

## Treading Water: Wall Street Braces for Headwinds Amid Trade Tensions and Rate Drama

Markets took a breather last week, ending on a softer note after a solid run throughout the past month. Despite broad declines across major benchmarks, the broader uptrend remains intact—so long as indexes hover above their 20-day exponential moving averages.

Investors largely shrugged off President Trump's bold new tariff salvos, including a steep 50% hike targeting copper imports. The S&P 500 and Nasdaq reached new all-time highs on Thursday before easing back. Nvidia (NVDA) and AMD (AMD) outperformed, but many high-growth and speculative tech names, particularly in the cybersecurity space, endured sharp losses. Meanwhile, Treasury yields inched upward, and U.S. copper prices surged, widening the divergence with international markets.

Small-cap stocks, which had lagged earlier in the year, finally showed signs of strength. The Russell 2000 climbed above key moving averages, lifted by strong shows in homebuilders and clean energy stocks. Volatility, measured by the VIX, stayed muted under 17, spiking only slightly on Friday—signaling that investor fear remains relatively low.

On the retail front, Amazon's (AMZN) extended four-day Prime Day wrapped up with mixed reviews. While Tuesday alone saw a massive \$7.9 billion in online sales—a 10% YoY increase—thanks also to discounts from Walmart (WMT) and Target (TGT), some participating brands noted underwhelming sales figures. The final verdict is pending, but questions linger over the event's long-term effectiveness amid tariff worries.

Looking ahead, earnings season begins in earnest this week, typically a bullish stretch for July. However, renewed trade war concerns may stir volatility. Over the weekend, Trump announced fresh tariffs—35% on Canadian goods and 30% on imports from Mexico and the EU—raising fears of global retaliation and policy uncertainty, a key market enemy.

At the same time, Trump continues to pressure the Federal Reserve for rate cuts, blaming current policy for ballooning national interest expenses, which he claims could soon exceed defense spending and top \$1 trillion. The president's criticism of Fed leadership could stoke bond market volatility and further weaken the U.S. dollar, already down 10% year-to-date.

In conclusion, corporate earnings are projected to hold up well, with S&P 500 revenues expected to rise by nearly 4% YoY and GDP growth estimated at 2.8% for Q2. Low inflation should act as a cushion in the near term. However, market participants should tread carefully: while the short-term setup looks favorable through mid-August, historical seasonality and heightened policy uncertainty could trigger deeper pullbacks. Avoid chasing inflated valuations or taking outsized risks without solid conviction.

The performance of major US indices during the last week was as follows:

<b>Index</b>	<b>Friday (7/11)</b>	<b>Weekly</b>	<b>Monthly</b>	<b>YTD</b>	<b>1-Year</b>
S&P 500	-0.33%	-0.31%	3.94%	6.43%	12.09%
Dow Jones Industrial	-0.63%	-1.02%	3.51%	4.30%	11.62%
Nasdaq 100	-0.21%	-0.38%	4.21%	8.42%	12.71%
Nasdaq Composite	-0.22%	-0.08%	4.94%	6.60%	12.59%
Russell 2000	-1.38%	-0.62%	4.06%	0.84%	6.43%

The performance of S&P 500 sectors during the past week was as follows:

<b>Sector</b>	<b>Weekly Change</b>	<b>One-Month Trend</b>
Energy (XLE)	2.41%	4.13%
Financials (XLF)	-1.94%	2.63%
Technology (XLK)	-0.43%	6.63%
Communications (XLC)	-1.88%	1.71%
Staples (XLP)	-1.67%	-0.14%
Real Estate (XLRE)	-0.55%	-0.13%
Industrials (XLI)	0.52%	4.45%
Discretionary (XLY)	0.10%	3.34%
Utilities (XLU)	0.75%	2.61%
Materials (XLB)	0.16%	4.48%
Health Care (XLV)	-0.23%	0.06%

Industrial sector (XLI) was at the forefront as many construction and industrial names are moving higher. Materials were also in demand as Silver, Gold and Copper are in bullish trends. Copper especially took a huge jump with 8.65% weekly gain as Trump threatened to impose a 50% tariff on it on Tuesday. This surge was the biggest increase in the intraday for the commodity since 1989. Energy sector (XLE) was leading as Crude Oil prices rose for the week amid fresh developments in the conflict between Russia and Ukraine. Another factor was a pop in Solar energy stocks earlier in the week as there was some tax reliefs provided in the new “Big tax bill” passed on July 4<sup>th</sup>. Consumer Discretionary (XLY) was almost flat as Tesla recovered some of its recently lost ground and Amazon hold during its recent Prime Day offering. Financials (XLF) also experienced a pullback as many of the large banks are trading in overbought territory and investors are waiting for their earnings next week.

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

Some important economic events scheduled for the upcoming week are:

Tuesday (07/15): CPI (MoM) and (YoY), NY Empire State Manufacturing Index

Wednesday (07/16): PPI (MoM – June), Crude Oil Inventories, Industrial Production (MoM)

Thursday (07/17): Core Retail Sales, Initial Jobless Claims. Philadelphia Fed Manufacturing Index, Retail Sales

Friday (07/18): Housing Starts (MoM), Michigan Consumer Sentiment

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

Earnings season is starting again for the 2<sup>nd</sup> Quarter 2025 starting this week:

Tuesday (07/15): BlackRock (BLK), JP Morgan Chase (JPM), Wells Fargo (WFG)

Wednesday (07/16): Bank of America (BAC), Morgan Stanley (MS), ASML, United Airlines (UAL)

Thursday (07/17): GE Aerospace (GE), Netflix (NFLX), Interactive Brokers (IBKR), Seagate technology (STX), Taiwan Semiconductor (TSM), Cintas (CTAS), Abbot (ABT), Travelers (TRV)

Friday (07/18): Charles Schwab (SCHW), Schlumberger (SLB), American Express (AXP)

### **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 gained another 3.50% last week to close at new all-time high at 164.92 after becoming the first company to obtain a market cap of \$4 trillion dollars. We mentioned in May that Jun-July are typically strong months for NVDA and so far, it is living up to its reputation.</p> <p>However, we believe it is extended at current prices and may pull back to the 150-153 range. It remains a long-term leader.</p>
<b>COST</b>	<p>We are downgrading Costco as a long-term leader as prices demand a higher level of profits from Costco and a deeper correction could be unfolding.</p>

### **Interesting new picks for Watchlists:**

No new picks selected due to weekend developments on tariff front which could topple the market. Any mid-week finds will be shared during the week through our Facebook, Threads and WhatsApp channels.

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

These are newly picked stocks which have come out of bases during recent market correction.

<b>ATAT</b>	Selected last week, Atour was a winner with a 4.94% gain as the Chinese stock broke out. In fact, at one time, it was as high as 8% during the week before a pullback. Shares are still in a buy zone starting from 34.32
<b>GBTC</b>	Added last week, GBTC was a winner with 8.1% gain because bitcoin broke to all time highs as it crossed 118,000. GBTC and IBIT are bitcoin proxies expected to rise, as are COIN and MSTR, which also depend on bitcoin. GBTC is still in a buy range
<b>SAP</b>	Although SAP lost 0.94% last week, the stock is still <b>actionable</b> at current prices with a 15-20% gain target while maintaining an 8% stop loss. However, caution should be taken as earnings are scheduled for 22 <sup>nd</sup> July. A better strategy could be to wait till the latest results.
<b>AMZN</b>	Amazon gained 0.72% last week as it tried to hold on to its buy zone as some less than satisfactory news emerged about its Prime day event success. It is still currently in <b>a buy zone</b> as per our TR indicator as it is likely to test 242.52 (previous high) ... Let's see if it holds this buy zone.
<b>AVGO</b>	Picked three weeks ago, Broadcom made a new high before pulling back to a net loss of 0.29% for the week. It was mentioned that besides being in a long-term bullish trend, it is approaching overbought territory and pullback to its 20-day EMA line (264) could provide another entry.
<b>RCL</b>	Picked three weeks ago, Royal Caribbean Cruises gained another 1.20% last week as it kept moving to new highs. We recommend holding it for a few weeks to continue the run.
<b>AEM</b>	AEM was flat last week and as mentioned earlier it provides <b>an actionable entry</b> at current prices as the gold is likely to resume its uptrend after a three-month consolidation with a stop loss below 114.60.
<b>CRDO</b>	Credo Technology increased by another 5.25% and since its selection it has already gained 37.52%. It appears overbought, so take some profits and let the rest ride while the trend continues.  Caution: These types of stocks are suited only to aggressive investors because of high volatility.
<b>CIBR</b>	In sympathy with stocks like ZS, AVGO and CRWD, our favorite Cybersecurity ETF also lost 4.41% last week. We think it will provide another entry as it is likely to test 71.5 level. For long-term investors in AI, semiconductors, and cybersecurity, the Cybersecurity ETF CIBR is another way of investing in these stocks.
<b>MELI</b>	After a good run, MELI lost 5% last week as it slipped from the all-time high of 2645. We maintain a hold stance for this Latin American company stock at the moment.
<b>AU</b>	Anglogold Ashanti gained another 0.86% last week. We maintain a hold stance on it and suggest taking some partial profits as its rebounds continues.

<b>NOW</b>	ServiceNow declined by 10.14% last week signaling a sell signal especially if it breaches 924 level. We think its earnings are around the corner so care should be taken for any new entry at this stage although June-August is traditionally a strong period for this software company.
<b>META</b>	META was flat this week with a 0.21% loss as it pulled back from record highs and found support at 20-day EMA (as mentioned last week). It has earnings scheduled for 7/30 and therefore, it might consolidate in a range before a direction is taken.
<b>TSLA</b>	Tesla found support at 289 and moved back to 313.51 testing its 50-day EMA. If it crosses 313.58 and maintains it, then it will be a buying opportunity to eye first resistance around 370. The stock has been holding up well and it is also becoming more like a robotics and AI company which could help it rise in the near future.
<b>MSFT</b>	Microsoft continued its advance with another 0.90% gain. It is extended at current levels and as stated last week is facing resistance around 500. We should wait for a pullback to get a proper buy point such as 450-461 range.
<b>GOOGL</b>	Google registered mild gain this week (almost flat). Aggressive investors could still try another alternate entry at current prices with a stop loss below 162.
<b>CVX</b>	Chevron gained another 4.68% last week and justified our selection nine weeks ago at 133. It still provides 4.40% dividend bit since it is not a growth stock, therefore, it should only be bought at proper buy points and support.
<b>ZS</b>	We have pinpointed last week that ZS was due for a pullback which finally occurred as it lost 8% for the week. ZS looks strong and a rebound could happen at 280 level where there could be an opportunity to buy, but we still think it is better to invest in the Cyber Security ETF CIBR instead of one stock.

### **Recently Picked Stocks:**

<b>T</b>	AT&T lost 3.95% last week as it experiences a sharp pullback from all-time highs. We think it is going to further consolidate in a range and even come down; hence it is being taken out from the list for the time being.
<b>SMH</b>	Semiconductor ETF continued to move higher (1.36% weekly gain) because of the strong performance of Nvidia and SMCI as it surpassed the buy point of 281.92 and still <b>looks good for further increase</b> during the bullish month of July. However, we don't expect another 15-20% growth in the near future as it moves higher.

<b>ATGE</b>	The education stock flashed a sell signal as it came under its 50-day moving average. If it falls below 117 then it will be a breakdown, and the position should be closed.
<b>MPLX/HESM</b>	MPLX lost 0.74% but HES gained 0.60% last week. Both are at good supports and long-term investors could buy and hold these stocks for a continuous stream of income at current levels.
<b>BABA</b>	BABA lost another 1.82% but found support at 200-Week EMA line. This support is particularly important for BABA and if it moves up again then it could be an opportunity as it still seems undervalued and could rise from here to 131.21.
<b>GLDM</b>	Gold recovered another 0.67% last week signaling as it continues to come out of its consolidation phase (last 3 months). We think there are good long-term prospects for gold, and it provides an actionable entry at current levels with a stop loss below 62.70.
<b>ETR/NI</b>	Our favorite utility players were almost flat (-0.21% and 0.03% respectively) last week. Given their good dividend payouts, these two utilities stocks are expected to move forward and test their recent highs at 87.25 and 40.79 respectively while continuing trending in a tight range. We still think these are good long-term dividend buyers offering <b>entries at current prices.</b>

### **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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Happy Trading and best regards,

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