

Markets Face Broad Pressure as Geopolitics, Inflation Fears, and Sector Weakness Build

Last week's market performance was shaped by a combination of geopolitical tensions and mixed economic data, creating a challenging environment for equities. Escalating conflict in the Middle East remained the dominant catalyst, particularly after reports that diplomatic talks would not proceed, which pushed crude oil prices sharply higher and heightened inflation concerns. At the same time, economic indicators delivered conflicting signals: ADP employment data earlier in the week suggested a surprisingly resilient economy, while Friday's non-farm payroll report came in much weaker than expected, and further unsettled investors. As a result, major indexes moved lower, with the S&P 500 finishing the week below its key 50-day moving average while momentum indicators such as RSI and MACD turned increasingly negative. The index is now hovering just above an important support zone near 6720, with a deeper decline potentially pushing it below the 200-day moving average.

The breadth of the selling became more evident when looking at the equal-weighted S&P 500, which fell sharply and dropped below its 50-day moving average, signaling that weakness was widespread across the broader market rather than concentrated in a few large names. The Nasdaq held up slightly better due to support from mega-cap technology stocks, particularly members of the "Magnificent Seven," yet it too remains under pressure near its 200-day moving average with weakening technical momentum.

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	-1.31%	-1.98%	-2.01%	-1.58%	15.32%
Nasdaq Composite	-1.52%	-1.18%	-2.19%	-3.49%	20.56%
Nasdaq 100	-1.50%	-1.24%	-0.99%	-2.18%	19.47%
Dow Jones Ind	-0.96%	-2.95%	-3.95%	-1.74%	10.40%
Russell 2000	-2.29%	-4.02%	-3.70%	0.85%	20.35%

Sector Pulse

S&P 500 Sector	Weekly	Monthly
Basic Materials (XLB)	-6.65%	-3.91%
Real Estate (XLRE)	-2.17%	3.45%
Industrials (XLI)	-4.06%	0.32%
Consumer Defensive (XLP)	-4.70%	-1.39%
Energy (XLE)	1.16%	7.08%

Utilities (XLU)	-2.07%	8.50%
Technology (XLK)	-1.06%	-0.60%
Consumer Cyclical (XLY)	-2.07%	-4.71%
Healthcare (XLV)	-4.68%	-2.13%
Financial Services (XLF)	-1.67%	-6.28%
Communication Services (XLC)	-0.50%	0.57%

Among the 11 major S&P sectors, **energy (XLE)** was the only group to finish the week higher, benefiting from the surge in crude oil prices tied to Middle East tensions. **Utilities (XLU)**, typically viewed as a defensive sector, held up relatively well despite slipping modestly, while **technology (XLK)** remained roughly flat, largely supported by strength in Microsoft and Nvidia even as underlying weakness appeared across other tech segments. Beneath the surface, however, several economically sensitive sectors experienced notable declines. **Industrials (XLI)** weakened as many cyclical businesses faced concerns about rising energy costs and slowing economic activity, although aerospace and defense companies remained comparatively resilient. Consumer staples (XLP), typically seen as a safe option during market volatility, fell around 5% due to inflation and worries over consumer spending. **Basic materials (XLB)** also struggled with heavy selling in non-ferrous metals despite some strength in gold-related areas.

Other defensive sectors did not escape the downturn either. **Healthcare (XLV)**, which had been showing signs of forming a bullish base, reversed lower as biotechnology and medical product companies fell significantly. **Financials (XLF)** remained under pressure as well, particularly regional banks, as declining yields and economic uncertainty weighed on lending outlooks. Meanwhile, several economically sensitive areas—including **small-cap stocks, retailers, and homebuilders**—experienced additional weakness as investors reassessed the outlook for growth, interest rates, and consumer demand.

At the sub-industry level, energy and commodities dominated performance. Oil prices surged sharply, climbing above the \$100 level, which historically raises concerns about inflation and economic strain. The spike in crude also pushed volatility significantly higher, with the VIX jumping to levels that historically coincide with periods of market stress. **Gold showed moderate resilience**, holding above key moving averages despite relatively muted trading volume. Within technology, **software stocks emerged as one of the few bright spots**, posting strong gains as investor sentiment toward the group improved, while **semiconductors declined sharply**, dropping more than 6% and breaking below important technical support levels. This semiconductor weakness was accompanied by heavy institutional selling, signaling broader caution toward high-growth sectors.

Throughout the week, the market experienced a range of challenges, including geopolitical uncertainty, elevated energy costs, concerns regarding inflation, and inconsistent economic indicators. With volatility increasing and several sectors showing technical deterioration, investors are becoming more defensive, rotating capital into energy and selective defensive industries while reducing exposure to economically sensitive and high-growth areas.

Important Economic events next week:

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

Tuesday, March 10: Existing Home Sales

Wednesday, March 11: CPI (MoM and YoY), Crude oil Inventories

Thursday, March 12: Initial Jobless Claims, Building Permits, Housing Starts (MoM Jan)

Important Earnings this week:

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

Monday, March 9: Hewlett Packard Ent (HPE)

Tuesday, March 10: Franc-Nevada (FNV), Kohl's (KSS), NIO (NIO), Oracle (ORCL),

Wednesday, March 11: Adobe (ADBE), Dollar General (DG), Dick's Sporting Goods (DKS)

Thursday, March 12: Ulta Beauty (ULTA)

Friday, March 13: Ali Baba Group (BABA)

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	Although Nvidia was flat last week (0.36% gain), but now it starts looking tired as it has been stuck in a range for a long time. 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.
AAPL	Apple lost another 2.5% last week. It was mentioned last week that it is on its way towards 243 where another entry could be tried but because of recent development, no new entries are suggested now. Apple could retreat further below the 243 level, and its position may be closed to secure profits. Apple remains a favorite and a long-term leader, but current scenario poses threat to losing support and hence we should wait for a better buy point in near future.
GOOGL	Google lost another 4.25% during the week, it is still the best-looking chart among the Mag7 stocks. It was mentioned that Google could further make a test of recent lows before jumping higher again. Even if it breaks 280-290 range, it will still be attractive in the long-term.

New picks for your watchlist:

Due to recent developments in Middle East, we are pausing any new buys. 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. **NOW:** Software as a group is trying to rebound and ServiceNow has strong fundamentals and history. In a falling market it not only withheld its gains but gained 15%, which shows its relative strength. Currently, at a resistance, it is likely to have another consolidation phase but should find support around 110-115 level. Keep an eye on its price action.
2. **AVGO:** Broadcom came up with strong results and enhanced future guidance but failed to maintain its gains and pulled back. Stock is forming a base and is likely to find support between 307-310 range. Keep an eye on this stock for a possible entry.

Medium- and Short-Term Picks:

GE	<p>GE lost 5.6% last week and tested its 50-day EMA where it found support. The position should be closed if it loses Friday's low at 317.61 as it could result in further slide towards 305-307 level.</p> <p>Overall, 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 for another entry.</p>
SNDK	<p>SNDK lost 17% last week and its recent mojo. The position has been closed and moved to a watchlist now.</p>
FN	<p>We mentioned last week that further downside is expected to 490-500 levels, however, given the current market, it is not the right time to consider a fresh entry into this stock.</p>
ROAD	<p>A weekly drop of 12% last week triggered a sell signal and accordingly the position has been closed. No new entries at the moment.</p>
VLO	<p>Selected four weeks ago, VLO gained 9.8% for the week and closed well above the 200 level. Although looking strong but the stock seems a bit extended and could consolidate (or even come down due to profit taking), hence it is suggested to reduce the position size at current levels and take some profits. Any pullback to its rising 20-day EMA line could provide another suitable entry.</p>

KLIC	We mentioned last week that it would have been better to wait for better opportunities and KLIC dropped 12% last week confirming our read. The position is not moved to a watchlist after closure as this is clear sell signal.
GEV	GEV lost 9.6% for the week and its position was also closed amid overall market conditions which are not very conducive. GEV is likely to head towards 750 level, and it should find some support at this level.
CVX	Chevron continued to gain on the heels of crude oil gains. Chevron started its ascend on Venezuela developments which occurred in January this year. The stock is projected to reach 200, and it could happen sooner than expected amid war in Middle East and a disruption in oil supplies.
XOM	XOM was flat during the week with a 0.85% gain as it hit our target of 155. The stock, however, looks a bit exhausted although market forces could continue to provide support. A pullback to 145-147 range would like provide support and another entry in this oil major.
BKV	BKV lost 0.52% last week and is trying to consolidate at current levels. It found support at 50-day EMA 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 50-day EMAs only.
NVT	nVent lost 10.4% for the week and its position was closed when it breached its 50-day EMA on Wednesday. Further downside is expected along with the broader market.
COST	Costco recovered the losses on earnings by finding support at its 50-day EMA line and settled just below 1000. Although it is still offering an aggressive entry at current levels with a stop loss below 945 but current market action suggests a cautious overall approach, hence its position is also closed to protect capital and reduce further losses. It remains a strong stock for our watchlist for a suitable entry in future.
TSM	TSM lost 9.5% last week and accordingly this position was closed in profit and moved to a watchlist.
APH	APH lost another 9.7% last week and its position was closed at 140 as mentioned last week.
NEM/KGC	NEM and KGC lost 10.8% and 12% respectively. While these indicators typically suggest it's time to sell, the current market uncertainty and global tensions could

	<p>spark another rise in gold prices, which would also benefit these gold mining companies.</p> <p>NEM and KGC should hold 107.80 and 30.12 as support levels. A close below these levels should trigger sell signals to protect remaining gains and preserve capital.</p>
LLY	<p>Eli Lilly lost 5.86% last week and closed below 1000. Although it has strong fundamentals, current market conditions could cause it to fall further and hence it is prudent to close the position for the time being and move it to a watchlist for a better entry. NEM and KG</p>
AMZN	<p>Amazon gained another 1.5% for the week and resisted the downslide in the overall market. It was mentioned last week that it still has chances to rise to 215-220 range which is almost there as it is finding resistance here. It is suggested to reduce the position size and take some profits at this position and market action could put additional pressure on Amazon. 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.</p>
FTI	<p>Although FTI pulled back to 20-day EMA but given the market conditions, no new entries are suggested at this time, in fact positions should be reduced and cash should be raised.</p>
WDC	<p>Finally, WDC gave way to the market forces and lost 12% for the week. This is a sell signal, and its position was closed and the stock is now moved to a watchlist for observation.</p>
FIX	<p>Comfort Systems was down by 10.5% last week and this position was also closed on Thursday. The stock has been continuously rising for last several months but these are not good times to consider an entry.</p>
MU	<p>We have been highlighting for a few weeks that MU was extended and it gave back 6.7% of its gains last week. We still think that stock is extended and could experience another sharp pullback. Any pullback to 323-325 range is likely to find support and could be bought for a short gain.</p>
MPLX	<p>Our favorite dividend player lost 0.5% last week after registering gains for the last five weeks in a row. Offering 7.34% dividend at current rates, it is a good income generator, but it can cool as well due to profit taking. 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.</p>
GLDM	<p>Gold gave back 2% of its gains last week as some profit taking kicked in. 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.</p>

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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