

## Is the Rally Sustainable? Time Will Tell

After five consecutive days of sharp declines driven by market turmoil over tariff-related trade disputes, Friday provided a much-needed reprieve. The S&P 500 staged a rally attempt, rebounding from Thursday's recent low. Meanwhile, the Nasdaq signaled its own rally attempt on Wednesday, buoyed by investor optimism surrounding Nvidia—set to host its GTC event this week—and positive momentum in quantum computing stocks such as QBTS and RGTI. However, the broader damage remains significant, with all major indices, including the Dow Jones Industrial Average and the small-cap Russell 2000, officially in correction territory—defined by a decline of more than 10% from recent highs.

Several high-growth stocks, including Spotify, Nvidia, and Broadcom (AVGO), are making recovery attempts. However, the persistent downward pressure over the past 4-6 weeks indicates heavy institutional selling, a trend historically requiring multiple attempts before a sustainable reversal could take hold. It is, therefore, possible that in the short-term sold off conditions, markets rally just to find resistance overhead at 200-day or 50-day moving average and then come back down.

Lingering uncertainties surrounding the U.S. economy, fallout from retaliatory tariffs, and escalating trade tensions with key partners such as the EU, Canada, Mexico, and China pose risks to any near-term recovery. These factors could drag equities back into a downward trajectory. Meanwhile, other asset classes and international markets have emerged as beneficiaries at the expense of U.S. stocks.

Gold, Chinese equities, and European stocks have notably outperformed the U.S. market. The gold and silver mining sectors have outpaced the S&P 500, with gold marking new all-time highs eight times in the past month. European stocks have also shown strength, with the Vanguard FTSE Europe ETF (VGK) up 14% year-to-date, significantly outperforming the S&P 500, which has declined 4% over the same period—without factoring in comparatively higher dividend yields. Analysts attribute this outperformance to Europe's growing commitment to increased defense spending and reduced reliance on the U.S. as a trading partner. While European equities have lagged their U.S. counterparts in recent years, this recent resurgence cannot be ignored.

Chinese stocks have also demonstrated strong relative performance. BYD Company (BYDDY), the world's largest EV manufacturer, has surged 44.68% in the last three months, in stark contrast to Tesla's 42.7% decline over the same period. BYD has overtaken Tesla in key international markets outside the U.S., where Tesla has struggled with stalled or declining sales in China, Europe, Canada, and Australia. Additionally, China's aggressive push toward EV adoption is expected to reduce its dependence on imported oil—the country remains the world's largest oil importer, with demand now projected to peak by 2027.

## Major Indices Performance:

Index	Friday (3/14)	Weekly	Monthly	YTD	1-Year
<b>S&amp;P 500</b>	+2.13%	-2.27%	-2.27%	-4.13%	+9.48%
<b>Dow Jones Industrial</b>	+1.65%	-3.07%	-3.07%	-2.48%	+6.64%
<b>Nasdaq 100</b>	+2.49%	-2.46%	-2.46%	-6.22%	+9.38%
<b>Nasdaq Composite</b>	+2.61%	-2.43%	-2.43%	-8.06%	+10.08%
<b>Russell 2000</b>	+2.42%	-1.49%	-1.49%	-8.18%	+1.61%

Despite early-week losses, markets attempted to rebound on Friday after dip buyers found an opportunity in stocks like Nvidia, Broadcom, Super Micro, Spotify and others. This led to green days across all major indices, nevertheless technical damage has been done, and resistance is expected when meeting key moving averages above such as 50-days and/or 200-days moving averages lines.

While Friday's rally attempt provides some hope, the broader market outlook remains uncertain. There are two major events in the upcoming week, 1) Nvidia GTC conference which could impact behaviors of Tech stocks such as Nvidia, Broadcom, Taiwan Semi-Conductors (TSM), Super Micro (SMCI) and several other Quantum computing stocks, and the other one is 2) FED's FOMC Interest rate decision on Wednesday. Like Dec 18<sup>th</sup> announcement this could also disrupt the market rally and change the investors' sentiments. Therefore, investors should brace for continued volatility in the weeks ahead.

## Sector Performance Overview:

S&P 500 sector performance last week was as follows:

Sector	Weekly Performance Last One Month	
Energy (XLE)	+2.66%	-0.34%
Utilities (XLU)	+2.04%	-0.29%
Financials (XLF)	-1.22%	-6.33%
Technology (XLK)	-2.10%	-10.85%
Materials (XLB)	-2.10%	-4.31%
Industrial (XLI)	-2.32%	-4.67%
Real Estate (XLRE)	-2.40%	-1.45%
Health Care (XLV)	-2.91%	+0.09%
Communications (XLC)	-3.70%	-8.29%
Staples (XLP)	-4.04%	-1.36%
Discretionary (XLY)	-4.36%	-13.35%

Over the past week, Energy (XLE) and Utilities (XLU) were the only S&P 500 sectors to register gains, rising by 2.66% and 2.04% respectively, although both recorded modest declines over the past month. These advances likely reflect resilient commodity prices and continued demand for defensive positions, as investors typically gravitate toward Energy and Utilities for their relative stability and dividend yields.

In contrast, growth-oriented and cyclical sectors struggled. Consumer Discretionary (XLY) fell 4.36% for the week (-13.35% over the past month), while Technology (XLK) declined 2.10% for the week (-10.85% monthly). These drops mirror persistent concerns about fewer or no interest rate cuts, subdued consumer sentiment, and market volatility. Financials (XLF) dipped 1.22% and is now down 6.33% in the last month, weighed by worries over credit risks and recession indicators. Although Health Care (XLV) fell 2.91% this week, it remains the only sector with a marginal monthly gain (+0.09%), highlighting its defensive appeal. Meanwhile, Materials (XLB), Industrials (XLI), Real Estate (XLRE), and Consumer Staples (XLP) also declined amid sustained pressures from global demand uncertainties, higher interest rates, and persistent inflationary risks.

### **Important Events next week:**

Important economic events planned for the upcoming week are:

Monday (03/17): Core Retail Sales, NY Empire State Manufacturing Index

Tuesday (03/18): Building Permits, Housing Starts, Atlanta Fed GDPNow

Wednesday (03/19): FOMC Economic Projections, FOMC Statement and Fed Interest Rate decision

Thursday (03/20): Initial Jobless Claims Philadelphia Fed Manufacturing Index

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

As the earnings season is coming to an end, not many important earning announcements are left for this week:

Tuesday (03/18): Xpeng (XPEV)

Wednesday (03/19): Tencent Holdings

Thursday (03/20): PDD Holdings, Darden Restaurants, FedEx (FDX)

Friday (03/21): NIO, Carnival (CCL)

### **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>MSFT:</b>	Microsoft continued to slide with another -1.21% drop last week to close at 393.31 before bouncing from a low of 376.91 on Friday. This is a key support area for Microsoft which it is trying to hold, however, if the market continues its slide, then chances are that Microsoft will break this support as well in which case it could fall to 331 before finding the next level of
--------------	---

	support. Microsoft has been the worst performer among the Mag7 stocks and is fully priced at 29 times the current year earnings.
<b>NVDA:</b>	<p>Nvidia will hold its much awaited GTC (Global Tech Conference) event this week where it could revive optimism about its growth and the continuing AI endeavors. It gained 7.98% last week as dip buyers flocked in to take advantage of low P/E evaluations. The GTC conference has one day dedicated to Quantum computing only and its success could lead to renewed strength in other related stocks such as Broadcom (AVGO), Super Micro, IBM, QBTS and other tech stocks.</p> <p>If Nasdaq stages a follow-through day on Monday or Tuesday, it will be mainly because of Nvidia at which time an entry (with reduced position size) is possible by aggressive investors who could push it to 140 levels.</p> <p><b>NOTE:</b> The FOMC announcement is due on Wednesday, and it could shift or change the market sentiments. So, it could be a better idea to wait till this announcement.</p>
<b>AAPL:</b>	Apple saw one of its worst weeks in recent history with a 10.70% loss. We have earlier mentioned cutting position sizes and secure some profits as things are not looking good for this long-term leader. Several analysts have cut their forecasts for Apple with falling iPhone sales and uncertainty around tariffs. It can come down to further lows with the broader market.
<b>COST:</b>	<p>Costco was discussed in detail last week. It lost another 6.26% but found support at 50-day EMA at 882. This level is important and should be watched because if it is lost then the stock could struggle below it for a longer period.</p> <p>Costco remains a long-term leader; however, temporary headwinds and the recent selloff could not be ignored. For the time being, put it on a hold and keep watching for a better entry to emerge.</p>

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

<b>GOOGL:</b>	Google lost 4.70% and settled below its 50-day line at 170.65. As mentioned last week, any new entry is put on hold till a follow-through day is registered in S&P 500.
<b>META:</b>	Meta lost another 2.80% last week. It appears it is on its way to test the 200-day EMA (574.78) before finding support. Shares have dropped nearly 20% from a record \$750 to around \$600 and now trade for approximately twenty-three times the 2025 projected earnings. Meta remains a favorite amid its AI initiatives, monetizing opportunities in products like WhatsApp, Threads, and Instagrams Facebook marketplace. However, we think that entry at 200-day EMA will be more appropriate for a short-term bounce.

<b>AMZN:</b>	Amazon was almost flat last week with a 0.65% loss making it six in a row. A positive is that it closed just above its 50-days EMA. Among Meg7 stocks, Amazon could be the best of the lot as it has declined over 20% from its February peak. If it moves past 200 on volumes, then it will mark an entry for aggressive entry otherwise it could roll over from 200 due to market sentiments.
--------------	---

### **Interesting Stocks for Actions and Watchlist:**

#### ***New Picks:***

Given recent developments, markets are moving from highly volatile to comparatively safer assets. We would like to remind our readers that "Cash" is also a position and capital preservation is #1 principle of investing. In case a follow-through day is noted, and one is tempted to make an entry then it should be done in small sizes and increments to avoid big draw downs.

**GDX:** Gold to continue to shine along with Silver. VanEck Gold Miners ETF GDX has recently moved past a buy zone and is eyeing its previous all-time highs around 44.22. If interested in individual players, then GOLD (Barrick's Gold – a Canadian company) could also be considered for an entry. Other outperforming gold miners include AU (Anglogold Ashanti) and FNV (Franco-Nevada) which have been showing consistent growth pattern. Note: GDX has an exposure to all these gold miners but charges a 0.51% expense ratio.

**SMCI:** On one hand we have GDX and gold related equities for conservative investors, but for aggressive investors, SMCI could pose an opportunity. It is eyeing a jump over its 200-day EMA (currently at 45.26) while registering higher lows during the last week. An aggressive entry is possible if it moves on the much-anticipated follow-through day with a stop loss below 36.61. Note: This is a risky trade as any sudden drop in the market could also pull it down, therefore, investors should adopt sound risk management such as reducing position sizing and adhering to stop loss.

#### ***Recently Picked Stocks:***

<b>VEEV:</b>	One stock we would like to watch is Veeva systems which offers cloud-based software applications and data solutions for the life sciences industry. It staged a gap up on Thursday after strong earnings and kept this momentum on Friday. Any further test of its 20-day EMA (228.57) will likely provide another support, otherwise it could continue moving upwards on a follow-through day. It is currently in <b>a buy zone</b> as per the TR indicator. One caveat is that the Software group overall is not performing well these days. However, VEEV seems to be an exception after earnings.
<b>TW:</b>	TW is demonstrating steady consolidation and exhibiting favorable price movement. Next <b>buy point</b> is 140.48. It is recommended that no more than 50% of the usual position size be maintained to mitigate potential losses arising from current market conditions.

<b>CWAN:</b>	CWAN dropped another 6.37% last week but still above its 50-day moving average which should be the line in the sand. Considering its bearish action, <b>a re-entry</b> is only suggested if it crosses the 28.37 level with volumes with a stop loss below 25.39.
<b>JD:</b>	JD stabilized with a 2.06% gain this week. The TR indicator is showing it is in a <b>buy zone</b> with stop loss around 35.40 (50-day EMA). Chinese stocks are generally in a good shape and JD could easily cross its recent high of 47.82 to test the 50 level.
<b>BABA:</b>	Ali Baba is building a base in a narrow range. It gained 0.34% last week and seems setting up for another move upwards. had another solid week with a 6.12% gain. It is trying to pass its recent highs at 145.32 and offering <b>an early entry at current prices for aggressive investors</b> who could withstand the wide swings and high volatility of Chinese stocks. On the downside, any break and close below 120 will trigger a sell signal.
<b>GLDM:</b>	As mentioned last week, Gold made a new high and gained another 2.55 last week. As long there is ambiguity and uncertainty around trade environment, tariffs and new Geopolitical landscape, funds will continue to rotate towards the safer assets like gold. Aggressive investors could <b>increase their exposure</b> to the precious metal during the current uncertain environment.
<b>BYDDY:</b>	<p>The Chinese EV manufacturer was a winner last week with 10.76% gain and closed above 100 showing strength. Aggressive investors could make <b>an entry</b> here or wait for it to cross all-time high at 103.38 in volumes. BYD seems to be winning against Tesla in key markets especially in China and Europe and could very well be another Tesla in in future.</p> <p>Note: Chinese stocks are more volatile and require a much wider stop loss than our recommended 8-10% stop loss. Investors should decide upon their own risk exposure and stop loss level.</p>
<b>TSLA:</b>	Tesla lost another 4.83% last week and found support at its 200-day EMA line (230.06) which bounced it back to the 250 level. However, in the long term there are strong headwinds which Tesla is facing causing severe falling sales drop in markets outside the US. Even in the US, there is an on-going boycott campaign primarily because of the political activities of its founder. We, therefore, maintain our sell rating on Tesla till the market turns in its favor.
<b>GE:</b>	Although GE performed well last week with a 1.87% gain, it is important to watch its behavior at 200 level. Till that time let us keep it in a watchlist and continue observing its behavior as it might get support at current level and move past 200.
<b>AVGO:</b>	Broadcom is consolidating at the bottom of its current trading range. Looks like it is waiting for Nvidia's conference and FMOC meeting this week. If the <b>market gets a follow-through</b>

	<b>day based on Nvidia's move, then it will be about time</b> to get on board with AVGO. Otherwise, Broadcom could easily roll over.
<b>ETR/NI:</b>	ETR and NI bounced back last week with 4.50% and 2.55% gains respectively. This is the time to reduce position size and take profits (if any) while letting the rest run.

**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/FII6mn7fXA60wltZvRxOvm>

Please review our offers and if interested in our Excel based software, the TR (Trend Recognition) Indicator and the commentary then you could purchase it on:

<https://analyzestocks.net>

or visit our Etsy store at:

<https://www.etsy.com/listing/1540978608/advanced-excel-stocks-analysis-and>

All customers will continue to receive the Market commentary for a period of 1 year from the date of the purchase.

Follow us on Facebook: <https://www.facebook.com/profile.php?id=61552548116888>

Follow us on Threads:

<https://www.threads.net/@analyzestocks?hl=en&xmt=AQGziO6tlaC0EPODJbcgfFfP1BbWKvISSctP5P5R6-L89IE>

Subscribe to our YouTube channel to obtain the latest news and information about our products at

[https://www.youtube.com/channel/UC8aS\\_P5xpWUDVG5IDdSjGEg](https://www.youtube.com/channel/UC8aS_P5xpWUDVG5IDdSjGEg)

Happy Trading and best regards,

**Disclaimer:**

The information provided here is for educational / learning purposes only and should not be taken as purchase or sell recommendations. Trading / Investing in Stocks and derivatives is ***highly risky*** and could result in a substantial or complete loss of invested capital.

Employees and Owners of MJ Software LLC are not registered Financial Advisors with FINRA or SEC and for any financial advice please consult a registered financial advisor.