

# Holiday Cheer Meets Market Fear: A Week of Whiplash and Window Dressing

Soft employment figures dominated the headlines this week, and Wall Street welcomed the news with open arms. Why? Lackluster job growth bolsters the case for additional rate cuts heading into 2026. A silver lining emerged mid-week when consumer spending data surprised to the upside, easing jitters about an economic slowdown. The Consumer Price Index was lower than expected, encouraging traders who anticipate further easing by the Fed. Looking ahead to the abbreviated trading week, third-quarter GDP figures drop on Tuesday, giving investors one last data point to digest before the Christmas break.

Both major tech-focused benchmarks managed to reclaim their critical 21-day and 50-day exponential moving averages by week's end. The Relative Strength Index held above the pivotal 50 threshold, reinforcing the near-term bullish case. A significant portion of this recovery is attributable to seasonal factors and the monthly options expiration on Friday, which prompted market makers to unwind in-the-money put premiums on underperforming technology and communication stocks.

The final two trading sessions witnessed a spirited comeback, though the broader week still finished in the red. Technology stocks drove Friday's rally, with both small-cap and large-cap shares seeing solid increases. Breadth improved notably on the Nasdaq, where advancers outpaced decliners by a 3-to-2 margin, while the NYSE saw a more balanced split.

Individual stocks exhibited significant volatility. Oracle stoked artificial intelligence spending fears mid-week, but Micron's robust earnings and the benign inflation print helped restore confidence. Treasury yields retreated on the economic data while crude oil plunged to four-year lows before staging a modest recovery. Carnival Cruise Lines emerged as a standout winner, surging after reporting quarterly profits that more than doubled. Nike, however, stumbled badly as escalating import tariffs squeezed gross margins.

The technology rebound remains on shaky ground. Gains in semiconductors and software could prove short-lived—driven by holiday seasonality that typically fades by mid-January. Wise investors benefit from staying flexible, adjusting their positions thoughtfully, and securing profits once their goals are met. Although, there is a reasonable chance for the markets to reach new highs during the remainder of the bullish season but eventually, there are higher chances for a correction in the days to follow. Raising cash and securing profits should take priority for now.

## Market Scorecard

Ticker	Last Day	Weekly	Monthly	YTD	1 Yr
S&P 500	0.88%	-1.27%	3.08%	16.10%	16.06%
Nasdaq Composite	1.35%	-1.26%	3.93%	20.55%	19.89%

<b>Ticker</b>	<b>Last Day</b>	<b>Weekly</b>	<b>Monthly</b>	<b>YTD</b>	<b>1 Yr</b>
Nasdaq 100	1.30%	-1.36%	3.48%	20.70%	19.47%
Dow Jones Ind	0.36%	-1.37%	4.31%	13.09%	13.43%
Russell 2000	0.84%	-2.71%	7.43%	13.51%	13.57%

## Sector Pulse

<b>S&amp;P 500 Sector</b>	<b>Weekly</b>	<b>Monthly</b>
Consumer Cyclical (XLY)	0.95%	8.53%
Healthcare (XLV)	0.57%	1.54%
Basic Materials (XLB)	0.49%	6.10%
Consumer Defensive (XLP)	-0.81%	2.18%
Financial Services (XLF)	-0.20%	6.75%
Communication Services (XLC)	-0.03%	4.21%
Utilities (XLU)	-0.47%	-4.46%
Real Estate (XLRE)	-1.03%	-1.25%
Industrials (XLI)	-0.56%	4.01%
Technology (XLK)	0.63%	3.62%
Energy (XLE)	-3.03%	-3.05%

## Sector Spotlight

Financials traded sideways but continue consolidating near highs above the 20-day EMA—rate cuts are proving to be a tailwind for banks. Basic Materials pushed higher as precious metals extended their winning streak; gold is flirting with a breakout after a stellar year, while silver notched fresh all-time highs.

Consumer Discretionary claimed the top spot, propelled by Tesla's march toward the \$500 level and strength in names like Lululemon. Healthcare continued its recovery from a sharp pullback two weeks prior, with biotech leading the charge on Friday's session. Industrials dipped modestly but rebounded alongside financials once the benign inflation data hit the tape.

Technology surged on Friday but posted only modest weekly gains. Micron's blowout earnings sparked a reversal rally in beaten-down chip names including Nvidia, AMD, and Applied Materials. Communications treaded water as internet stocks took a breather.

Energy was the week's biggest loser, dragged down by collapsing crude prices, though alternative energy, particularly solar, bucked the trend with notable strength. Staples and Utilities remained out of favor as capital rotated aggressively into growth and cyclical plays.

**Important Economic events next week:**

Shortened week due to Christmas holidays. The main events scheduled for coming week are:

Monday (12/22):

Tuesday (12/23): GDP 3<sup>rd</sup> Quarter and YoY, PCE Price Index (MoM) and (YoY), Consumer Confidence, Housing Starts

Wednesday (12/24): Continuing Jobless Claims, Durable Goods Orders (MoM)

**Important Earnings this week:**

No important earnings scheduled due to holidays in the coming week.

**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 rallied near 4% on Friday but was still below its 50-day EMA. This was all about the news that FTC cleared the company's \$5 billion investment in Intel and that their potential high-powered chip export to China is under a potential review which could end in a positive manner for them.</p> <p>We saw a double-bottom type of pattern where stock turned low towards the end of November and last week and then turned upwards. If Nvidia holds the lows of last week at 173.67 then it has a chance to consolidate or move upwards, otherwise a test of 165 is possible.</p> <p>Nvidia is still a long-term player and enjoys support from investors on every pullback, but we think any further addition at these levels is not warranted as pullback is not off the card.</p>
<p><b>AAPL</b></p>	<p>Apple has just tested its 50-day EMA line and bounced back. Aggressive investors could add further for a short-term test back to recent highs at 288.62. However, if Apple loses its recent low of 266.95 (which is expected with a broader market pullback) then position should be closed although AAPL is a long-term leader and its long-term trend is intact. We have also should take into account that period from Dec-Feb is also a weaker one for Apple compared to May-Aug.</p>
<p><b>AVGO</b></p>	<p>Broadcom experienced a huge drop after its recent results as it guided weaker than expected profit margins going forward. Although AVGO is a long-term leader and is expected to</p>

	continue its trend, overall market forces make it more likely that it will roll over at its test of 50-20 EMA around 350-358. It is, therefore, suggested to close this position at the test of this level to protect gains. Being a long-term leader, it will remain in our watchlist for another entry.
<b>GOOGL</b>	Google lost 0.69% last week but remains strong near its recent highs just like last week we mentioned it seemed extended and likely to find support at its 20-day EMA which it did. Meanwhile, some profits should be made if profits are above 15-20% threshold and reduce the position size.

### **Interesting new picks:**

Current market situation warrants us to be defensive as our trading style is more like aiming for a minimum of 15-20% on every trade, which for many stocks seems to be a high bar given the current market conditions. After the holiday period, it's wise to be cautious as market conditions may shift unfavorably for bullish investors. Therefore, it is advisable to implement robust risk management strategies and strict stop losses when considering new positions overall.

NEM / KGC: Newmont and Kinross Gold Corp both are Canadian gold miners involved in exploration and operation of gold mines around the world. These two gold miners are around buying zones as per our Daily TR Indicator and giving buy signals. Both are expected to benefit from the ongoing increase in gold prices and can therefore be used to invest funds released from closing other positions.

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

<b>LLY</b>	Eli Lilly was mentioned last week around 1000, and it justified its selection by increasing a handsome 10.7% in few days. The stock regained its uptrend and has so far gained 42.6% this year. No entry at this level.
<b>APP</b>	APP was a winner last week with a 7.56% gain and hopefully traders withstood through the sharp decline that occurred on last Friday (12/5). With the regained momentum it is likely to test its recent highs at 45.61 and <b>the stocks seems to be actionable</b> (although a reduced size is recommended)
<b>BABA</b>	Alibaba has been in a downtrend since November and made a new low during the week at 146.75. It is suggested to close this position at current levels as it appears to be setting up now for another leg down. It is trading under its 50-day EMA and any move above the 50-day EMA could provide an entry.  Please note that being a Chinese, BABA is a volatile stock and normally moves in a wider range above than our usual threshold of 8-10%.

<b>AMZN</b>	Amazon gained 0.5% last week as it found support at its 50-week line. It still offers <b>another aggressive entry</b> with a stop loss below 211.
<b>XPO</b>	XPO flashed a sell signa and accordingly it is suggested to close the position while in profit.
<b>FTI</b>	TechnipFMC lost 3.45% for the week ending its winning streak which lasted for seven weeks. Ase, and some profits should be made when it reaches 15-20% range and reduce the position size as it is likely to consolidate or even come down soon.
<b>IBM</b>	IBM lost 2.67% last week as flat last week as it found support at its 50-day EMA line. While IBM is positioned as an IT/AI leader, it benefits from several tailwinds, including enterprise AI adoption, and Quantum differentiation etc., but given the market conditions it could enter a consolidation phase. Accordingly, the position size should be reduced to secure some profits at current levels.
<b>WDC</b>	WDC gained another 2.69% for the week besides a deep drop and test on Wednesday. It was suggested last week that it was due for a pullback, and some profits should have been made.  Given that it looks extended, no new entries now but we will continue to monitor the stock performance for a new buy signal.
<b>ATAT</b>	ATAT lost 2.25% during the week after making new highs in the prior one. It is a volatile stock and can reach new highs but if it loses this week's low at 40.40 then it could be time to close the position.
<b>AMD</b>	AMD is looking for support at its rising 20-week EMA line, but it is still trading below the 20-day and 50-day EMA line. We think anticipated weakness in aggressive areas of the market could also take a toll on AMD stock price and we should wait for a better entry point.
<b>PWR</b>	Quanta Services lost another 2.67% last week and its breakdown on Wednesday triggered a sell signal. Accordingly, the position should be closed for its next test of 50-day EMA in the coming days as it could roll over.
<b>GEV</b>	Although GEV lost 2% for the week, its huge drop on Wednesday of 10% was a sell-signal. Although it is likely to gain some ground but to protect capital, it is suggested to close the position if close to entry price.
<b>FIX</b>	Comfort Systems lost 2.8% last week as it lost 1020.26 buy point. This position was opened in September around 706 and some profits should be secured at this level.
<b>MU</b>	MU was a winner last week (see our main note above) registering a 10.28% gain for the week and jumping to new highs on earnings. It was mentioned last week that it was likely to find support around 50-day EMA which it exactly did. The

	stock now seems extended and should find support around gap at 240-245 range.
<b>TSLA</b>	As expected, Tesla hit an all-time high last week as it is trying to break the 500 level. With market rising due to bullish patterns and Santa rally, it is expected to break this level but as its history suggests, it could experience a breathing period which could provide a better entry at low prices. We think any pullback to its moving averages around 400-420 level will again provide decent support as it looks extended at these levels.
<b>MPLX</b>	MPLX fell 2.1% and traded down in second week in a row. This pipeline operator has increased its dividend yield recently and still offers 8% yield at current prices. Ideal for dividend seekers although seem extended at current prices. Another entry is possible at current prices as the stock is finding support at its 50-day EMA line.
<b>GLDM</b>	Gold is sitting at forefront in a very confirmed uptrend as GLDM is trying to break out from a buy point of 85.90.  Long term indicators still fully support a continuation of the trend in gold.

**Website:**

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<https://chat.whatsapp.com/FII6mn7fXA60wltZvRxOvm>

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