

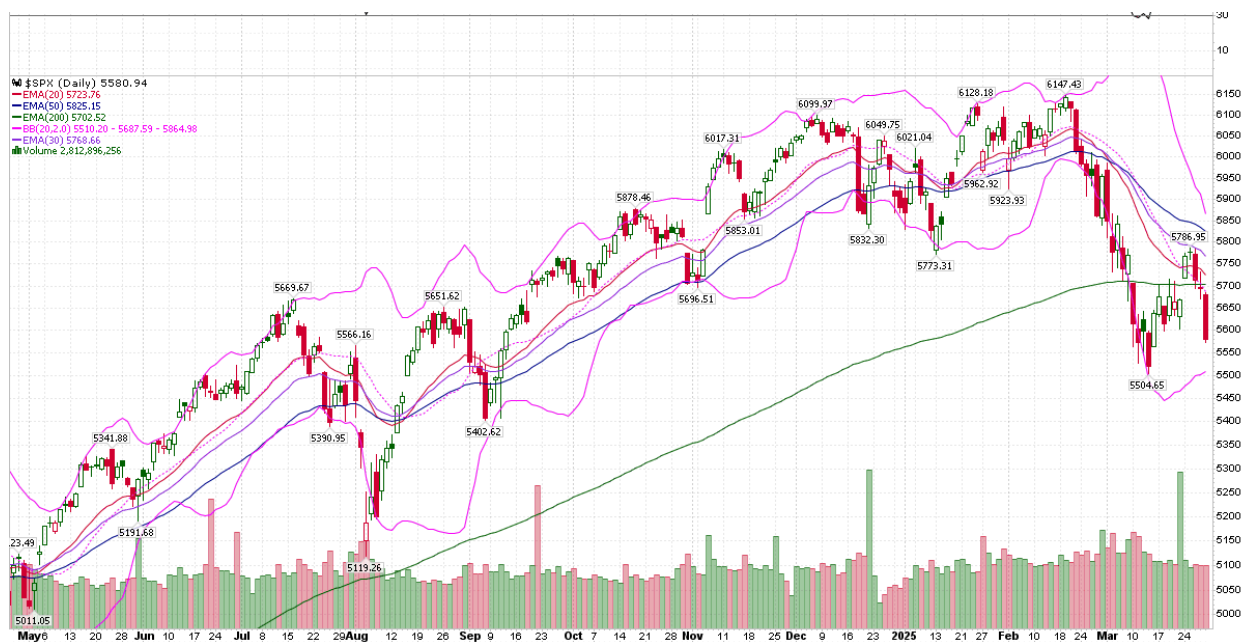
Market Update: Rising Uncertainty Pressures Markets

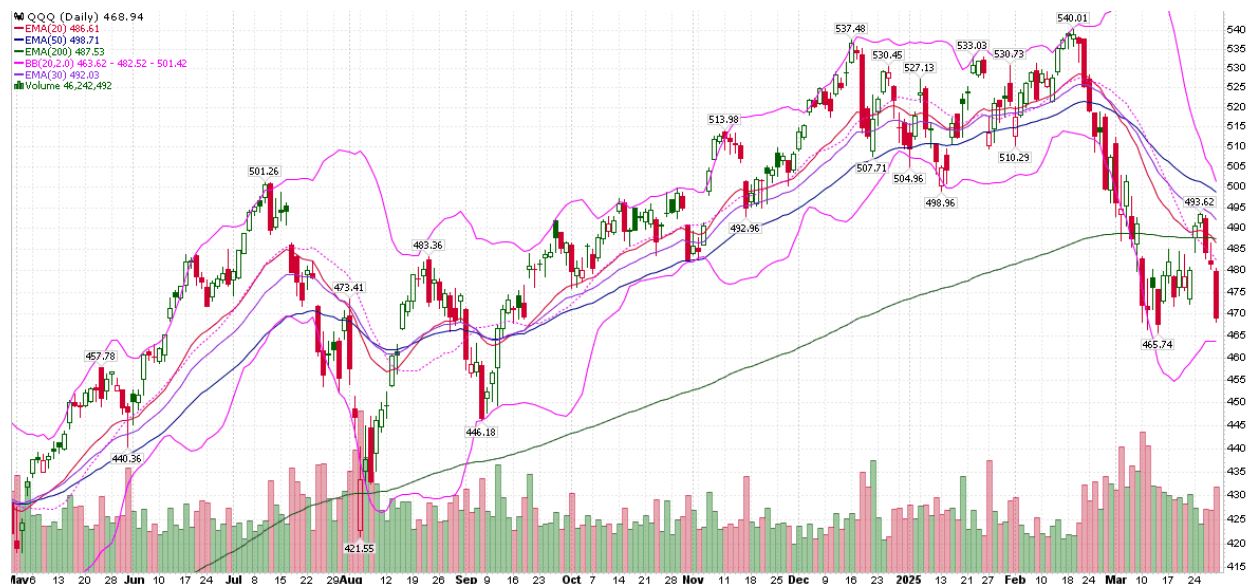
Once again, the market attempted a rebound—only to be met with resistance. Hopes for a follow-through day faded, and the broader picture has become more pessimistic. Both the S&P 500 and Nasdaq have reversed course, drifting back toward recent lows and now risking a deeper downturn.

A host of uncertainties continue to weigh heavily on investor sentiment: a softening economy, declining consumer confidence, persistent inflationary pressures, and unclear future policy moves from the Federal Reserve. Adding to this unease are external factors such as the looming April 2 tariff imposition and the threat of retaliatory measures from key trading partners, including Canada, Mexico, China, and the European Union.

Each new development out of the White House—or the global response to it—forces markets to reassess economic impacts and the outlook for corporate earnings. And if there's one thing Wall Street dislikes, it's uncertainty. With so many unresolved variables, investors are rotating out of high-growth sectors like Technology and Consumer Discretionary and seeking refuge in traditionally safer assets such as bonds and gold.

Strategists and analysts have responded by trimming their price targets for both the S&P 500 and Nasdaq, and retail sentiment is shifting bearish. The charts for both indices support our cautious outlook, which we've maintained since late January.





What needs to change?

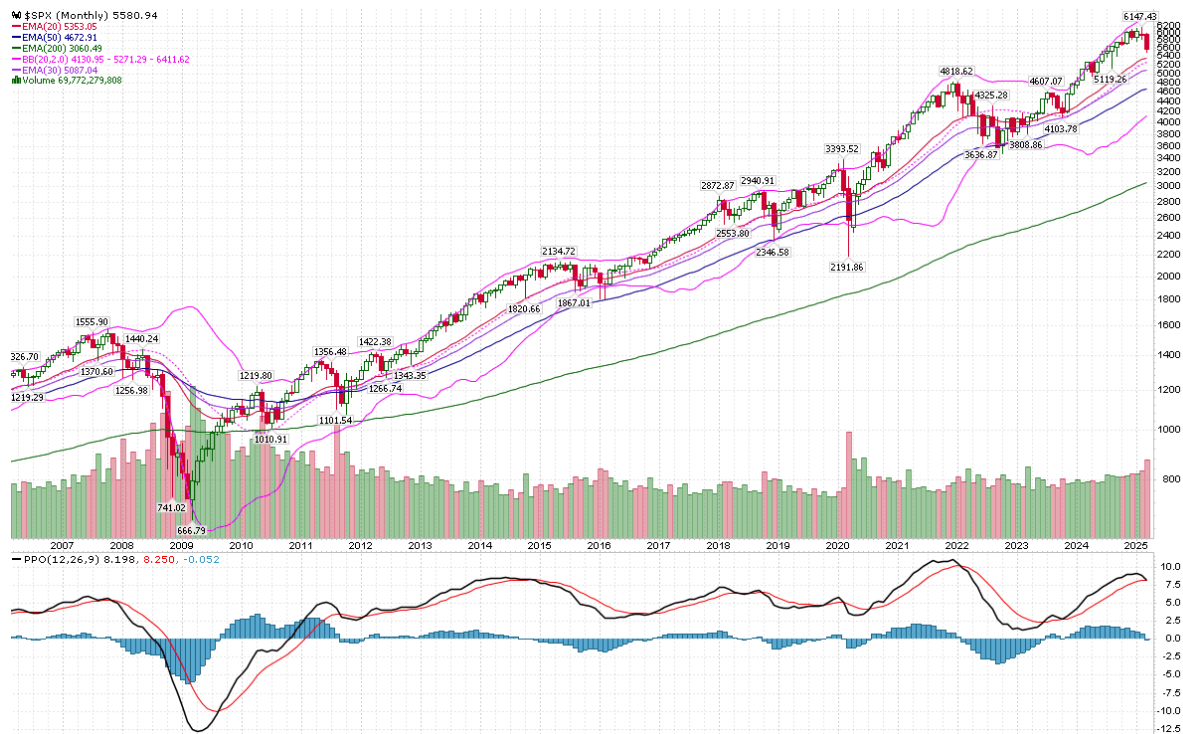
The market likely won't stabilize until there's resolution on tariffs and greater clarity on U.S. economic and trade policy. As John Maynard Keynes once said, "When the facts change, I change my mind." Companies are already reacting to the growing unease—cutting travel budgets, slowing hiring, and trimming forecasts. Airlines, for example, have already revised their guidance downward, citing softer expectations for travel demand.

Meanwhile, the Fed finds itself in a difficult position—balancing aggressive inflation data with a deteriorating macro backdrop. If the Fed doesn't consider rate cuts soon, especially while the European Central Bank moves in that direction, additional downside pressure on equities could follow.

Is this the beginning of a major correction, a bear market, or even a repeat of 2008–09? While no one can predict the future with certainty, we believe this remains a secular bull market that began in 2013. Historically, such cycles last around 20 years. This current correction could persist for several months, but in the broader view, it may ultimately prove to be just a pause in a longer-term uptrend.

Long-Term Perspective:

The long-term S&P 500 chart suggests that a true bear market isn't underway unless the monthly PPO (Percentage Price Oscillator) falls below zero. Since the bull market began in 2013, the index hasn't sustained a drop below its 50-month EMA—apart from a brief dip during the COVID-19 panic. If the market were to correct further, a pullback to the 4672 level is possible (roughly 900 points below Friday's close), though a drop beyond that would likely require a recessionary shock—something we see as unlikely at this time.



Performance Recap (Week Ending 3/28):

Index	Friday (3/28)	Weekly	Monthly	YTD	1-Year
S&P 500	-1.97%	-1.53%	-6.27%	-5.11%	+6.22%
Dow Jones Industrial	-1.69%	-0.96%	-5.15%	-2.26%	+4.46%
Nasdaq 100	-2.61%	-2.39%	-5.15%	-8.24%	+5.76%
Nasdaq Composite	-2.70%	-2.59%	-8.09%	-10.29%	+5.76%
Russell 2000	-2.03%	-1.64%	-6.41%	-9.08%	-3.59%

All major indices ended the week in the red, despite brief gains on Monday and Tuesday. The S&P 500 failed to break through resistance at 5782, just below its 50-day EMA, and subsequently rolled over. The recent follow-through day was erased, and further weakness now appears likely.

Sector Performance Overview:

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

Sector	Weekly Performance Last One Month	
Staples (XLP)	+1.90%	-2.70%
Energy (XLE)	+0.68%	+2.36%
Real Estate (XLRE)	+0.40%	-3.42%
Discretionary (XLY)	+0.07%	-8.51%
Financials (XLF)	-0.14%	-5.35%

Sector	Weekly Performance Last One Month	
Utilities (XLU)	-0.27%	-0.87%
Materials (XLB)	-0.39%	-3.72%
Health Care (XLV)	-1.04%	-2.59%
Industrials (XLI)	-1.29%	-4.24%
Communications (XLC)	-1.62%	-5.86%
Technology (XLK)	-3.37%	-8.33%

Defensive sectors (Staples, Real Estate) performed well again while aggressive and growth areas like Technology, Communications and Discretionary (buoyed by Tesla initially) lagged signaling defensive approach taken by investors and traders at the expense of riskier and growth areas. Besides this, areas like Energy, Financials, Health Care and Utilities are holding up well, for example insurance, Copper, Gold miners and several bio-tech companies. Therefore, investors looking for parking or rotating their investments should also explore companies in these areas rather than focusing solely on high-tech and AI companies.

Important Events next week:

Important economic events planned for the upcoming week are:

Monday (03/31): Chicago PMI

Tuesday (04/01): ISM Manufacturing PMI, JOLTS Job openings

Wednesday (04/02): ADP Nonfarm Employment, Factory Orders

Thursday (04/03): Jobless Claims (Continuous and Initial), Exports/Imports, S&P Global Services PMI (Mar), ISM Non-Manufacturing PMI (Mar)

Friday (04/04): Nonfarm Payrolls, Unemployment Rate, Average Hourly Earnings

Important Earnings this week:

Earnings season is nearly over with little remaining for the next week. Some important earning announcements are:

Monday (03/31): RH, Loar Holdings (LOAR)

Thursday (04/03): Conagra Brands (CAG), Guess (GES)

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.

MSFT:	As mentioned during the last 2-3 weeks, 376.91 - 393 range is still providing support to Microsoft, which after a brief recovery, again declined by 3.18% last week. It is important for Microsoft to hold this area. Microsoft has been the worst performer among the Mag7 stocks
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	and is fully priced at 29 times the current year's earnings. However, its A/D line (Accumulation / Distribution) line is signaling that wall street is accumulating stocks at these low prices. An aggressive entry could be made in case a second follow-through day occurs in the coming week, otherwise it is better to be on sidelines and wait for better times.
NVDA:	We were skeptical about Nvidia's rebound and last two weeks confirmed our read when Nvidia lost another 6.82%. Due to the current market conditions affecting AI stocks and Tech stocks, it may be prudent to wait for a significant upward movement above key moving averages before considering another entry in this long-term leader.
AAPL:	Apple recorded another red week with a 2.66% loss. We have been mentioning for the last two weeks to cut 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 is already below 200-day EMA line and could further come down with the broader market weakness before finding support. It is not advisable to make an entry unless Apple regains its 200-day EMA line.
COST:	Costco finally regained its support at 200-day EMA and rose by 2.24% last week. Costco remains a long-term leader; a small position (not suggested more than 1/3 rd of regular size) could be taken by aggressive investors to take advantage of this pullback. However, it is trading at a high P/E ratio relative to near-term earnings growth and hence further pullback is possible if the broader market weakness. In that case, another test of 880-886 range could provide an alternate entry .

Medium- and Short-Term Picks:

GOOGL:	Google registered another 5.89% last week. While it could find support and rebound from 146.88-150 range but given the overall market sentiments, any new entry is put on a hold till another follow-through day is registered in S&P 500.
META:	Although Meta lost 3.27% for the week, it is still finding support at its 200-day EMA line while it is the only Mag7 stock holding above this line confirming our view that Meta is being accumulated at these low prices. Meta remains a favorite amid its AI initiatives, monetizing opportunities in products like WhatsApp, Threads, and Instagrams Facebook marketplace. An entry with reduced position size is possible to take advantage of this recent pullback from META. Although any further pullback in the market could pull it down below this important support, but META is showing relative strength and could come back strongly in case of a market recovery.
AMZN:	Amazon also lost 1.78% for the week and risk of undercutting its recent low of 189.38. In the long-run, Amazon is also likely to come back sharply like META. Amazon is also finding support at these low levels and aggressive long-term buyers could make an entry around 189

Interesting Stocks for Actions and Watchlist:

As mentioned, the market is currently in a wait and see mood to see what happens after April 2 tariff announcement which could further increase the uncertainty in the market. If another follow-through day on strong volume takes place, then investors could start increasing their exposure (not a full 100% position), otherwise, there are still strong chances for the market to roll over and start searching for a new bottom.

New Picks:

1. **SE:** Sea Limited is a Singapore based digital entertainment, e-commerce, and internet service provider company. It has been showing continuous strength in revenue and earnings over the past year(s) and is building a base-on-base pattern. If it crosses 136 on strong volumes, then it will be a buy signal as per our TR indicator targeting 15-20% upside.
2. **ENB:** Enbridge is a Canadian gas distribution company and a transportation giant. It has recently increased its dividend offering 5.98% yield on current prices. The TR indicator is also showing it in the buy zone starting from 45.78. It could provide another value player for investors looking for steady income.

Recently Picked Stocks:

MPLX/HESM:	These pipeline companies were mentioned last week being value stocks and dividend payers. They registered modest gains of 0.67% and 0.31% last week. Any pullback to their 20-day or 50-day EMA (moving averages) will provide a suitable entry for investors who are looking for steady dividend income sources in this uncertain environment.
GDX:	This ETF gained +2.40% last week and continued to outperform equities and. AU (AngloGold Ashanti) was a winner with 4.26% gain while Barrick's Gold (GOLD) also gained for the week. A pullback and / or consolidation is expected if the market recovers from its bottom, otherwise Gold is likely to outperform US equities in the near future.
VEEV:	Veeva systems bounced from its 20-day EMA line is still in a buy zone as per the TR indicator although losing 1% last week. Veeva is a provider of cloud-based software for the life science industry. One caveat is that the Software group overall is not performing well these days. However, VEEV seems to be an exception after earnings and is likely to move upwards on a strong market day, i.e., another follow-through day. Its proper buy point is 247.62 but an early entry could be at current prices (suggest a small size to reduce risks amid bearish overall market sentiment).
SMCI:	SMCI lost 19% last week and hence triggered a sell-signal after Goldman Sachs downgraded it with a sell rating amid valuation, margin and competition risks. Due

	to on-going weakness in the Tech sector, we are dropping this stock from our list and moving it to a watchlist for a better entry in future.
TW:	TW gained another 3.06% continuing its march. Now it seems a bit extended, and some profits should be secured once 15-20% profits are achieved.
CWAN:	CWAN was almost flat with a +0.15% gain last week. It is still above its 200-day EMA at 25.99 where it is likely to get support. Considering its bearish action, a re-entry is only suggested if it crosses the 27.76 level with volumes with a stop loss below 25.39.
JD:	JD lost another 1.56% last week. Chinese stocks are generally in a good shape and JD could easily cross its recent high of 47.82 to test the 50 level. Stop loss is suggested around 39.
BABA:	Ali Baba again lost some ground (-2%) last week but is building a base in a narrow range as stated earlier. Any further pullback to 121.49 (50-day EMA) will likely get support from aggressive investors. On the downside, any break and close below 120 will trigger a sell signal.
GLDM:	Gold continued to march higher with another gain of 2%. We think Gold will continue to move higher, but it seems extended after a three-month run of 18%. Some profits should be secured if the gain on open positions is in the range of 15-20%. Any short-term pullback to the 56-57 range will provide a better spot for a re-entry.
BYDDY:	<p>BYDDY lost 1.97% last week but it is consolidating near 100 level. Any pullback to below 100 levels (85 will provide a very decent support) will be another entry for this high-flying Chinese stock. Aggressive investors could take a small position at current levels if they do not bother about a pullback in this growing Chinese EV company.</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>
TSLA:	<p>Tesla's case is interesting. We alerted our regular readers (through our WhatsApp channel, Facebook, and Threads notifications) that TSLA generated a bullish double hammer pattern which led it all the way to 291 level before pulling back in the last two days. Even after this pullback it was able to gain 5.97% last week.</p> <p>We think Tesla is again at a crossroad. If it falls below 250 again then it will be a bearish sign (which is more likely to occur) and could pull back Tesla to prior lows</p>

	below 220. In the long term there are strong headwinds which Tesla is facing causing severe falling sales drop in markets outside the US such as Europe and Canada. Even in the US, there is an on-going boycott campaign primarily because of the political activities of its founder. Caution, therefore, is warranted.
GE:	GE pulled back with a 2.08% loss last week. Any break and hold of 187.33 support will be a sell signal of this otherwise diversified industrial leader.
AVGO:	Broadcom triggered a sell signal by breaking its 50-week line and holding below it. Due to on-going weakness in the Tech sector, it is better to keep this stock on a watchlist at the moment.
ETR/NI:	ETR and NI continued to perform well as the overall Utilities sector is also supporting them with a gain of 0.63% and 1.76% last week. As mentioned earlier, this is the time to reduce position size and take profits (if any) while letting the rest run.

Website:

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

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