UP	8.57	999
QQQ	NASDAQ 100	ETF	UP	3.11	999
SMH	SEMICONDUCTORS	ETF	UP	5.81	999
SPX	CAP-WTD S&P 500 INDEX	INDEX	UP	2.30	999
VGT	INFORMATION TECHNOLOGY	ETF	UP	4.10	999
VUG	LARGE CAP GROWTH	ETF	UP	3.25	999
XLU	UTILITIES	ETF	UP	1.44	999
MO	ALTRIA GROUP (DK)	HLD	UP	0.96	338
UTG	REAVES UTILITY INCOME FUND	CEF	UP	3.21	274
ECF	GROWTH AND INCOME	CEF	UP	2.81	166
AMD	ADVANCED MICRO DEVICES	STOCK	UP	12.16	52
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 01-Aug-2025					
CAG	CONAGRA FOODS	STOCK	DN	-6.66	999
DEO	DIAGEO	STOCK	DN	-2.12	999
HRL	HORMEL FOODS (DK)	STOCK	DN	-0.55	999
UNH	UNITEDHEALTH GROUP	STOCK	DN	-11.21	999
GIS	GENERAL MILLS	STOCK	DN	-3.84	268
PG	PROCTER AND GAMBLE (DA)	STOCK	DN	-1.74	76
ADDYY	ADIDAS AG	STOCK	DN	-1.75	72
TSN	TYSON FOODS	STOCK	DN	-2.17	72