

Weekly Market Analysis #603 – 27 February 2026

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This Week

Economist Joe Brusuelas in this week's "[Posts from the Real Economy Blog](#)" said:

The yields on long-term Treasury securities have fallen to the bottom of their recent trading ranges, with the 10-year bond testing 4% and the 30-year note dropping below 4.7% in the third week of February.

We see these latest down moves as a response to several factors, including rising geopolitical risk, continuing trade uncertainty, mounting concerns over the impact of artificial intelligence on other industries as well as increasing questions surrounding the health of private credit companies.

The bond market looks to be a bit overbought given the direction of growth in the first quarter, which we expect to move above 4%, and the risk that inflation will move well above 3% in the near term.

The questioning of the value of tech stocks surfaced last November, leading to a drop in equity prices and a flight to the safety of Treasury securities.



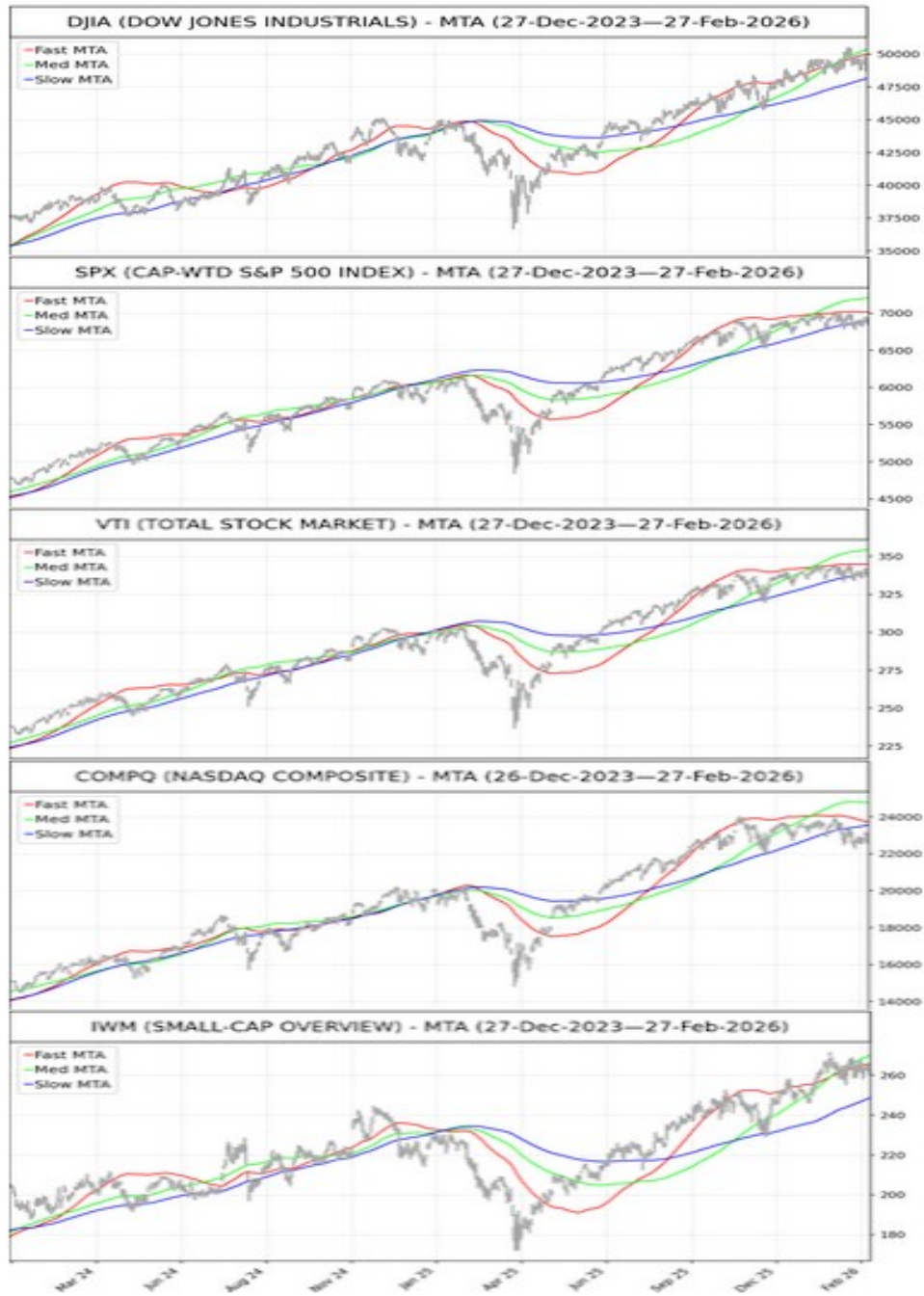
A few days ago a reader and long-time friend told me about a rather long (~5000 words) piece of speculative fiction entitled "[The 2028 Global Intelligence Crisis](#)" (now it is widely referred to as just "the Citrini Report").

The story starts innocently with "What follows is a scenario, not a prediction." Then it goes on to describe a dismal, AI-driven scenario in which rapid productivity gains from AI agents lead to massive white-collar layoffs, collapsing real wages, and a feedback loop of weaker consumer demand, more corporate cost-cutting, and so on. After 15 pages of luridly detailed gloom and doom, it's easy to forget the 8-word disclaimer at the beginning.

This story – which has gone viral – was written by James van Geelen and Alap Shah. James van Geelen is the founder and lead writer of Citrini Research. Alap Shah is the principal and chief investment officer at the Lotus Technology Management hedge fund.

Market Barometers

The MTAs for all 5 major indexes remain green, but the month-over-month results are far less optimistic, with all 5 being negative right now.



Month-over-month: DJIA: -0.2%, SPX: -1.3%, VTI: -1.0%, COMPQ: -4.3%, IWM: -0.7%

A Closer Look

SPX continues to bounce around between \$6800 and \$7000. BPSPX did better than price. NYAD did, too. SPXA50R and SPXA200R remain strongly positive above 60%.



[S&P Price](#) [Bullish Percent](#) [Advance-Dedline 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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The Relative Strength History table shows the sector with the highest slope at the top and the sector with the lowest slope at the bottom. The lower table shows the corresponding ETFs and their slopes for the current week.

Relative Strength History 05-Dec-2025 to 27-Feb-2026

05 Dec	12 Dec	19 Dec	26 Dec	02 Jan	09 Jan	16 Jan	23 Jan	30 Jan	06 Feb	13 Feb	20 Feb	27 Feb
BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	BIOTC	GOLD	GOLD	GOLD	GOLD	GOLD
SEMIS	SEMIS	SEMIS	GOLD	GOLD	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	SEMIS	ENRGY
GOLD	GOLD	GOLD	SEMIS	SEMIS	GOLD	GOLD	GOLD	BIOTC	BIOTC	BIOTC	ENRGY	SEMIS
HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	HLTHY	DFEND	DFEND	DFEND	DFEND	ENRGY	MATER	MATER
TECHS	TECHS	TECHS	TECHS	TECHS	DFEND	HLTHY	HLTHY	MATER	ENRGY	MATER	BIOTC	BIOTC
SP500	SP500	TRANS	TRANS	TRANS	TRANS	TRANS	TRANS	ENRGY	MATER	DFEND	DFEND	INFRA
INFRA	TRANS	INFRA	BANKS	BANKS	BANKS	SALES	MATER	HLTHY	INFRA	INFRA	INFRA	DFEND
DFEND	INFRA	BANKS	INFRA	DFEND	TECHS	BANKS	BANKS	EUROP	TRANS	INDUS	INDUS	INDUS
UTILS	ENRGY	SP500	SALES	SALES	SALES	EUROP	SALES	INFRA	EUROP	TRANS	TRANS	STAPL
TRANS	EUROP	EUROP	SP500	INFRA	EUROP	INFRA	INFRA	TRANS	BANKS	BANKS	BANKS	TRANS
EUROP	DFEND	SALES	DFEND	EUROP	INFRA	MATER	EUROP	BANKS	INDUS	EUROP	EUROP	EUROP
ENRGY	COMMS	DFEND	EUROP	SP500	SP500	TECHS	INDUS	INDUS	HLTHY	STAPL	STAPL	BANKS
COMMS	BANKS	DISCR	DISCR	DISCR	DISCR	INDUS	ENRGY	SALES	SALES	HLTHY	BLDRS	BLDRS
DISCR	DISCR	COMMS	COMMS	COMMS	FINAN	SP500	TECHS	TECHS	STAPL	BLDRS	HLTHY	HLTHY
INDUS	SALES	ENRGY	INDUS	FINAN	COMMS	DISCR	DISCR	SP500	SP500	SALES	SALES	UTILS
BANKS	INDUS	INDUS	FINAN	INDUS	INDUS	ENRGY	SP500	DISCR	DISCR	SP500	SP500	SALES
INSUR	UTILS	INSUR	INSUR	INSUR	MATER	FINAN	COMMS	COMMS	BLDRS	COMMS	REALE	REALE
SALES	INSUR	FINAN	ENRGY	ENRGY	ENRGY	COMMS	FINAN	STAPL	TECHS	DISCR	UTILS	SP500
FINAN	FINAN	UTILS	MATER	MATER	INSUR	INSUR	BLDRS	BLDRS	COMMS	TECHS	COMMS	COMMS
MATER	MATER	MATER	UTILS	UTILS	UTILS	BLDRS	INSUR	FINAN	FINAN	REALE	DISCR	DISCR
REALE	REALE	STAPL	STAPL	STAPL	STAPL	STAPL	STAPL	INSUR	REALE	UTILS	TECHS	TECHS
BLDRS	BLDRS	BLDRS	BLDRS	REALE	BLDRS	UTILS	REALE	REALE	INSUR	FINAN	FINAN	INSUR
STAPL	STAPL	REALE	REALE	BLDRS	REALE	REALE	UTILS	UTILS	UTILS	INSUR	INSUR	FINAN
BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS	BONDS

Details

Symbol	Slope	Synonym	Sector Name	Symbol	Slope	Synonym	Sector Name
1. GLD	6.52	GOLD	GOLD	13. ITB	2.18	BLDRS	HOMEBUILDERS
2. XLE	5.92	ENRGY	ENERGY	14. XLV	1.87	HLTHY	HEALTH CARE
3. SMH	5.45	SEMIS	SEMICONDUCTORS	15. XLU	1.33	UTILS	UTILITIES
4. XLB	4.71	MATER	MATERIALS	16. XRT	1.15	SALES	RETAIL SALES
5. XBI	4.14	BIOTC	BIOTECH	17. XLRE	1.14	REALE	REAL ESTATE
6. PAVE	3.96	INFRA	INFRASTRUCTURE	18. SPX	0.78	SP500	S&P 500
7. ITA	3.82	DFEND	AEROSPACE & DEFENSE	19. XLC	0.37	COMMS	COMMUNICATION SRVCS
8. XLI	3.50	INDUS	INDUSTRIALS	20. XLY	-0.14	DISCR	CONSUMER DISCR
9. XLP	3.12	STAPL	CONSUMER STAPLES	21. IGM	-0.21	TECHS	TECHNOLOGY
10. IYT	3.11	TRANS	TRANSPORTATION	22. KIE	-0.65	INSUR	INSURANCE
11. VGT	2.73	EUROP	EUROPE	23. XLF	-0.68	FINAN	FINANCIALS
12. KBE	2.38	BANKS	BANKS	24. PTY	-1.18	BONDS	CASH EQUIVALENT

This week SPX declined to 18th place. This means 17 out of our 24 sectors are doing better than SPX. If you follow the white cells (SPX) across the table, you'll see that more and more sectors have been performing better than SPX for all 13 weeks. This is a sign of a strong market.

Energy has been rising for 7 weeks and is now challenging Gold for first place. Materials were 5th from the bottom a quarter ago, now they're 4th from the top, right behind Energy and Semiconductors.

I've included PTY, our new cash equivalent fund, in the Relative Strength History table just so we can see where it fits in. Since it's price seldom changes much, most of the time it will be at the bottom of the table.

Sector Universe

← Use this link to get to the live summary table

The order of the sector ETFs and their synonyms in this SPX Sector Universe Summary table should match the order of the synonyms in the rightmost column of the Relative Strength History Table above. This table provides a quick look at sector MTA status, Relative-Strength, Chaikin Money Flow, the number of weeks since price made a New High and New Low, and the MACD Histogram score.

SPX Sector Universe Summary for 27-Feb-2026								
Symbol	Synonym	Description	Instr	MTA 3	RelStr	CMF	NH/NL	MCHist
GLD	GOLD	SPDR GOLD SHARES	ETF	UP	6.52:0.86	UP	4/0	2.6
XLE	ENRGY	ENERGY	ETF	UP	5.92:0.86	«UP»	999/1	3.1
SMH	SEMIS	SEMICONDUCTORS	ETF	UP	5.45:0.86	-up-	999/2	0.5
XLB	MATER	MATERIALS	ETF	UP	4.71:0.86	UP	2/0	2.1
XBI	BIOTC	BIOTECHNOLOGY	ETF	UP	4.14:0.86	UP	4/0	-1.1
PAVE	INFRA	INFRASTRUCTURE	ETF	UP	3.96:0.86	-UP-	451/0	1.8
ITA	DFEND	SPACE & DEFENSE	ETF	UP	3.82:0.86	-UP-	6/1	0.8
XLI	INDUS	INDUSTRIALS	ETF	UP	3.50:0.86	-UP-	1/1	1.5
XLP	STAPL	CONSUMER STAPLES	ETF	UP	3.12:0.86	≡UP≡	999/0	1.6
IYT	TRANS	TRANSPORT NDX	ETF	UP	3.11:0.86	-UP-	0/1	1.6
VGK	EUROP	FTSE EUROPE	ETF	UP	2.73:0.86	«up»	352/0	1.2
KBE	BANKS	S&P BANK SECTOR	ETF	UP	2.38:0.86	«DN»	0/8	0.6
ITB	BLDRS	HOME CONSTRUCTION	ETF	UP	2.18:0.86	«dn»	0/3	0.7
XLV	HLTHY	HEALTH CARE	ETF	UP	1.87:0.86	UP	999/0	-0.1
XLU	UTILS	UTILITIES	ETF	UP	1.33:0.86	UP	999/0	0.4
XRT	SALES	RETAIL	ETF	UP	1.15:0.86	UP	0/2	-0.2
XLRE	REALE	REAL ESTATE	ETF	DN	1.14:0.86	-UP-	2/0	0.6
SPX	SP500	CAP-WTD S&P 500 INDEX	INDEX	UP	0.78:0.86	≡UP≡	2/1	-1.3
XLC	COMMS	COMMUNICATION SRVCS	ETF	UP	0.37:0.86	≡UP≡	4/0	-1.4
XLY	DISCR	CONSUMER DISCR	ETF	UP	-0.14:0.86	UP	0/12	-1.6
IGM	TECHS	EXPANDED TECH SECTOR	ETF	UP	-0.21:0.86	≡UP≡	2/2	-2.5
KIE	INSUR	INSURANCE SECTOR	ETF	DN	-0.65:0.86	≡UP≡	2/15	-0.3
XLF	FINAN	FINANCIALS	ETF	UP	-0.68:0.86	≡UP≡	1/34	-0.7
PTY	BONDS	PIMCO CORPORATE & INCOME OPPTY	CEF	DN	-1.18:0.86	-DN-	0/44	-0.0

MoM price changes for the top 5 sectors: **GLD: -2.5%**, **XLE: 10.7%**, **SMH: -2.7%**, **XLB: 6.8%**, **XBI: 0.5%**

MoM price changes for the Big 8 (the Mag 7 plus AVGO): **AAPL: 2.3%**, **AMZN: -13.1%**, **AVGO: -3.4%**, **GOOGL: -7.8%**, **META: -12.2%**, **MSFT: -9.4%**, **NFLX: 15.7%**, **TSLA: -3.4%**

This Week's Selections

Last week my sector choices were: ITA, IYT, KBE, PAVE, SMH, XBI, XLE, XLI, XLP and BIL (10%)

Top Sector ETFs By Slope

Symbol	MTA	ARI	SSlope	8% Stop	Close	Position
GLD	UP	Up	6.52%	\$445.05	\$483.75	no
XLE	UP	Up	5.92%	\$51.45	\$55.92	Hold 10%
SMH	UP	Up	5.45%	\$392.07	\$406.37	Hold 10%
XLB	UP	Up	4.71%	\$49.33	\$53.41	no
URA	UP	Up	4.68%	\$50.77	\$54.34	no
XBI	UP	Up	4.14%	\$118.83	\$127.37	Hold 10%
PAVE	UP	Up	3.96%	\$51.20	\$55.09	Hold 10%
ITA	UP	Up	3.82%	\$224.27	\$243.72	Hold 10%
XLI	UP	Up	3.50%	\$163.05	\$177.14	Hold 10%
XLP	UP	Up	3.12%	\$82.81	\$90.01	Hold 10%
IYT	UP	Up	3.11%	\$75.81	\$81.78	Hold 10%
VGK	UP	Up	2.73%	\$83.25	\$90.17	WATCH+
KBE	UP	Up	2.38%	\$62.02	\$61.05	WATCH-

Changes

XBI's 8% stop has moved above my manual stop so I will return to using the 8% stop. --- Since the "Energy" ETF is almost exclusively oil and gas, I've decided URA should be evaluated like any other sector. --- I'm going to try out PTY as our cash equivalent since its dividend yield is more than twice BIL's --- I have been trying to review every sector down to the SPX but at this point the SPX has fallen to 18th place. From now on I'm going to try to limit the analysis to the top 12.

Analysis

[GLD](#) volume has been averaging about 12-15 million shares a day. The day GLD peaked above \$500 it traded 41 million shares. That's the historical resistance, the overhead supply, GLD will have to burn through to get above \$510. [XLE](#) made a third all-time high. [SMH](#) made a new high on Wednesday but then pulled back toward \$400. [XLB](#) is in a 13-day consolidation between \$52 and \$54 but, interestingly, 11 of the 13 days were up days. That's very promising. [URA](#) has been between \$50 and \$55 for most of the last 20 days, although its RSI and CMF have been rising for the last 2 weeks. [XBI](#) has been above \$125 for a week and its CMF is powering up nicely.

[PAVE](#) has been between \$54 and \$56 for 3 weeks, although it made an 8.67 year high and its CMF is strong. [ITA](#) has been above \$240 for 7 days but is having trouble pulling away from it. Maybe the rise in CMF will help it pull away. [XLI](#) was flat near \$175 since Feb 11. [XLP](#) made a third all-time high but is hitting resistance near \$90. [IYT](#) is still between \$80 and \$82. [VGK](#) made a 6.77-year high and has been above \$90 for 3 days. [KBE](#) has been declining for 13 days.

Thoughts and Decisions

XLB did not close above \$55 (so I didn't buy it). VGK isn't quite clear of \$90. If KBE doesn't close above its 8% stop on Monday, I'm going to sell it on Tuesday.

This week my sector choices are: ITA, IYT, KBE, PAVE, SMH, XBI, XLE, XLI, XLP and PTY (10%).

New Highs and Lows

9 securities made all-time highs, including Consumer Staples and Utilities. There were no all-time lows.

SECURITIES MAKING NEW HIGHS DURING THE WEEK OF 27-Feb-2026					
SYMBOL	COMPANY	INSTR	MTA	SLOPE	WEEKS
EEM	EMERGING MARKETS	ETF	UP	3.94	999
JNJ	JOHNSON AND JOHNSON (DK)	STOCK	UP	6.94	999
RSP	EQU-WTD S&P 500 INDEX	ETF	UP	1.85	999
SMH	SEMICONDUCTORS	ETF	UP	5.45	999
SOXX	PHLX SEMICONDUCTORS	ETF	UP	6.46	999
XLE	ENERGY	ETF	UP	5.92	999
XLP	CONSUMER STAPLES	ETF	UP	3.12	999
XLU	UTILITIES	ETF	UP	1.33	999
XLV	HEALTH CARE	ETF	UP	1.87	999
GDX	MARKET VECTORS GOLD MINERS	ETF	UP	9.53	995
ACWX	ACWI INDEX MINUS U.S.	ETF	UP	3.15	902
COPX	GLOBAL X COPPER MINERS	ETF	UP	11.42	798
USMV	USA MIN VOLATILITY	ETF	UP	0.46	722
IEMG	EMERGING MARKETS	ETF	UP	3.76	671
UTG	REAVES UTILITY INCOME FUND	CEF	UP	1.69	461
IVE	S&P 500 VALUE	ETF	UP	1.66	460
IEFA	EUROPE/AUSTRALIA/FAR-EAST	ETF	UP	2.81	456
IQLT	GLOBAL QUALITY	ETF	UP	2.56	456
PAVE	INFRASTRUCTURE	ETF	UP	3.96	451
PM	PHILIP MORRIS INTL	STOCK	UP	3.84	449
EMXC	EMERGING MARKETS x CHINA	ETF	UP	5.71	432
BMO	BANK OF MONTREAL (DS 1829)	STOCK	UP	3.89	415
MO	ALTRIA GROUP (DK)	HLD	UP	2.75	406
STK	SELIGMAN PREMIUM TECHNOLOGY	CEF	UP	3.59	396
ASML	ADVANCED SEMICONDUCTOR MANU.	STOCK	UP	11.70	354
NVS	NOVARTIS	STOCK	UP	6.55	354
VGK	FTSE EUROPE	ETF	UP	2.73	352
TSM	TAIWAN SEMICONDUCTOR	STOCK	UP	7.32	332
AMCR	AMCOR PLC (DK)	STOCK	UP	92.40	316
CM	CANADIAN IMPERIAL BANK (DS 1868)	STOCK	UP	4.29	316
SECURITIES MAKING NEW LOWS DURING THE WEEK OF 27-Feb-2026					
NSRGY	NESTLE	STOCK	UP	0.67	353
FLO	FLOWERS FOODS	STOCK	DN	-4.63	303
ADDYY	ADIDAS AG	STOCK	DN	-3.94	292
NTOIY	NESTE OYJ	STOCK	DN	8.10	292
INFY	INFOSYS	STOCK	DN	-3.58	271
RWAY	RUNWAY GROWTH FINANCE	CEF	DN	-3.42	218
ARCC	ARES CAP (ID 2009)	CEF	DN	-2.00	135
HTGC	HERCULES CAPITAL	STOCK	DN	-3.67	135
BBSI	BARRETT BUSINESS SERVICES	STOCK	DN	-5.18	115
IGV	SOFTWARE	ETF	DN	-6.92	112

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