Market Volatility persists amid ongoing tariffs uncertainty !!!

Friday's market bounce resembled a follow-through session but occurred at a significantly lighter volume, raising questions about its durability amid the current volatile conditions. As the market struggles to stabilize, heightened intraday volatility remains prevalent, driven mainly by persistent headline risks. This uncertainty is underscored by the VIX index, which continues to hover above the critical 20 level. Investors should remain proactive, closely monitoring stocks that exhibit strong relative strength and sound technical setups. While cautiously expanding market exposure may be warranted, it would be prudent to wait until major indices convincingly regain key technical indicators, such as their 200-day and 50-day exponential moving averages, before aggressively committing capital.

Adding to investor uncertainty, the tariff situation remains unresolved, with daily announcements from the White House further clouding the outlook. Last week's sharp decline in U.S. Treasury bonds, weakening of the dollar, and steep equity sell-off compelled President Trump to postpone previously announced tariffs from April 2nd, except those targeting China. This ongoing tit-for-tat tariff battle between the world's two largest economies—China and the U.S.—poses significant risks to global trade, economic growth, and financial markets. Until more clarity emerges regarding these geopolitical developments, maintaining a cautious investment stance remains critical.

Performance Recap (Week Ending 4/11):

The performance of the major US indices was as follows:

Index	Friday (4/11)	Weekly	Monthly	YTD	1-Year
S&P 500	1.81%	+5.70%	-3.75%	-8.81%	+3.16%
Dow Jones Industrial	+1.56%	+4.95%	-2.95%	-5.48%	+4.56%
Nasdaq 100	+1.89%	+7.43%	-3.54%	-11.05%	+2.09%
Nasdaq Composite	+2.06%	+7.29%	-4.08%	-13.39%	+1.72%
Russell 2000	+1.46%	+1.75%	-7.96%	-16.38%	-7.82%

All major indices ended the highly volatile week in red mainly due to a 90-days pause in most tariffs (except for China) announced by the US president in the wake of earlier stock market sell-off and bond market tumble. The bond market of investors' confidence in the US and its capital markets. The bond market's reaction to the tariffs has alarmed investors and sparked fears of an incipient financial crisis as the tariffs went into effect. The immediate crisis may have eased, but with long-term treasury yields still elevated, the problems that forced the administration to alter its earlier decision could easily recur if the White House keeps moving forward with tariffs.

The initial market enthusiasm sparked by the tariff pause quickly turned cautious as uncertainty resurfaced. Investors in the bond markets questioned the Treasury Department's control over the situation, and internal administration uncertainty added to investor unease. Many experts observed a narrowly avoided escalation into a deeper financial instability.

Sector Performance and ETF Carnage:

S&P 500 sector performance last week was as follows:

Sector	Weekly Performance	Last One Month
Staples (XLP)	+2.41%	-0.85%
Energy (XLE)	+0.17%	-9.01%
Real Estate (XLRE)	-0.10%	-5.89%
Discretionary (XLY))	+3.79%	-3.13%
Financials (XLF)	+5.59%	-1.62%
Utilities (XLU)	+2.40%	-0.71%
Materials (XLB)	+3.36%	-5.21%
Health Care (XLV)	+1.18%	-5.93%
Industrials (XLI)	+6.55%	-3.12%
Communications (XLC)	+4.63%	-4.99%
Technology (XLK)	+8.76%	-4.66%

Apart from Real Estate, all sectors concluded the week positively. Aggressive sectors, notably Technology, Communications, and Discretionary, showed notable outperformance relative to defensive sectors, partly driven by recent oversold conditions. The strength in these sectors, however, requires sustained performance for greater market confidence.

Important Events next week:

Important economic events planned for the upcoming week are:

Monday (04/14): NY Fed 1 Yr Consumer Inflation Expectations (Mar), Fed Waller speaks.
Wednesday (04/16): Retail Sales, Industrial Production, Fed Chair Powell speaks.
Thursday (04/17): Initial Jobless Claims. Philadelphia Fed Manufacturing Index
Friday (04/18): Fed Member Daly speaks.

Important Earnings this week:

Important earning announcements scheduled for this week are:

Monday (04/14): Goldman Sacs (GS),
Tuesday (04/15): Interactive Brokers (IBKR), Bank of America (BAC), United Airlines (UAL)
Wednesday (04/16): Abbot Lab (ABT), ASML Holding (ASML), Travelers (TRV)
Thursday (04/17): D.R. Horton (DHI), Charles Schwab (SCHW), Taiwan Semiconductor (TSM), Netflix (NFLX)

Strategy Moving Forward:

Although Friday's market upswing suggested optimism, low trading volumes indicate vulnerability, increasing the likelihood of a reversal. Investors should maintain vigilance and avoid speculative positions. Prioritize robust stocks exhibiting clear relative strength signals and monitor for definitive signs of sustainable market recovery.

Meanwhile, recent tariff developments—including exemptions on semiconductors, smartphones, and chips—are expected to benefit key technology firms, notably semiconductor producers and Apple, by reducing immediate trade pressures. However, the latest news is that Commerce Secretary Lutnick told media that the reprieve is temporary which could result in a choppy action in the market between high volume nodes as the future direction is not clear.

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:	We mentioned during the mid-week when Nvidia was around 96 that it was fighting back and a rebound to 110 was possible. Nvidia rose all the way up to 115 and settled around 110 to give a quick 15% profit. Nvidia is likely to face resistance around 115.10. Any pullback in Nvidia will provide **a suitable entry** for dip buyers and aggressive investors as Nvidia is a long-term leader and still well poised to continue its rebound.
AAPL:	If Apple reclaims its 200 mark with volumes, it is likely to move upward and test the 220 level at which point will face resistance or a temporary consolidation. It remains a long-term leader on our watchlist.
COST:	Costco along with some other retail giants like BJ is among some of those stocks which were resilient to current market correction. Any pullback to its 200-day EMA at 910 or lower Bollinger band at 883 could provide **an entry** for investors in this long-term leader.

Interesting Stocks for Actions and Watchlist:

Gold and Gold miners remain hot. However, in the short term, Gold could cool down a bit and any move back to its 20-day EMA will provide an entry (see our notes below on GLDM).

SMH: For aggressive investors who may want to take chance on semiconductors, VanEck Vectors Semiconductor ETF should be watched. If it holds its 200 level, then an entry could be made targeting its resistance from 223-230 level (key moving averages). Otherwise, it could roll over and test its recent lows of 170-180 range.

ATGE: We mentioned ATGE in our WhatsApp group, Facebook and Threads groups. It is a Chicago based educational company operating several higher education institutions. It dipped along with the market but fought back and regained its key moving averages showing up on our TR indicator charts. Backed by institutional support and increasing earnings, stocks seem poised to move past its buy point at 106.65. An early entry is available at current prices (suggest small size again due to market sentiments).

Recently Picked Stocks:

GDX:	Gold Miners ETF was highlighted a few weeks ago. Gold and gold miners were a big winner last week as gold surged to new heights amid market volatility. This gold miners ETF surged 19.24% last week to an all-time high. It is suggested to take some profits if not taken and let the rest of the position run as it can cool down a bit to absorb gains.
MPLX/HESM:	MPLX and HESM gained 1.65% and 1.05% last week respectively. MPLX regained its 200-days EMA while HESM is trading below it. We think positions in HESM should be closed as it risks further sliding down although both offer particularly good dividend yields close to 8%.
BABA:	Ali Baba was caught between the US / China trade tensions and lost almost 30% from its highs before dropping back below 100 and then gaining 3.41% to close at 107.73. In the long run, we think it could be a good point for aggressive investors who could take a small position (10-30% only of normal size due to market sentiments) as BABA is one of the Chinese stocks which are likely to continue their upward journey because of its AI initiatives and economies of scale.
GLDM:	Gold is on fire this year amid market drops, tariff uncertainties and a rush towards safer bets. This gold ETF gained 6.42% and closed at its highest level ever. It tested its rising 20-days EMA and then moved back which is a sign of strength. At current levels gold seems a bit extended and could pull down to test its 20-day EMA line again. However, it is likely to remain attractive amid investors' exit from riskier assets and flight to safe heavens.
ETR/NI:	ETR and NI recovered earlier losses with a gain of 3.40% las week and both are just below their 50-day EMA lines. We mentioned last week that it was time to reduce position size and secure some profits from these two utility players. If not done so, then still there is time to do so. These two utility stocks are expected to perform better than growth stocks, but a bear market could easily pull them down to their 200-day EMA very easily.

Website:

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

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