

Earnings Momentum Meets Global Uncertainty

Equity markets enter the week balancing renewed corporate optimism with mounting geopolitical tension. Nvidia's upcoming earnings release stands at the center of attention, while developments in the Middle East continue to hover in the background as a potential volatility trigger.

Progress, but Not a Breakout

Stocks advanced last week, though the gains lacked full conviction. The Nasdaq rose 1.5%, ending a six-week slide and reclaiming short-term momentum. Even so, it remains below both its 50-day and 21-day moving averages — a technical signal that the broader recovery is still tentative. On a year-to-date basis, the index remains modestly negative.

The S&P 500 regained an important technical threshold on Friday but continued to oscillate within a defined band, finding support near 6,797 and facing resistance around 7,000. The Dow Jones Industrial Average posted a modest 0.25% increase, holding above its 21-day average, while the Russell 2000 added 0.65% after rebounding from its 10-week line.

Equal-weight measures painted a somewhat firmer picture. The Invesco S&P 500 Equal Weight ETF (RSP) hovered close to record territory, suggesting broader participation beyond mega-cap names. Meanwhile, the Nasdaq-100 Equal Weighted ETF (QQQE) stalled at its 50-day average, reinforcing the theme of selective leadership rather than broad-based strength.

Policy Adjustments and Commodity Pressures

In a notable legal shift, the Supreme Court struck down several tariffs previously enacted under IEEPA authority. President Donald Trump responded swiftly, introducing a 10% global tariff under separate authority, set to take effect February 24 and limited to 150 days. While investors had anticipated some form of policy countermeasure — and even braced for a potentially higher rate — the development introduces another layer of trade uncertainty.

Energy markets reacted decisively. Crude oil surged 5.6% to \$66.39 per barrel, marking a seven-month high amid speculation of possible U.S. military action against Iran if diplomatic negotiations falter. At the same time, the 10-year Treasury yield rose to 4.08%, reversing from recent lows and reflecting evolving expectations around inflation and risk appetite.

Nvidia's Report: A Sector Bellwether

Attention now shifts to Nvidia (NVDA), widely viewed as the heartbeat of the artificial intelligence trade. A modest earnings beat would represent a second consecutive quarter of accelerating revenue growth — a notable achievement for a company already operating at extraordinary scale.

Investors will focus closely on management’s commentary regarding manufacturing capacity, particularly supply arrangements with Taiwan Semiconductor (TSM). The transition from Blackwell architecture to the next-generation Rubin GPUs will also be under scrutiny, as will updates on China-related sales — a potential swing factor for sentiment.

The ripple effects extend well beyond Nvidia itself. AI-linked names such as Advanced Micro Devices (AMD), GE Vernova (GEV), and hyperscale operators like Alphabet (GOOGL) could see meaningful movement in response. Semiconductor stocks displayed resilience last week, with memory producers and equipment manufacturers leading the charge. Fiber optics and AI infrastructure companies also showed constructive momentum.

In contrast, software stocks struggled, pressured in part by competitive developments after Anthropic introduced a new cybersecurity-focused offering late in the week.

Market Scorecard

A summary of how major markets performed last week is as follows:

Ticker	Last Day	Weekly	Monthly	YTD	1 Yr
S&P 500	+0.69%	+1.07%	+1.66%	+0.94%	+12.95%
Nasdaq Composite	+0.90%	+1.51%	-0.30%	-1.53%	+14.65%
Nasdaq 100	+0.87%	+1.13%	+0.10%	-0.94%	+13.34%
Dow Jones Ind	+0.47%	+0.25%	+2.35%	+3.25%	+12.34%
Russell 2000	+0.00%	+0.63%	+1.67%	+7.50%	+19.32%

Sector Pulse

S&P 500 Sector	Weekly	Monthly
Basic Materials (XLB)	-0.66%	+9.90%
Real Estate (XLRE)	+0.14%	+5.22%
Industrials (XLI)	+1.76%	+8.38%
Consumer Defensive (XLP)	-1.81%	+6.71%
Energy (XLE)	+0.98%	+15.29%
Utilities (XLU)	-0.37%	+7.84%
Technology (XLK)	+0.95%	-0.68%
Consumer Cyclical (XLY)	+1.09%	-1.40%
Healthcare (XLV)	-0.54%	+0.91%
Financial Services (XLF)	+1.63%	-1.33%
Communication Services (XLC)	+1.94%	+2.93%

Hard-hit aggressive sectors like Discretionary (XLY), Technology (XLK) and Communications (XLC) fought back at the expense of defensive sectors like Staples (XLU) and Staples (XLP). Staples came down mainly due to a retreat in Walmart shares post earnings but still above its 50-day EMA. Utilities

were down for the week but were up on Friday as it is forming a handle for the cup base. During the last one-month, best sectors remain Energy (XLE), Materials (XLB) and Industrials (XLI). Industrials continued to show strength amid a breakout in the bellwether General Electric (GE) on Thursday, and a new high made by ITA (Aerospace and Defense ETF) as Defense sectors continued to gain on looming Middle East tensions and increased spending by US administration. Areas like Heavy construction machinery (Caterpillar and Deere are two giants) and Construction Services are also performing solidly. Middle East tensions also impacted on Crude Oil prices, which rose for the week by 5% (although retreated on Friday). This in turn was positive both for Oil Services group (OIH) and Oil and Gas Exploration group (XOP). Energy has been the best group since the beginning of current year, and this strength is expected to continue till the second quarter. Materials (XLB) are right now in a consolidation phase although gold is trying to build on its gain for another rise and silver (much more volatile) also gained a nice 6% for the week.

Among aggressive sectors, Technology (XLK) still needs work to do to entice majority of traders to start favoring it again (much depends upon the upcoming Nvidia report). Software (ETF: IGV) continues to lag and seems ready to slip further on AI disruption fears while semiconductors (ETF SMH close to new highs) is holding the sector from a complete breakdown. Discretionary (XLY) saw a rebound last week mainly due to the heavy weight Amazon which is holding its recent lows post earnings. Communications (XLC) is back above its key moving averages amid a renewed strength in Google (after a spectacular recent run) and Meta rose trying to test its resistance area.

Among other sectors Real Estate (XLRE) finally broke out from a multi-year consolidation. Slow and steady it appears poised to grow slowly. Healthcare (XLV) is trying to hold its 20-day EMA and consolidating in a range.

Strategy in a Split Market

Despite upward movement, the broader market remains uneven. Leadership rotates quickly, breakouts have struggled to sustain traction, and rallies frequently encounter resistance. The prevailing pattern — short bursts of strength followed by pullbacks — remains intact. Nasdaq's Friday move could be treated as a follow-up signal and its low is kind of a line in the sand till broken. Further movement beyond the 20-day and 50-day moving averages would reinforce the rally attempt.

On the other hand, disciplined execution is essential. Active investors must manage risk carefully, cutting losses decisively and safeguarding gains before they erode. Equally prudent is a patient approach: maintaining elevated cash positions while holding select long-term leaders until a clearer directional trend emerges.

Geopolitical headlines could spark volatility at any time, and Nvidia's earnings will undoubtedly influence near-term sentiment. Still, they represent just one chapter in a broader narrative. For now, markets continue to operate within a cautious range — capable of acceleration, yet equally quick to retrace.

Important Economic events next week:

Some important economic events in the upcoming week are:

Monday, Feb 23: Factory Orders

Wednesday, Feb 25: Consumer Confidence (Feb), Atlanta Fed GDPNow (Q1)

Thursday, Feb 26: Crude Oil Inventories

Friday, Feb 27: Producers Price Index (PPI), Chicago PMI (Feb)

Important Earnings this week:

Some important results scheduled for this week are listed below. Big banks are first to announce their results:

Monday, Feb 23: Alibaba (BABA)

Tuesday, Feb 24: First Solar (FSLR), Home Depot (HD), MercadoLibre (MELI)

Wednesday, Feb 25: APA (APA), Array Technologies (ARRY), Lowe's (LOW), Nvidia (NVDA), TJX (TJX)

Thursday, Feb 26: Salesforce (CRM). CoreWeave (CRWV), Shift4Payments (FOUR), Intuit (INTU), MP Materials (MP), Sunrun (RUN)

Long-Term Stock Picks:

Our long-term stocks are those in which we have the conviction that they have strong business fundamentals and enjoy moats in their respective industries; hence the chances of long-term profits are high.

NVDA	Nvidia gained 3.83% last week and settled above its key moving averages. It has been stuck in a range since last June and is setting up to move on earnings and future guidance which is due on Wednesday. Street is expecting an increase of 71% in earnings and now is holding close to its 10-week moving average as it has formed a nearly month-long cup base. It offers a pre-earning entry (reduced size suggested) at current levels and could pass 193.66 level targeting recent highs at 212.18 as per our TR Indicator. Suggested stop loss around 170.56 (200-day EMA).
AAPL	Apple regained strength to rise 3.44% for the week but it is still not out of the woods as it was inside week. It was mentioned last week not to let the losses mount over 8-10% as February being a weaker month for Apple which could make another stride towards 243 where another entry could be tried .
GOOGL	Google gained 4% on Friday to reverse a losing week into a green one with 3.03% net gain. It found support at 20-week EMA and is currently testing resistance. We think it is possible for Google to further make a test of recent lows before jumping higher again. It should find support around 300 which could provide another suitable entry into this Mag7 stock.

Interesting new picks for your watchlist:

Some interesting stocks showing strong price action for possible entries are:

1. **GE:** General Electric was picked during the week with a buy point of 334 when it was 319. It broke out by surpassing this buy point is still in the buy zone. It gained an added boost this

week when United Airlines selected its engines to power United's new Boeing 787. Currently it has a backlog of more than \$190 billion in orders. Looks good in medium term to continue its stride as its relative strength is also at a 52-week high.

2. **RL:** Ralph Lauren is a major designer, marketer and distributor of premium lifestyle products. It is flashing buy signals on both Daily and Weekly TR indicators as it is breaking out.
3. **SNDK:** Since its breakout last September, Sandisk has produced an astronomical return of 1329% which by far is one of the best returns in the entire stock universe, beating 99% of stocks. If you are an aggressive trader, then this stock is again offering an aggressive entry at current levels with a stop loss below 564.
4. **FN:** Fabrinet made a break-out on Friday with a 6.29% gain ... although not in a traditionally strong season but making new highs. It is worth exploring it as it is close to a buy zone Heavy institutional buying is also a plus.

Medium- and Short-Term Picks:

ROAD	Selected last week, ROAD lost 1.5% this week and appears to form a handle. Any test of 20-day EMA at 125.32 could provide a suitable entry with stop loss below 110.
VLO	Selected two weeks ago, VLO was flat last week but its 2.5% gain on Friday was encouraging. The stock is still in a buy zone , but reduced sizing is suggested as warning signs are emerging for the overall stock market.
KLIC	Selected two weeks ago, KLIC lost 1% but Friday's gain of 2% is encouraging. It is advisable to wait for pullbacks toward the rising 20-day EMA (66.31) for a better opportunity.
GEV	Aerospace continued to be a solid performer, with GE Aerospace (GE) gaining another 3.52% last week. No entries are suggested at this moment. However, it is a good candidate for every pullback to means.
CVX	Chevron also gained another 1% last week. The stock is projected to rise, targeting 200. It tried to close the gap created earlier but found support at 178.74 showing its strength. No entries at this time.
XOM	As mentioned last week, ExxonMobil's price action was pointing towards a pullback which it did as it lost 0.8% for the week. It has made decent profits since last month and some profits should be made by now if not yet taken. XOM is offering good potential and could find support in the range of 144-146.5 for another entry.

BKV	BKV gained another 2.85% for the week as it is trying to make another breakout. It is still in a buy range as per the TR indicator although reduced position size is recommended amid a good 40%+ run during the last six months.
BJ	Selected three four weeks ago, BJ lost 6.26% last week and appears to start some wild action. If it loses Friday lows at 95.32 then the position should be closed as further downside could occur.
NVT	nVent gained 3.2% last week and is now out of the buy zone. It is now extended from a 109.68 double-bottom buy point.
COST	Costco lost its momentum and the key level of 1000 again as it lost 3.26% for the week. It is still offering an aggressive entry at current levels with a stop loss below 945. The back testing model pinpoints RSI strategy has a high 80%-win rate and offers an alternate method of making an entry in Costco.
TSM	TSM gained another 1.14%, a new high, and gained another 5% last week on top of a 5.53% gain in the previous one. It is now 14.49% up since being selected last month and some profits should be taken and letting the rest run.
APH	APH gained 2.94% last week and is holding its key moving averages as it settled above 150. Suggest taking some profits at this level as stock seems to be consolidating around these levels. If it holds the 50-day EMA, maintain the position; if it falls below 140, close the position.
NEM/KGC	NEM and KGC lost 2.92% and 2.76% respectively last week. As mentioned last week, any pullback to 20-day EMA was a buying opportunity for both of them which is still available. Both NEM and KGC are trying to form new base above 10-week line.
LLY	Eli Lilly lost another 1.34% for the week as it experienced a wild move after earnings at eventually it settled below its 50-day EMA. Eli Lilly has solid fundamentals and has raised its dividend for 11 consecutive years while analysts are expecting an upward trend in its earnings. Traders with a long-term view can hold their positions at current levels (if any) with a stop loss below 977.
AMZN	We mentioned last week that any position below 200 was offering an entry into Amazon which has a history of bouncing back from pullbacks and it exactly did the same with a 5.69% gain last week. We think it has good chances to rise to 215-220 range before finding some resistance.

	Amazon has shown characteristics of a long-term stock with sound fundamentals and should be bought again at the recent lows of 196-200. Recently, it has dethroned Walmart as world's top company by revenue.
FTI	TechnipFMC gained another 3.5% on earnings (now eight weeks in a row). Since its selection on 27 th October, it has gained a 55%+gain in little over 3 months. It seems extended and some profits should be made to reduce the position size. Watch a pullback to 20-day EMA (58.67) for another entry. In fact, it provided another entry at this level on Thursday.
WDC	WDC gained another 1.4% last week. The strong uptrend is not giving up easily and is likely to continue. Any pullback to 260-266 range or RSI at 40 level is likely to find support and should be bought if market conditions found supportive.
AMD	It was mentioned last week that its chart is broken, and it will take time to repair itself. Another loss of 3.46% proves our thesis. We think another test of 190.7 level is due although a short-term oversold bounce could also occur.
FIX	Comfort Systems reported blowout Q4 earnings on Thursday and hit record high on Friday. Weekly gains were 9.3% and FIX is now 100% up since we selected it in September. Buy on pullbacks to 20-day EMA for this consistently rising stock.
MU	MU shrugged last week's weakness by regaining 4.3%. We maintain our stance that stock is extended and could experience another sharp pullback. Any pullback to 346-360 range is likely to find support and could be bought for a short gain. On the other hand, aggressive investors who like to take risks could make an entry at current prices (reduced position size suggested) as a higher reward-to-risk trade is available at current prices with a stop loss below 396.
MPLX	Our favorite dividend player gained another 2.39% and has been a top performer since its selection last year. Long-term trend is in place and market is indicating support for a bullish trend however, we think that a pullback is now due to 55-56.5 levels at which price it would become attractive again. It still offers 7.4% dividend yield at these prices.
GLDM	Gold was up by 1.27% for the week but again all gains were registered on Friday again, which turned another negative week into a positive one. GLDM is again above 100 and seems setting up a move towards 104. It should be bought again on pullback to the rising 20-day EMA or RSI level between 40-50. See the RSI chart on Indicator Page of our Excel and Web-based app.

Website:

We have added a WhatsApp group where we post regular alerts on stocks and markets we follow. It could be found here:

<https://chat.whatsapp.com/FwjzhhKSL8399XSzEhOiXy>

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