

U.S. Equities Near Highs as Earnings Drive Rotation Within Technology

Looking at the major indices, you'd think nothing happened last week. The S&P 500, Nasdaq, and friends barely budged—like a cat pretending not to notice the laser pointer. But don't let the calm surface fool you. Underneath, money was shuffling around like passengers on a sinking ship looking for the best lifeboat.

Friday's session wrapped up with the S&P 500 eking out a microscopic 0.03% gain, while both Nasdaq indices essentially called it a draw. Small caps had a rougher go, surrendering their early-session optimism and limping into the weekend with modest losses. Worth noting: more stocks fell than rose on both the NYSE and Nasdaq—a subtle warning sign that the bulls aren't entirely in charge.

What Moved the Needle

Tuesday brought a sharp selloff courtesy of renewed anxiety over the administration's Greenland ambitions and potential European tariff threats. But markets have short memories. Once the Davos crowd finished their fondue and offered some reassuring commentary, risk appetite returned with a vengeance. Technology and Consumer Discretionary names snapped back, nearly erasing the damage.

On the economic front, inflation data came in cooler than feared, and an upward revision to Q3 GDP reminded everyone that the American economic engine still has plenty of horsepower. This week promises fireworks: the Fed announces its rate decision, and heavyweights including Apple, Microsoft, Meta, Tesla, and IBM step into the earnings confessional.

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	0.03%	-0.35%	+0.08%	+1.02%	+13.02%
Nasdaq Composite	0.28%	-0.06%	-0.26%	+1.12%	+17.19%
Nasdaq 100	0.34%	+0.30%	+0.07%	+1.41%	+16.91%
Dow Jones Ind	-0.58%	-0.53%	+1.35%	+2.15%	+10.17%
Russell 2000	-1.85%	-0.36%	+5.05%	+7.58%	+16.77%

Sector Pulse

S&P 500 Sector	Weekly	Monthly
Basic Materials (XLB)	2.65%	9.22%
Real Estate (XLRE)	-2.27%	2.66%
Industrials (XLI)	-1.61%	4.61%
Consumer Defensive (XLP)	0.97%	6.97%
Energy (XLE)	3.15%	10.54%
Utilities (XLU)	-1.91%	-0.14%
Technology (XLK)	-0.36%	-0.59%
Consumer Cyclical (XLY)	0.68%	0.79%
Healthcare (XLV)	1.12%	1.61%
Financial Services (XLF)	-2.52%	-4.26%
Communication Services (XLC)	1.55%	-0.37%

Sector Spotlight

The sector rotation that kicked off a couple months back continued at full speed. Precious metals stole the spotlight—silver blasted through \$100 per ounce on Friday while gold kept glittering amid global uncertainty. Materials (XLB) and miners rode this wave to lead the weekly and monthly charts, with many gold stocks now stretched on their technical setups.

Energy (XLE) claimed the top weekly spot, propelled by Venezuelan policy developments pushing crude higher. Names like Chevron, Halliburton, and Schlumberger stand to benefit if this trend persists. Even the beaten-down solar space got some love, with TAN breaking out to fresh highs.

Technology presents a mixed picture. Semiconductors remain the crown jewel—SOXX hovers near all-time highs—but the software crowd has been a persistent drag, offering only tepid bounce attempts over the past month.

Industrials pulled back from recent peaks. Aerospace names took a hit on Friday after GE's earnings triggered sell signals, dragging the stock below its 50-day moving average and pulling peers down with it.

Healthcare trimmed its recent losses, though medical device companies (looking at you, ISRG) weighed on the sector. The week's standout was Moderna, surging 16.45% after management delivered surprisingly upbeat revenue guidance and impressive cost discipline.

Defensive Plays Gaining Favor

Here's an interesting development: the Consumer Staples-to-Discretionary ratio is climbing again, signaling that investors are rotating toward safety. Walmart, Costco, TJX, and Urban Outfitters powered the defensive sector higher, while tariff fears continue haunting the discretionary space.

Financials (XLF) entered outright downtrend territory. The culprit? Proposed credit card interest rate caps that have bank stocks and consumer credit companies sweating. Utilities extended their slide that began in mid-October—apparently nobody wants to hide in the boring corner just yet.

The Road Ahead

Let's be honest: last week resolved absolutely nothing. With the current administration at the helm, the only guarantee is more surprise announcements that keep economists, investors, and traders perpetually on their toes. Markets despise uncertainty, and that's precisely what's on the menu.

Remember last April's "Liberation Day" reversal? Expect more of those policy U-turns. The net effect continues pushing global capital away from the dollar—not great news for U.S. bonds and equities over the longer term.

The beneficiaries? Gold, silver, palladium, and rare earth metals remain natural safe havens as central banks diversify out of American debt. Expect choppy conditions for the next several months, but opportunities will emerge, particularly in healthcare, small caps, and consumer staples.

Stay nimble, stay informed, and don't let the flat index return lull you into thinking nothing's happening. The rotation is real, and positioning matters more than ever.

Important Economic events next week:

Shortened trading week since US markets will remain closed on Monday Jan 19 in observance of Martin Luther King Jr.

Monday, Jan 26: Durable Goods Orders (MoM) (Nov)

Tuesday, Jan 27: Housing Price Index, Consumer Confidence (Jan)

Wednesday, Jan 28: US President speaks, FOMC Interest Rates decision and statement.

Thursday, Jan 29: Initial Jobless Claims, Exports, Imports, Atlanta Fed GDPNow (Q4)

Important Earnings this week:

Earnings week is kicking off this week with last quarter results. Some important results scheduled for this week are listed below. Big banks are first to announce their results:

Tuesday, Jan 27: Nextpower (NXT), Seagate Tech (STX), Boeing (BA)

Wednesday, Jan 28: Amphenol (APH), ASML Holding (ASML), Celestica (CLS), Lam Research (LRCX), Meta Platforms (META), GE Vernova (GE), General Dynamics (GD), IBM (IBM), Tesla (TSLA), Microsoft (MSFT)

Thursday, Jan 29: Western Digital (WDC), Southern Copper (SCCO), KLA (KLAC), Caterpillar (CAT), Apple (AAPL)

Friday, Jan 30: SoFi Tech (SOFI), ExxonMobil (XOM), Chevron (CVX)

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	<p>Nvidia closed back above 20-day EMA and 50-day EMA. This was the good news. Bad news is that NVDA has been trading in a range since July and multiple attempts to move out have failed. It is not trending downward, but compared to other semiconductor stocks, it is close to a 52-week low.</p> <p>Nvidia is still a long-term player and enjoys support from investors on every pullback as shown by higher lows but for the time being it is better to wait and observe its behavior. After absorbing last few years' gain, it has the potential to move back to new highs once the semiconductors as a group get more traction.</p>
AAPL	<p>Apple lost 2.9% during the week and now has 8 losing weeks in a row, its longest streak since 2022. We closed its open position two weeks ago though it remains our long-term leader. We also mentioned earlier that current period (Dec-Feb) is historically weak and hence we should wait for another suitable entry past this period. Apple lost another 1.48% and is slowly drifting towards further lows. While it is testing its 200-day EMA currently and could bounce from here, a falling market could further pull it down which would provide us with a better entry. Please note that Apple's results are due on Thursday.</p>
GOOGL	<p>Google remained flat with a modest 0.63% loss last week. It looks like it might roll over a little bit along with a broader pullback in the market. Google is still a strong long-term performer and the only Mag7 stock with a healthy chart. It is getting increased support from the best mutual funds who injected billions into this stock last month. However, considering an expected slack period ahead we think it is time to wait for a better buy point for Google.</p>

Interesting new picks:

We continue to maintain our cautious outlook given the fact that market seems poised for a pullback. However, this action could also generate some good opportunities as well:

BKV: Denver-based BKV is a US on shore natural gas exploration, development and production company approaching a new buy point amid steady oil prices. It also holds 50% equity interest in new power plants near Austin which will provide power to Data centers. **It is approaching a new 28.46 buy point.** Both revenues and earnings are expected to increase in 2026 while it is relatively strong against the broader index.

BJ: In Staples area, BJ's Wholesale Club sounds interesting especially if this capital rotation persists and retailers like Costco, Walmart, TJX etc. continue to perform well. At 20 times earnings, BJ is trading at a discount compared to Costco at 46 and Walmart at 40. Management has guided a 2-3% revenue and 7% increase in EPS in 2026. **Our TR indicator is also flashing a buy signal** on daily chart and within 5% of the next buy point at 100 with a stop loss below 92. March is traditionally a particularly good month for its stock.

Medium- and Short-Term Picks:

MEDP	Selected last week, MEDP pulled back by 3% last week but it found support at 50-day EMA. The stock is still in an entry zone with favorable risk/reward to ratio with a stop loss below 530.96.
NVT	Selected last week, nVent Electric plc retreated by 1.78% last week but it is still close to the buy point of 109.68 as per the TR indicator. It looks good for further increase although it is trading at high P/E ratio. Keep your stop loss tight if you decide to go for it.
COST	Picked two weeks ago, Costco gained another 2.04% and was a major factor (along with Walmart) for another strong performance of Staples sector. It is in a V-shape recovery and now it is back above all major moving averages. We think another test of its 50-day EMA is due and while it appears to surpass 1000 soon, a weak market could cause it to fall back, so it's wise to be cautious before making any new investments at this time.
TSM	TSM cooled by 2.2% last week, which is normal after a breakout in the prior week after earnings. TSM is a strong stock and is likely to continue its growth as it is showing characteristics of a long-term leader. No new entries at this time as any pullback in the market could also put pressure on TSM as well. However, any pullback to 50-day EMA at 307-310 range could provide a decent entry.
APH	Picked three weeks ago, APH cooled by 2.2% last week after a very nice 10.15% gain in the prior one. While long-term indicators continue to point towards a continuation of trend, it is extended and we should wait for a better buy point around a buy zone. At this point, it seems a bit extended. Wait for a pullback to 140-145 range.
GH	Guardant Health gained another 2.33% gain. The stock seems strong and could extend its recent gains as it is within 5% of the recent buy point of 112.43.

GE	General Electric lost 9.67% for the week and its position was closed on Thursday amid a breach of 50-day EMA on quarterly results. Although it is at a support at the moment, but we think we should wait and see because a rollover is possible.
NEM/KGC	Continuing their march along with gold, NEM and KGC made decent gains of 8.93% and 10.4% last week. These two gold miners were picked on 19 th December and in one month produced approximately 23% and 30% gains respectively. While we continue to think gold miners will perform well overall, best opportunities for entry are expected to emerge around their 20-day and 50-day exponential moving averages (EMAs). Pullbacks to these levels are likely to be met with buying interest, making them ideal spots for another round of investment.
LLY	Eli Lilly gained 2.49% again last week as it is trying to consolidate at current levels. Currently, it offers another entry with a low below 977.12 as the long-term trend is still in place. Its multiple quarters of double and triple-digit earnings and sales growth make it a strong contender and leader among the Medical-diversified industry group.
AMZN	Amazon was once again flat last week. Overall market conditions suggest a cautious approach as it could pull back Amazon stock further, however, it will still be a good buy between 215-225 range.
FTI	TechnipFMC continued its rise and gained another 4% last week (now four in a row). As mentioned, it seems extended and some profits should be taken to reduce the position size. Watch a pullback to 20-day EMA for another entry.
IBM	IBM lost 4.33% last week as it continued to consolidate in a range. A close below 288 should lead to closing the position which it is likely to hit given the recent price action and earnings due on late Wednesday.
WDC	WDC gained another 6.72% and continued to defy gravity. Again, its recent price action makes it more suitable for buying pullbacks at test of its rising 20-day or 50-day EMA lines.
AMD	AMD gained another 12% on top of a 14.11% gain in the previous one. It is now testing resistance around 263-266 range and is trying to come out of this range. AMD is trying to form a base at current levels and any further pullback to 200-210 range is likely to find support and should be bought with a reduced position amid market conditions.
FIX	Comfort Systems was flat with a 0.13% loss after a decent 10.84% gain last week. If the gains are within 20-20% range or more then some profits should be taken. No more entries at this level.
MU	MU is showing what memory stocks needed from AI space. It gained another 10.17% last week and has made a spectacular run of 360% since selected in August, marking ninth weeks of gains in a row. The stock is extended and could experience a pullback. Any pullback to 300-320 range is likely to find support.
TSLA	Tesla plans to report its results late Wednesday, and due to fewer deliveries, both earnings per share and revenue are expected to decline. Investors are more

	interested in getting updates on robotaxi rollout, Cybercab production, unsupervised full self-driving. Tesla shares are stuck in a range and so far down in this month, however, they could break out on optimistic future guidance. No entries for now since period around earnings is always dicey.
MPLX	MPLX gave back 2.5% from its prior week gain of 6.75%. Last week, it was noted that an additional investment in this high-dividend stock, which currently yields 7.8%, might be considered. Right now, it seems a bit extended and above the last available buy point. Long-term indicators are fully in support of a continuation of the trend.
GLDM	Gold's amazing run continued with a gain of another 8.71% last week as gold is pushing towards a milestone of 5,000 USD/ounce. It continues to look like a long-term holding and any pullback in gold will not be likely to persist and hence it could provide a better entry. Now, Gold seems due for a pullback.

Website:

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