

## Rotation, Resistance, and Rising Tension: A Market in Transition

It was a complicated week for equities — one that rewarded certain pockets of the market while putting pressure on others, particularly technology and semiconductor stocks. Leadership continues to shift beneath the surface, making for a choppy and selective environment rather than a broad-based rally.

The Nasdaq declined 0.9% for the week, matching a similar drop on Friday. The S&P 500 slipped roughly 0.5% over the week, while the Dow Jones Industrial Average and the Russell 2000 endured heavier losses, falling 1.31% and 1.2% respectively. Just a week after the Nasdaq logged a follow-through day signaling potential upside momentum, it revisited those same levels — a clear reflection of the market's fragile tone.

Semiconductors, which had been supporting the broader technology sector despite ongoing weakness in software, faced renewed pressure. Much of this stemmed from Nvidia's muted post-earnings reaction. Despite beating expectations and offering constructive guidance, Nvidia continues to struggle within its established trading range. The chip space remains uneven: international leaders like Taiwan Semiconductor and ASML have held up better, while domestic names such as Broadcom and AMD have shown relative weakness. Adding to the tension, the Producer Price Index came in hotter than anticipated, reinforcing inflation concerns. Interestingly, bond yields declined despite the inflationary data, underscoring the crosscurrents at play. Meanwhile, geopolitical developments in the Middle East — including escalating tensions involving Iran — helped keep crude oil elevated.

The market's complexity becomes even clearer when examining equal-weight indexes. The Equal Weight S&P 500 ETF (RSP) rose 0.43% for the week, while the equal-weight Nasdaq 100 index remained essentially flat. This divergence suggests capital is rotating away from traditional high-growth areas — such as mega-cap technology and semiconductors — and into more defensive or diversified sectors. Bitcoin's continued inability to reclaim its declining 50-day moving average adds another layer to the risk-off narrative. Historically, weakness in high-beta assets like bitcoin can precede broader market softness, and its recent struggles signal caution among investors.

Looking ahead, volatility may remain a defining feature. Historically, midterm election years have often delivered muted or negative returns dating back to the 1950s. That said, challenging environments also create opportunities - particularly for disciplined investors willing to follow capital rotation rather than chase momentum. The latest development in Middle East such as closure of critical strait of Hormuz is a negative indicator for when oil starts trading on Sunday. The impact goes far beyond crude.

## 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	-0.48%	-0.50%	-1.36%	0.41%	15.38%
Nasdaq Composite	-0.93%	-0.94%	-4.91%	-2.34%	18.85%
Nasdaq 100	-0.32%	-0.25%	-4.09%	-0.95%	18.02%
Dow Jones Ind	-1.05%	-1.29%	-0.10%	1.25%	12.74%
Russell 2000	-1.72%	-1.21%	-0.72%	5.08%	21.20%

While large-cap growth softened, small caps and industrial-heavy indexes also showed strain.

## Sector Pulse

S&P 500 Sector	Weekly	Monthly
Basic Materials (XLB)	0.85%	6.93%
Real Estate (XLRE)	0.64%	7.32%
Industrials (XLI)	-0.05%	7.92%
Consumer Defensive (XLP)	2.41%	9.34%
Energy (XLE)	1.90%	11.73%
Utilities (XLU)	3.02%	10.15%
Technology (XLK)	-1.50%	-7.02%
Consumer Cyclical (XLY)	-0.50%	-4.03%
Healthcare (XLV)	2.16%	3.82%
Financial Services (XLF)	-2.02%	-2.94%
Communication Services (XLC)	1.07%	1.11%

### Sector Trends: Defense Takes the Lead

Defensive sectors led the charge. utilities (XLU), consumer staples (XLU), real estate investment trusts, healthcare, and energy all posted relative strength. Utilities in particular are notable, as March historically represents one of the sector's strongest seasonal periods — and the group is already demonstrating momentum ahead of that window. Energy also benefited from geopolitical uncertainty and elevated crude prices.

Conversely, higher-beta segments struggled. Technology and consumer discretionary stocks lagged, while financials were among the weakest performers amid declining interest rates pressuring bank margins. Communication services stood out as a partial exception, buoyed by strength in Google and a sharp rally in Netflix following positive corporate developments.

Industrials and materials also warrant attention. Transportation, construction, and machinery stocks tend to perform well in the first quarter, and materials have benefited from strength in gold, silver, and rare earth elements. These areas are increasingly attracting capital as investors seek alternatives to stretched growth names.

In short, the market is not collapsing — it is recalibrating. Capital is moving, leadership is shifting, and risk appetite is being reassessed. In such an environment, selectivity and discipline remain the most valuable assets an investor can hold.

**Important Economic events next week:**

Next week, it is going to be all about February employment data.

Monday, March 2: ISM Manufacturing PMI, S&P Global Manufacturing

Wednesday, March 4: S&P Global Services PMI, ISM Non-Manufacturing PMI (Feb), ADP Employment Data

Thursday, March 5: Initial Jobless Claims, Nonfarm Productivity

Friday, March 6: Nonfarm Payrolls, Unemployment Rate (Feb), Average Hourly Earnings (Feb)

**Important Earnings this week:**

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

Monday, March 2: Norwegian Cruise (NCLH)

Tuesday, March 3: Ross Stores (ROST), Target (TGT), Ali Baba (BABA), Best Buy (BBY)

Wednesday, March 4: Broadcom (AVGO), Abercrombie & Fitch (ANF), Veeva System (VEEV), Okta (OKTA)

Thursday, March 5: Costco (COST), Marvell (MRVL), Kroger (KR), JD.com (JD), Burlington (BURL), Samsara (IOT), BJ's Wholesale (BJ)

Friday, March 6: Embraer (EMBJ), Jinko Solar (JKS)

**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.

<p><b>NVDA</b></p>	<p>Nvidia came out with strong figures, beating expectations, market's initial reaction was positive and Nvidia broke the 200 level in post-market action, but it reversed till morning and gained 3.83% last week and settled after losing 6.65% for the week.</p> <p>While Nvidia is still a long-term stock but if it breaks the support around 170.56 then existing positions could be closed to secure some profits. Being a long-term stock, it enjoys support from investors at almost every level.</p>
<p><b>AAPL</b></p>	<p>Although Apple was flat for the week but its 3.2% retreat on Friday was concerning as it closed below its 50-day EMA line. It has been mentioned earlier that Feb-March is traditionally a</p>

	weaker period for Apple which is still a long-term leader. It could make another stride towards 243 where <b>another entry could be tried</b> .
<b>GOOGL</b>	Although Google lost 1% during the week, it is still the best-looking chart among the Mag7 stocks. We still think it is possible for Google to further make a test of recent lows before jumping higher again. Even if it breaks 28-290 range, it will still be attractive in the long-term.

### **New picks for your watchlist:**

Due to recent development in Middle East, we are pausing new picks selection for this week as we don't know how markets will react to the new development till Sunday Evening. The uncertainty is too high at this moment to initiate new positions. However, following stocks look interesting and will be considered during the week for an entry if situation improves and market stabilizes (stay tuned to our social media channels):

1. **GMED:** Globus Medical is in the business of providing equipment and tools for surgeries involving joints, spines and other body parts. **Several back test strategies are flashing buy signals** while analysts have revised their earnings upwards for the upcoming period.
2. **UUUU:** Energy Fuels together with its subsidiaries is in the exploration and sale of uranium mineral properties in the United States. It has shown tremendous growth during the last one year. Wait for a proper buy point or strong buy zone to appear on TR indicator chart.
3. **NI:** Utilities sector is once again hot as it loves first quarter. NiSource is one company that operates in Indiana and five other states, and it is tapping the fast-moving world of data centers showing up through its subsidiaries. With a 2.5% annual dividend and analysts agreeing to revise their earning estimates, it seems to be in a sweet spot for several years to come.

### **Medium- and Short-Term Picks:**

<b>GE</b>	GE Aerospace slipped slightly for the week (- 28%) but <b>still is in a buy zone</b> . Long-term indicators fully support a continuation of the trend. Since the stock is in a strong up-trend, a conservative strategy could be to wait for its RSI to come down in the range of 40-50 for another entry.
<b>RL</b>	Ralph Lauren's breakout attempt failed with a 5.83% loss last week. Accordingly, the position (if any) should be closed and moved to a watchlist at the moment.
<b>SNDK</b>	Selected last week, SanDisk lost 2.5% last week. Due to tech sector weakness and geopolitical issues, a sharp pullback is possible, so no new entries now.

<b>FN</b>	Fabrinet was flat last week although it experienced a failed breakout. Further downside is expected to 490-500 level where it is expected to find support.
<b>ROAD</b>	Besides a 1% drop on Friday, Construction Partners (ROAD) is just below its buy point of 138.90 as it is trying to form a handle. Any test of 20-day EMA at 129.23 could <b>provide a suitable entry</b> with stop loss below 110. <b>Alternatively, a breakout beyond 138.97 could also provide an aggressive entry.</b>
<b>VLO</b>	Selected three weeks ago, VLO gained 2% to and closed above 200. Although it is above the buy zone, rising crude oil prices <b>and Middle East war could impact provide a jump to its stock</b> , however, reduced sizing is suggested as any resolution could also trigger profit taking in the stock.
<b>KLIC</b>	Selected three weeks ago, KLIC lost another 1.6% as it found support at 20-day EMA (as mentioned last week). Given the current market conditions, it is better to wait for better opportunities at the moment.
<b>GEV</b>	Aerospace continued to be a solid performer, with GE Aerospace (GE) gaining another 5.21% last week. No entries are suggested at this moment. However, it is a good candidate for every pullback to means.
<b>CVX</b>	Chevron gained another 1.54% last week. The stock is projected to rise, reaching 200, and it could happen sooner than expected amid war in Middle East and a disruption in oil supplies.
<b>XOM</b>	We mentioned last week that XOM was likely to get support in the range of 144-146.5 which it did as it pulled back to 146.77 for the week and then finished the week higher with a 3.54% gain.  Recent developments in the Middle East could make it move past the recent highs at 155. Aggressive investors could try another reduced size position entry to get advantage of this move.
<b>BKV</b>	BKV was flat for the week but up 4.43% on Friday as it is trying to make another breakout. <b>It found support at 50-day EMA</b> and is eyeing a breakout past 31.74. Although with the current geopolitical situation, it is possible to have a breakout, but it is a wild mover in nature and hence should be bought on pullbacks to 20-day or 50-day EMAs only.
<b>BJ</b>	Selected three five weeks ago, BJ regained 2.5% last week and appears to find support above 95 level. If it loses last Friday lows at 95.32 then the position should be closed as further downside could occur.

<b>NVT</b>	nVent gained 1.27% for the week as mentioned earlier, now out of the buy zone. It is now extended from a 109.68 double-bottom buy point and position should be reduced while in profit amid turmoil in geopolitical conditions.
<b>COST</b>	Costco recovered by 2.6% and regained the key level of 1000 again as it is trying to consolidate around this level. It is still <b>offering an aggressive entry</b> 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.
<b>TSM</b>	Besides a weakness in semiconductors, TSM gained another 1.1%, a new high, and then pullback on Friday. It is now 15.7% up since being selected last month and some profits should be taken (reduce the position) and let the rest run.
<b>APH</b>	APH lost 3.3% last week and is trying to hold its 50-day EMA line. If it holds the 50-day EMA, maintain the position; if it falls below 140, close the position.
<b>NEM/KGC</b>	<p>We mentioned this about NEM and KGC last week here "... As mentioned last week, any pullback to 20-day EMA was a buying opportunity for both which is still available.". NEM gained 6.44% and KGC rose by 10.6% last week.</p> <p>These two gold miners are directly related to the price of gold and hence any increase in gold prices will likely impact them positively going forward.</p> <p>NEM is still around a buy point of 127 and offers an entry while a stop loss below 114.80. KGC is starting a new buy zone, but it has resistance above head at 37.97.</p>
<b>LLY</b>	Eli Lilly regained 4.21% last week amid a rebound in the healthcare sector. Eli Lilly has solid fundamentals and has raised its dividend for 11 consecutive years while analysts are expecting an upward trend in its earnings. <b>Traders with a long-term view can add to their position at current levels with a stop loss below 1000.</b>
<b>AMZN</b>	Amazon was flat last week after a 5.69% gain in the prior week. We think that it still has chances to rise to 215-220 range before finding some resistance. Given the market conditions, there is a chance of another leg down pushing the stock back to recent lows where it will be attractive once again.
<b>FTI</b>	TechnipFMC gained another 4.44% for the week besides a 1.46% drop on Friday. It is extended and profits should be made to reduce the position size. <b>Watch a pullback to 20-day EMA (61.55) for another entry.</b>
<b>WDC</b>	WDC lost 2% for the week. The strong uptrend is not giving up easily and is likely to continue. Since market conditions are not in favor of tech stocks now, therefore, no fresh entries are suggested.

<b>AMD</b>	AMD was flat and as expected pulled back sharply from 216 to settle just above 200. Its chart is broken and path to least resistance seems towards downside to 190 where it could find temporary support. No entries for the moment.
<b>FIX</b>	Comfort Systems cooled by giving back 2.25% which was expected. Buy on pullbacks to 20-day EMA (1329.82 currently) or to RSI level between 40-50 for this consistently rising stock.
<b>MU</b>	MU pulled back by 3.7% last week. We maintain our stance that stock is extended and could experience another sharp pullback. Any <b>pullback to 346-360 range</b> is likely to find support and could be bought for a short gain.
<b>MPLX</b>	Our favorite dividend player gained another 1.29% and scored another high. During the last six months, it has been appreciated by 17%, which is amazing given its highly attractive dividends. 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 7.31% dividend yield at these prices.
<b>GLDM</b>	Gold is still working and was up by another 3.23% gain as it is trying to recover the recently lost ground. Last week it was mentioned that GLDM was heading towards 104 level and it closed the week at 104.14. <b>It should be bought again on pullback</b> 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>

Please review our offers and if interested in our Excel based software, the TR (Trend Recognition) Indicator and the commentary then you could purchase it on: <https://analyzestocks.net>

All customers will continue to receive the Market commentary for a period of 1 year from the date of the purchase.

Follow us on Facebook: <https://www.facebook.com/MJSoftwareCoMPLX>

Follow us on Threads: <https://www.threads.com/@analyzestocks>

Subscribe to our YouTube channel to obtain the latest news and information about our products at: <https://www.youtube.com/@MJSoftware>

Happy Trading and best regards,

**Disclaimer:**

The information provided here is for educational / learning purposes only and should not be taken as purchase or sell recommendations. Trading / Investing in Stocks and derivatives is ***highly risky*** and could result in a substantial or complete loss of invested capital.

Employees and Owners of MJ Software LLC are not registered Financial Advisors with FINRA or SEC and for any financial advice please consult a registered financial advisor.