

## Tech Leads While Tariff Drama Fades into the Background

Wall Street's attention may have been pulled toward fresh tariff headlines this week — but traders mostly kept their cool. On Thursday, new duties took effect for dozens of countries after months of postponement. India found itself facing an additional 25% levy for importing Russian oil, doubling its total tariff rate to a hefty 50%. President Donald Trump unveiled a near-100% duty on semiconductors, though tech firms investing in U.S. manufacturing earned an exemption. Apple, a clear beneficiary, climbed 3.2% on Thursday, while the Philadelphia Semiconductor Index (SOX) advanced 1.5% as investors puzzled over the long-term implications.

Gold touched a fresh peak Friday before easing after the White House promised to correct “misinformation” about tariffs on the metal. Meanwhile, Trump nominated economist Stephen Miran to a vacant Federal Reserve Board seat. Despite volatility from tariffs, economic data, and earnings, Mega cap tech, chipmakers, and AI stocks drove Nasdaq 3.9% higher to a new record. The Dow gained 1.35% and the S&P 500 added 2.4%. Small caps managed a modest 0.2% rise, while growth names outpaced slightly — the Innovator IBD 50 ETF (FFTY) tacked on 0.4%. Oil prices were the notable laggard, with crude sliding.

Corporate earnings added fuel to the rally, with Shopify and Arista Networks both surging on strong results. Weak labor market data also played into investor optimism, bolstering hopes for a Federal Reserve rate cut next month — futures markets now price a nearly 90% chance of a quarter-point trim at the September 17 meeting. Volatility eased sharply, with the CBOE VIX finishing at 15.15, down from above 20 a week earlier — signaling a “no-worries” mood on Wall Street. Optimists see the S&P 500 reaching 6,900 by year-end, about 8% above current levels, on the back of expected rate cuts, lower taxes, and deregulation efforts.

### Companies:

Apple pledged another \$100 billion toward U.S. investments, bringing its four-year total to \$600 billion. Firefly Aerospace debuted on Thursday at \$70 a share — 56% above its IPO price — before retreating 17% the next day. Trump urged Intel CEO Lip-Bu Tan to resign amid questions about his ties to Chinese companies. OpenAI unveiled GPT-5, its latest AI model. Trump is also exploring a public listing for Fannie Mae and Freddie Mac as early as this year. Tesla awarded CEO Elon Musk a \$23.7 billion stock package to secure his leadership for at least two more years.

### **Major Index Performance (Week Ending Aug 1st):**

Index	Friday Close	Weekly	Monthly	YTD	1-Year
S&P 500	0.78%	2.43%	2.63%	8.63%	20.12%
Dow Jones Industrial	0.47%	1.35%	-0.15%	3.83%	11.99%
Nasdaq 100	0.95%	3.73%	4.00%	12.37%	28.23%
Nasdaq Composite	0.98%	3.87%	5.05%	11.08%	28.75%
Russell 2000	0.22%	2.51%	-0.42%	0.21%	7.71%

## Looking Ahead:

All eyes turn to fresh inflation data, with the Consumer Price Index (CPI) due Tuesday (Aug. 12) and the Producer Price Index (PPI) arriving Thursday (Aug. 14). The bullish momentum may carry into the week ahead, but monthly options expiration on Friday could spark short-term volatility before markets enter the historically softer late-summer stretch.

### **Sector Snapshot: Aggressive Plays Back in the Spotlight**

Sector	Weekly Change	One-Month Trend
Health Care (XLV)	-0.74%	-3.56%
Materials (XLB)	1.88%	-3.16%
Industrials (XLI)	0.73%	1.32%
Real Estate (XLRE)	-0.10%	-0.41%
Financials (XLF)	0.88%	-0.69%
Communications (XLC)	1.42%	0.80%
Energy (XLE)	-0.77%	-4.04%
Discretionary (XLY)	3.56%	2.81%
Utilities (XLU)	0.44%	6.21%
Staples (XLP)	2.89%	1.39%
Technology (XLK)	3.44%	3.76%

Last week's market action saw risk-on sentiment making a comeback, with aggressive sectors leading the charge. Technology (XLK) climbed 3.44%, Consumer Discretionary (XLY) jumped 3.56%, and Communications (XLC) rose 1.42% — signaling investors' renewed appetite for growth plays. Materials (XLB) also made a notable rebound, gaining 1.88% after weeks of weakness.

Even the usually steady Staples sector (XLP) impressed, up 2.89%, thanks largely to retail heavyweights Costco and Walmart pushing higher. On the flip side, Healthcare (XLV), Energy (XLE), and Real Estate (XLRE) lagged behind. Healthcare remains one of this year's underperformers, but technical setups in giants like Merck, Eli Lilly, and Bristol Myers Squibb hint at a potential recovery if momentum follows through.

In sector-specific highlights:

- **Discretionary (XLY)** broke above its 50-day EMA, boosted by upbeat Tesla headlines and a rebound in Amazon.
- **Utilities (XLU)** continued a steady climb, still riding demand expectations tied to AI-powered data center growth and its potential boost to utility revenues.
- **Communications (XLC)** benefited from strength in Internet and Telecom stocks — a sector that historically thrives during the summer months.

### **Important Economic events next week:**

Some important economic events scheduled for the upcoming week are:

Tuesday (08/12): CPI (MoM and YoY)

Wednesday (08/13): Crude Oil Inventories

Thursday (08/14): PPI (MoM and YoY), Initial Jobless Claims

Friday (08/15): Core Retail Sales, NY Empire State Manufacturing Index, Retail Sales, Michigan Consumer Sentiment, Atlanta Fed GDP Now (Q3)

### **Important Earnings this week:**

Some important companies scheduled to announce their Q2 earnings this week are:

Monday (08/11): Franco-Nevada

Tuesday (08/12): CoreWeave (CRWV), Circle Internet (CRCL), Rigetti Computing (RGTI), Sea (SE)

Wednesday (08/13): Cisco (CSCO), Coherent (COHR)

Thursday (08/14): Deere (DE), NetEase (NTES), Nu Holdings (NU), Tapestry (TPR)

### **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.

<b>NVDA</b>	The chip market leader Nvidia gained another 5.17% last week and scored several new highs. It is expected to continue its upward journey and score new highs in the coming week. It is offering a three-week tight range with an entry at new highs at 183.30. However, the risk-to-reward ratio on any new entries is shrinking. Any pullback to its 20-day EMA (149.49) or 50-day EMA (132.44) will be immediately bought by the anxious investors. Nvidia is a long-term leader and is likely to reach the 200 level.
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### **Interesting new picks for Watchlists:**

1. **AAPL:** Our long-term leader Apple is back. Apple likely scored a waiver on Tariffs by Trump by committing a \$100-600 billion investment over the next four years in USA. This pushed Apple's shares beyond 220. Apple is likely to resume its upward trend and catch up with Nvidia. Aggressive inventory is available at current prices with a stop loss below 201.50, however, considering a traditionally weaker period ahead for Tech stocks, position size should be managed to reduce catastrophic losses in case of a pullback.
2. **AGX:** Argan is again being inducted as it created a cup with handle pattern and offers a decent alternative entry at current prices.

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

<b>URBN</b>	Picked last week although the apparel store chain's stock did not move above 77.74 suggested entry, but we think the stock is building up for a move above 80 and still actionable at current prices with a stop loss below 70.17.
<b>APP</b>	Applovin which was selected last week, was a standout in software sector last week with an impressive earning reaction and a 20.26% weekly increase. The stock still looks like it is going to hit its previous highs at 525.15 though a bit extended.
<b>IONQ</b>	IONQ recovered 9.78% last week. As mentioned, it is a high volatility stock due to nature of quantum computing (accordingly a smaller position size was suggested). Any new entry should be put on hold.
<b>ATAT</b>	Atour found support at 50-day EMA showing strength in this stock. Its second quarter results are now due on 8/28. Wall street expects an EPS of 42 cents while sales increase of 30% over the last year. <b>An alternative entry is available</b> at current prices as it eyes the recent highs of 37.24.
<b>GBTC</b>	GBTC gained 3.03% last week as it continued its consolidation. Aggressive bitcoin investors could take a position in this bitcoin ETF at current levels with a tight stop loss below 87.65.
<b>AMZN</b>	Amazon once again bounced back after a sell signal and now testing its 20-day line. Let's see if it holds this level and moves past 226.22, it will be a buy signal. We still think in the long term, the stock will come back to previous highs at 242.52.
<b>AVGO</b>	Broadcom continued its impressive run with another 5.66% gain last week. If not taken it is time to take some profits and reduce the position size. Any pullback to its 20-day or 50-day EMA line will be anxiously bought by waiting investors.
<b>RCL</b>	RCL's earlier position should be closed as stated earlier. It may come further down for a brief test of its 20-week EMA. Till that time, put it in a watchlist.
<b>AEM</b>	As mentioned last week, AEM had a chance to move on, and it did not disappoint with an 8.30% increase last week. We think current uptrend has a chance to test 150 level before a pullback. No fresh entry recommended at this time.
<b>CRDO</b>	<p>CRDO continued to excel with another 11.95% gain last week. As stated earlier, it may be a good time to reduce the position size and let the rest run.</p> <p>Caution: These types of stocks are suited only to aggressive investors because of high volatility.</p>
<b>CIBR</b>	<p>CIBR lost another 0.57% last week. As stated last week, it looks like it could come down to 68 level which could provide a better entry.</p> <p>For long-term investors in AI, semiconductors, and cybersecurity, the Cybersecurity ETF CIBR is another way of investing in these stocks.</p>

<b>MELI</b>	MELI registered a 0.94% decline for the week after earnings. It did not hold the 2400 level as mentioned in our last report. If it regains the 2480 level and holds it, then it will be a buy signal with a stop loss below 2345.
<b>AU</b>	AU was mentioned as actionable last week, and it gained 17.76% last week. We think it has good long-term perspectives but could pullback after a huge gain. Let's wait for a better entry position around 50 if you missed the boat. Meanwhile, it is also time to take some profits from this winner.
<b>META</b>	Meta is still showing leadership among the Mag7 stocks with another weekly gain of 2.57%. Any pullback to its 20-day EMA line (currently 737.78) <b>will provide better support.</b>
<b>TSLA</b>	We have been mentioning for several weeks that Tesla is finding support around 300 and eyeing the 370 level. Tesla gained a huge 8.93% last week and back above the key averages, therefore we maintain the stance that it is eyeing the 370 level. Aggressive investors could take a short-term entry to achieve this target with a stop loss below 300.
<b>MSFT</b>	As mentioned last week, it appears that Microsoft is on its way to test its 20-day EMA (515). Despite an upbeat week in the market, Microsoft was almost flat showing a temporary consolidation.
<b>GOOGL</b>	Although Alphabet cleared its recent buy out and is expected to test its previous highs at 206.56, we think it is slightly extended. A better entry point will be when its RSI comes close to 30 level or a test of its rising 20-day EMA in the upcoming days.
<b>CVX</b>	Chevron gained 2.38% last week and looks set to slowly gain ground towards 166.93. The energy giant with a solid dividend (4.5%) is still a favorable play for many long-term investors.
<b>MPLX/HESM</b>	MPLX lost 0.94% and HESM lost 0.31% last week after an impressive run in the prior week. With high dividend yields, these pipeline operators are ideal for investors who want a continuous stream of income.
<b>BABA</b>	BABA gained 2.81% last week and is waiting for its earnings scheduled for 08/14. Although stock is in a buy range, but extra caution is required just around this event.

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Happy Trading and best regards,

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