

# Big Tech delivers, but Wall Street seems to be in a dodgy mood

## Week of Jan 25-30

What a week. A second fatal shooting by federal officers in Minneapolis ignited public fury and put a government shutdown back on the table. Gold pierced \$5,000 before reversing sharply, the dollar slumped to a four-month low, and consumer confidence hit a 12-year trough. Through it all, the major indices settled on a collective shrug.

The Dow shed 0.4%, the S&P 500 squeaked out a 0.3% gain, and the Nasdaq dipped 0.2%. But those tidy numbers mask turbulence underneath—all three benchmarks spent Thursday and Friday deep in the red, with the VIX spiking from 16 to nearly 20. The Nasdaq clung to its 50-day moving average, though both it and the S&P 500 lost their 20-day support levels. Declining stocks outnumbered advancers 2-to-1 on Nasdaq, where heavier volume added another red day to the count.

## Precious Metals: Euphoria meets whiplash

Gold and silver surged to fresh all-time highs early in the week before Thursday's trapdoor opened. Both metals suffered violent selloffs that caught traders flat-footed. Profit-taking? Liquidity squeeze? Crowded trade unwinding? The technical damage bears watching—precious metals just reminded investors that even safe havens can turn treacherous without warning.

## Geopolitical crossfire

President Trump floated 100% tariffs should Canada sign a trade deal with Beijing, then threatened to decertify Canadian aircraft. His nomination of Kevin Warsh as Fed Chair added uncertainty, arriving as the central bank delivered a hawkish-leaning rate hold that hammered rate-sensitive small caps—the Russell 2000 dropped 2%. One bright spot: the EU and India finalized a landmark trade agreement.

## The Magnificent Seven: Split Decision

Although mega-cap tech underperformed for most of 2026, it eventually gained momentum. Meta surged 8.8% on blockbuster earnings; Apple gained 4.6% despite Friday's post-earnings stumble. Five of seven giants finished higher—only Tesla and Microsoft closed down.

Microsoft's 10% Thursday plunge deserves attention. The company beat on revenue and earnings, but Azure growth decelerated, capex ballooned, and guidance disappointed. Meeting expectations is not enough when investors demand you exceed them. Meanwhile, ASML posted record quarterly orders, reinforcing semiconductor optimism.

## Corporate Carnage Elsewhere

Healthcare insurers got crushed after the administration proposed raising Medicare Advantage rates just 0.09% for 2027—UnitedHealth, CVS, and Humana all tumbled. United Rentals collapsed 15% on weak earnings, raising questions about capital spending. Software stocks faced an AI existential crisis: Intuit plunged 12%, and the tech-software ETF hemorrhaged 7.6% despite solid Salesforce results.

## Strategic Moves

Nvidia committed another \$2 billion to CoreWeave. Micron announced \$24 billion for Singapore over ten years. SoftBank, Nvidia, Microsoft, and Amazon are reportedly discussing a \$60 billion OpenAI infusion. UPS is cutting 30,000 jobs: Amazon, 16,000. Tesla discontinued Models S and X to pivot toward robotaxis and robots.

## The Bottom Line

Big Tech delivered, but it wasn't enough to set a clear direction. If even gold can't hold gains, where's safe ground? With sentiment cratering, geopolitical tensions simmering, and the Fed offering no relief, expect continued volatility.

Time to trim exposure, sell into strength, and raise cash—while staying alert for opportunities that may surface where least expected.

## 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	-0.43%	+0.34%	+0.62%	+1.37%	+14.29%
Nasdaq Composite	-0.94%	-0.17%	+0.18%	+0.95%	+19.21%
Nasdaq 100	-1.28%	-0.21%	+0.35%	+1.20%	+18.80%
Dow Jones Ind	-0.36%	-0.42%	+1.09%	+1.73%	+8.94%
Russell 2000	-1.41%	-1.95%	+4.68%	+5.48%	+14.90%

## Sector Pulse

S&P 500 Sector	Weekly	Monthly
Basic Materials (XLB)	-1.40%	+7.74%
Real Estate (XLRE)	+0.44%	+1.74%
Industrials (XLI)	+0.74%	+5.77%
Consumer Defensive (XLP)	+0.72%	+6.86%
Energy (XLE)	3.78%	+13.55%
Utilities (XLU)	+1.62%	+0.68%
Technology (XLK)	-0.83%	-1.05%
Consumer Cyclical (XLY)	-1.59%	+0.67%
Healthcare (XLV)	-1.74%	-0.60%
Financial Services (XLF)	+0.70%	-3.15%
Communication Services (XLC)	+2.67%	+1.51%

## Sector Spotlight

### Winners:

Energy (XLE) claimed the top spot for the month, powered by gains in Chevron and other majors. This tracks with historical patterns—energy stocks typically thrive during the first quarter before fading in the back half of the year. Natural gas names added fuel to the rally as frigid temperatures and snowstorms across much of the country drove prices higher.

Consumer Staples (XLP) also performed well, anchored by heavyweight Walmart and consumer products giant Johnson & Johnson. The defensive posture continues to attract capital amid broader market uncertainty.

Communications (XLC) bucked the overall trend thanks to telecom stalwarts AT&T and Verizon, both of which delivered better-than-expected earnings. Meta's 8.8% surge and Google's continued momentum provided additional lift, helping the sector post solid gains.

Industrials (XLI) notched a respectable 0.74% advance, with Boeing leading the charge following its recent earnings beat. Defense and aerospace names remained firm across the board.

Financials (XLF) ended Friday flat but posted weekly gains despite lingering pressure from the administration's proposed cap on credit card interest rates.

Real Estate (XLRE) has been trading sideways for several weeks, though its defensive characteristics have allowed it to outperform more aggressive sectors like Technology and Consumer Discretionary over the past month.

## **Laggards:**

Basic Materials (XLB) suffered a sharp fall like gold, silver, and platinum reversed hard from their highs, dragging the entire sector lower.

Technology (XLK) endured a volatile week and appears poised for further weakness—its PPO indicator is sliding toward the zero line. Bright spots were scarce: SanDisk and Micron delivered impressive gains that buoyed semiconductors, but the software group was a disaster. The Dow Jones Software Index cratered 9%, led by Microsoft's sharp post-earnings decline.

Healthcare (XLV) showed signs of fatigue, with names like Merck fading. Several major pharmaceutical and biotech companies report next week, which could either revive the sector or extend its malaise.

Utilities (XLU) remained under pressure, weighed down by a two-month slump. Ironically, the same winter weather

boosting natural gas stocks has done little to lift this traditionally defensive sector.

## **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, Feb 2: S&P Global Manufacturing PMI (Jan), ISM Manufacturing Prices and PMI (Jan)

Tuesday, Feb 3: JOLTS Job openings (Dec),

Wednesday, Feb 4: ADP Nonfarm Employment Change (Jan), ISM Non-Manufacturing PMI (Jan), ISM S&P Global Services PMI (Jan), Crude Oil Inventories

Thursday, Feb 5: Initial Jobless Claims

Friday, Feb 6: Nonfarm Payrolls (Jan), Average Hourly Earnings (Jan), Unemployment Rate (Jan), Consumer Sentiment (Feb)

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

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:

Monday, Feb 2: Fabrinet (FN), Rambus (RMBS), IDEXX Lab (IDXX), Palantir Tech (PLTR), Teradyne (TER)

Tuesday, Feb 3: Advanced Micro Devices (AMD), Amgen (AMGN), Cirrus Logic (CRUS), Merck (MRK), Pfizer (PFE)

Wednesday, Feb 4: Alphabet (GOOGL), Eli Lilly (LLY), Boot Barn (BOOT), Novo Nordisk (NOVO), AbbVie (ABBV), O'Reilly Automotive (ORLY)

Thursday, Feb 5: Bloom Energy (BE), Genmab (GMAB), Monolithic Power Systems (MPWR), Illumina (ILMN), Amazon (AMZN), Bristol Myers Squibb (BMY)

Friday, Feb 6: nVent Electric (NVT), CBOE Global Markets (CBOE)

## 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>	<p>Nvidia remains at its 50-day line during a months-long consolidation and is watching for an entry at 212.19. It 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>
<b>AAPL</b>	<p>Apple reported its earnings on January 29, and the stock rose 4.6% following the announcement, encountering resistance near the 260 mark. Although Apple is a long-term leader, but current market environment is not supportive of a move upwards. As soon as one of our bullish trend indicators (TR indicator, Ichimoku Cloud or EMA cross-over) gives a buy signal, we should be looking for an entry. February is also a slack month traditionally for Apple and should be avoided if possible.</p>
<b>GOOGL</b>	<p>Google gained another 3.1% during the week and hit a new high. However, given the current market conditions which seem that Mag7 stocks are retreating, it is better to wait for a pullback and buy at better prices. Google has also been weak traditionally during the month of February. Better entry options will be to buy it on pullbacks to 296-310 range.</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:

**META:** Meta has reported some strong numbers causing it to jump and then trying to close the gap around 711. It is likely to find support at current levels or build a base before starting moving up. Target: 800, Stop Loss: 692

**GEV:** GE Vernova which was closed a few weeks ago, broke out on Friday only to close below the entry at 731. It is right now offering an early entry with a stop loss below 658.

**CVX:** Chevron, with its 3.87% yield, has always been a handsome dividend player. Recent developments in Venezuela have positively impacted Chevron which has broken out of a multi-year long base with a 16% gain in January. The stock is expected to continue to rise with a target to test 200 level and stop loss below 163. It is, however, also expected to close the gap around 170 which could be even a better entry.

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

<b>BKV</b>	Selected last week, BKV rose by 5.6% and justified its selection. It is still within the 5% buy point at 28.46. It is expected to increase revenues and earnings in 2026 while also relatively strong against the broader index.
<b>BJ</b>	Selected last week, BJ failed at its buy point and hit our stop loss around 92. While we still think that it has good chances to move back, if the position is still open and it undercuts Friday's low at 89.32 then it should be closed. This is a choppy action and could lead to further downside in case of failure.
<b>MEDP</b>	Selected two weeks ago, MEDP lost another 1% last week but it found support at 50-day EMA. If a position is open, it should be given some room to play out but should be closed below 550. MEDP faced pressures along with the overall Healthcare sector which came under pressure last week.
<b>NVT</b>	Selected two weeks ago, nVent is again close to its entry and a buy point of 109.68 as per the TR indicator. <b>It looks good for further increase</b> although it is trading at high P/E ratio. Keep your stop loss tight if you decide to go for it.
<b>COST</b>	Costco gained lost 4.24% last week after three green weeks in a row. It was mentioned last week that a test of its 50-day EMA was due which it did not and reversed at the 20-day EMA. A weak market could cause it to fall back, so it's wise to be cautious before making any new investments at this time.
<b>TSM</b>	TSM lost another 1.3% last week, which is normal after a breakout and a decent run 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 <b>310-312 range could provide a decent entry</b> .
<b>APH</b>	Picked three four weeks ago now, APH lost 4.58% last week before making a new high. We mentioned last week that it was extended and a pullback was due. It offers another entry around 140 level to see a bounce back to 150 or beyond.
<b>GH</b>	Guardant Health was flat for the week but gained 3.22 on Friday when most of the market was in red showing its strength. The stock seems strong and could extend its recent gains as <b>it is within 5% of the recent buy point of 112.43</b> . Stop loss should be below 105.78 (the Wednesday close) or 50-day EMA (103.87 currently).

<b>NEM/KGC</b>	<p>The price action for these two gold miners and breaching the 50-day EMA on higher volumes are sell signal. Accordingly, we should close these positions in profits as well. A slight downward movement in gold could cause further sharp decline in these two mining stocks which otherwise are in good condition.</p> <p>If gold finds support (which it is likely to have) then KGC should find support between 29-30 level while NEM should find support between 100-105 levels where these two should be reconsidered for another entry.</p>
<b>LLY</b>	<p>Eli Lilly lost 2.55% and is currently trading at a lower side of its recent trading range. It still offers <b>another entry with a low below 977.12 as the long-term trend is still in place</b>. However, earnings are due on Wednesday and hence caution with position sizing is warranted.</p>
<b>AMZN</b>	<p>Amazon was flat during the week as it once again tried to break 248 level which it could not do. Overall market conditions suggest a cautious approach as it could pull Amazon stock further, <b>however, it will still be a good buy between 215-225 range</b>.</p>
<b>FTI</b>	<p>TechnipFMC continued its rise with another 2.69% gain (now five weeks 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.</p>
<b>IBM</b>	<p>IBM gained 4.88% last week as it continued to consolidate in a range. A good earnings report caused initial jump but lost its momentum somehow on Friday along with the broader market. Consider reducing your position while in profits.</p>
<b>WDC</b>	<p>WDC gained another 5.85% around earning times but last week shooting star candle could be start of a consolidation. In addition, this is not a strong season to consider WDC. However, a pullback to its rising 50-day EMA (currently at 230) <b>could provide a quick 5-10% gain</b>.</p>
<b>AMD</b>	<p>AMD again failed at the resistance level last week and lost 6.13%. Any further pullback to 200-210 range is likely to find support and should be considered with a reduced position amid market conditions.</p>
<b>FIX</b>	<p>Comfort Systems gained another 1.84% last year to make another high before pulling back by 2.5% on Friday. If the gains are within 20-20% range or more then some profits should be taken. No more entries at this level.</p>
<b>MU</b>	<p>MU rose again by 3.8% last week, making it 10<sup>th</sup> in a row. We maintain our stance that stock is extended and could experience a sharp pullback. Any pullback to 300-320 range is likely to find support.</p>
<b>TSLA</b>	<p>Tesla lost 4.15% for the week and as expected both earnings per share and revenue declined. It is holding support at 420 level but under the current risk-off environment, it seems difficult for Tesla to recover soon No entries for now since period around earnings is always dicey.</p>

<b>MPLX</b>	Our favorite dividend player has enjoyed a good ride since October as it gained 1.32% last week, currently yielding 7.7%. 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 and any pullback to its 50-day or 200-day EMA will automatically be a buy.
<b>GLDM</b>	We mentioned last week that Gold was due for a pullback. Gold's amazing run ended with a sharp pullback on Thursday followed by a huge drop of 10% on Friday. It looks like gold is pushing towards a strong support around 88-92 range where it is likely to get support.

**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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