

## Whiplash Week on Wall Street: From Tariff Tantrums to a Relief Rally

What a week. After last Friday's sharp sell-off on fresh U.S.–China tariff angst, most traders braced for more downside. Instead, Monday opened with a gap-up—and by this Friday, the indices had essentially round-tripped to where they started post-gap. Translation: we are chopping inside a wider band as volatility and uncertainty expand the trading range. Friday's late week rebound followed bullish headlines, with the President dubbing a “100%” tariff rate “not sustainable,” which softened the tone and steadied nerves.

Performance-wise, breadth was solid. Major indices, including small caps, finished more than 1.5% up. Transports stole the show—up ~4%—after a strong update from J.B. Hunt that lifted the trucking cohort. The S&P 500 added ~1.7%, the Nasdaq ~2.46%. Small caps flexed midweek, then slipped on Friday, still closing ~2.36% higher. With that bounce, the market quickly exited the “Extreme Fear” zone: the VIX fell ~17% to a hair above 20.

Meanwhile, the U.S. government shutdown rolled into week three, and markets mostly shrugged. Fed expectations are equally loud: futures imply a near-certain October rate cut ahead of the October 29 meeting.

Seasonally, caution lights blink for the coming week—it is historically one of the S&P 500's weakest stretches dating back to the 1950s. That does not guarantee a sell-off, but it is a context worth respecting. The brighter side: once this patch passes, the calendar typically flips to one of the most bullish windows of the year—roughly Oct 27 to Jan 18—when returns historically improve.

Technically, both the Nasdaq and S&P 500 tell the same story: a gap-up Monday after the prior Friday drubbing, followed by sideways churn. With a seasonally soft week ahead, a test of last Friday's lows—and even a dip through the 50-day EMA—remains on the table. Stay nimble, respect your levels, and let volatility work for you, not against you.

### Market Scorecard

Index	Friday Close	Weekly	Monthly	YTD	1-Year
S&P 500	+0.53%	+1.09%	+1.70%	+13.30%	+14.08%
Dow Jones	+0.52%	+1.10%	+1.56%	+8.57%	+6.83%
Nasdaq 100	+0.65%	+1.15%	+2.46%	+18.11%	+22.92%
Nasdaq Composite	+0.52%	+1.32%	+2.14%	+17.45%	+23.44%
Russell 2000	-0.67%	+1.86%	+2.36%	+11.03%	+8.81%

## Sector Pulse

Sector	Weekly Change	One-Month Trend
Health Care (XLV)	+0.82%	+4.90%
Materials (XLB)	+1.19%	-2.83%
Industrials (XLI)	+1.22%	+0.81%
Real Estate (XLRE)	+3.34%	+0.79%
Financials (XLF)	+0.04%	-3.20%
Communications (XLC)	+1.90%	-2.94%
Energy (XLE)	+0.76%	-3.64%
Discretionary (XLY)	+2.48%	-2.79%
Utilities (XLU)	+1.52%	+9.29%
Staples (XLP)	+2.09%	+0.05%
Technology (XLK)	+2.38%	+5.14%

## Highlights & Color

- **Gold hits the brakes:** After notching fresh highs Thursday, **gold and miners** stumbled Friday (**gold ~-2%, GDX -6.87%**). Translation: the metal may be cooling its jets for a bit.
- **Chips keep the lights on:** **SMH** advanced **+5.38%** on the week despite a red Friday, powered by **AVGO (+7.61%)** and **AMD (+8.40%)**. That strength helped **XLK** defend its **20-day EMA**.
- **Mega-cap tailwind:** **Apple, Tesla, and Google** added lift. Google's strength also propped up **XLC**, which likewise respected its **20-day EMA**. (XLC's heavyweights—**GOOGL** and **AMZN**—tend to set the tone.)
- **Discretionary vs. Staples:** **XLY** bounced **+2.48%** this week, but the tape still favors caution; **XLP** has been the sturdier hideout.
- **Cyclical check-in:** **XLB** and **XLI** finished green yet remain softer than Tech/Discretionary given recession chatter and policy noise.
- **Crypto watch:** **BTC** and its **ETFs (IBIT, GBTC)** look set to **test their 200-day moving averages**—a key line in the sand.
- **Biotech wobble, Health Care steady:** Biotech reversed lower Thu/Fri, but **XLV**—which rebounded off its **200-day EMA** in late September—still **gained +0.82%** for the week on renewed **Big Pharma** strength (Merck, Pfizer, ABBV).
- **Financials flinch:** **XLF** was flat (**+0.04%**) as regionals sagged Thursday on **Zions Bancorporation's** bad-loan headlines.
- **Energy below trend:** **XLE** continues **under its 200-day EMA** as crude cools; even **equal-weight Energy (RSPG)** sits below that mark—so it is not just Exxon/Chevron.
- **Defensives take a pit stop:** **XLU** reversed Thu/Fri, likely some positioning noise. **XLRE** closed well and led defensives (**+3.34% on the week**). **XLP** drew flows as **VIX** popped **>20**—classic anxiety rotation.

## Bottom Line

Leadership remains in **Tech/Semiconductors**, defensives are **stabilizers not engines**, and **gold** finally exhaled. Keep an eye on **200-day tests** (Energy, some crypto proxies) and whether **VIX > 20** attracts more capital into Staples/Utilities—or if dips in cyclicals get bought.

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

Comparatively calm week when it comes to important economic events:

Monday (10/20): Retail Inventories, Industrial Production

Wednesday (10/22): Crude Oil Inventories,

Thursday (10/23): Continuing Jobless Claims, Initial Jobless Claims, Existing Home Sales

Friday (10/24): CPI (MoM and YoY), S&P Global Manufacturing PMI (Oct)

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

Monday, October 20, 2025: Steel Dynamics (STLD)

Tuesday, October 21, 2025: Netflix (NFLX), Texas Instruments (TXN), General Motors (GM), GE Aerospace (GE), Intuitive Surgical (ISRG), Nasdaq (NDAQ), EQT (EQT)

Wednesday, October 22, 2025: Tesla (TSLA), IBM (IBM), AT&T (T), Lam Research (LRCX), Thermo-Fisher Scientific (TMO), Boston Scientific (BSX), Hilton Worldwide, GE Vernova (GEV),

Thursday, October 23, 2025: Intel (INTC), Newmont (NEM), Valero Energy (VLO), Baker Hughes (BKR), Norfolk Southern (NSC), Deckers Outdoor (DECK)

Friday, October 24, 2025: Procter & Gamble (PG), General Dynamics (GD)

### **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>	Nvidia was flat last week and besides multiple attempts it receded. While it is a long-term leader and will continue to find support on a pullback below 50-day EMA but looks like it is in a several months long consolidation which could last for another few months.
<b>AAPL</b>	Our long-term leader Apple regained 2.86% last week and looks better among the Mag7 stocks. The trend may keep rising, but with earnings closing on 10/30, it might be wise to wait for a better entry point. Apple remains a long-term leader and its price action seems good for small, incremental additions.

### **Interesting new picks:**

Although market is expected to remain under pressure in the coming week, there are some stocks worth considering:

1. ALNY: Highlighted on Monday for an entry around 459. Now 481. It looks good to continue its trend as it is trading within a buy zone. It is a biopharma focused on development of novel therapeutics. However, care should be taken with position sizing as its earnings are due on 10/30.
2. WDC: Western Digital is one of the leading data storage solutions providers strategically positioned to benefit from the explosive growth in data storage demand driven by AI data centers. The company has demonstrated good financial improvement with 50.7% revenue growth over the past 12 months while the gross margins also improved in Q4 2025. It is currently providing an entry with a stop loss below 112.52 but since it already had a 183% return in 2025, therefore, a smaller position size is recommended.
3. ATAT: The China based franchised hotel operators was first selected and position was closed after an 18.61% return in a month time. Its rally gain seems to start and any entry above 37.46 will put it in a buy zone after a recent test of its 50-day EMA line. For the last four years, the return for this stock during Nov-Feb has been above average (40%) and a strong holidays season could again make this stock surge.

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

<b>AMD</b>	AMD had another strong week with an 8.46% gain and reached a new high during the week.227. AMD's price action is encouraging but it seems to be extended at current levels and the recent gap below 203 could be filled during a consolidation phase. Therefore, any new entries should be put on hold at this time.
<b>CCJ</b>	Picked two weeks ago, CCJ almost flat during the last week but made a noticeable drop of 5% on Friday. It is currently testing its 20-day EMA and on any close below the 8% entry level should lead to a trade close. Cameco is one of the leading uranium producers and its stock boasts good performance during last one year (68% on YTD basis).
<b>EME</b>	EME gained another 3.45% and made a new high last week. It has been up almost 10% since selected three weeks ago and is now trying to move past 700 level as it is still in a buy range, but its earnings are scheduled for release on 10/30, therefore smaller position sizing and caution is warranted.
<b>PWR</b>	PWR gained 3.89% as it raced to new highs. This Utilities sector player is a leading national provider of specialty contracting services, and one of the largest contractors service the transmission and distribution sector of the North American electric utility industry. It is still in a buy zone (as per the TR Weekly chart) but its earnings are scheduled for 10/30, so caution is warranted.

<b>CDNS</b>	It was mentioned last week that CDNS is expected to move down and test its 200-day EMA. This is exactly what it did and found support at 318 and now is trying to balance. Since next week still seems bearish for Tech stocks, therefore, no entry is proposed at this stage especially when its earnings are due on 10/27.
<b>MP</b>	MP gained another 3.13% last week but on Friday it lost 3.64% signaling some short-term weakness. Gains since our first mention on 09/22 are approximately 15%. It has already pulled back from 100 level (almost a 20% drop). Some profits should be made if not yet taken. Any pullback to 69.61 level could be another suitable entry for this volatile stock in nature which seems to have good long-term prospects.
<b>GEV</b>	GEV lost 0.75% last week and is trading cautiously before its earnings on 10/22. Long-term indicators fully support a continuation of the trend and any move beyond 664.79 on volumes could provide an entry.
<b>HIMS</b>	HIMS lost 13% on Friday. It came close to our stop loss at 48.69. If it is triggered, then the position should be closed. HIMS gained 16% on Wednesday but later lost all gains on news about the weight losing drug Ozempic being sold at much cheaper rates per President Trump and sale of stocks by its CEO.
<b>FIX</b>	Comfort Systems gained 1.45% for the week as it is trying to find support at its 20-day EMA. As the markets are pulling down, a retest of its 20-day EMA or possibly the range of 750-765 range is also possible. If some profits are not made yet, then position size should be reduced to secure some profits.
<b>MU</b>	MU was a winner last week with an 11.44% gain. While we think MU has long-term potential, in case of a deeper pullback, it can pull back below the 200 level to 181-185 range which could provide a better entry.
<b>GBTC</b>	It was mentioned last week that Bitcoin has come under pressure and any close below 90.49 should be a signal to close the position to protect the remaining gains. The decision was found correct as GBTC lost 8.07% during the week and came well below this level, accordingly the position was closed.
<b>AVGO</b>	<p>Broadcom bounced back strongly close to its 50-day EMA when it tried to close the gap and gained 7.61% for the week. Broadcom is now behaving as a long-term stock and any pullback to means (20-day EMA or 50-day EMA) could be taken as a support <b>to make a new entry.</b></p> <p>Note: Nov-Dec historically has been a bullish period for this stock and hopefully it will provide new opportunities.</p>
<b>AEM</b>	Although AEM gained 6.15% up for the week (now up 103% since its selection in June) but lost 5.95% on Friday. Stock continues to be in overbought territory and could consolidate along with Gold. Better to pause new entries for now to obtain a better price. On the other hand, it could also be a good time to make some profits if not taken so far.

<b>AU</b>	Similar to AEM, AU gained 2.68% last week (up 66% since May when it was selected) but it also lost 5.97% on Friday. Again, it is time to make some profits and reduce the position size while we still think it has good long-term prospects, however, a pullback is due.
<b>META</b>	Meta found support at its 20-week line and gained 1.65% for the week. No new entries suggested as its earnings are getting close (10/29) and it is expected to form a base here or test its 200-day EMA at 675.24. Any test of 200-day EMA will be an entry for Meta as long-term we still believe that Meta has strong fundamentals and has a vision of becoming a leader in AI. But currently, defensive play is more suitable.
<b>TSLA</b>	Although Tesla position was closed last week but it is kept under watch as its earnings are due on Wednesday (10/22) and investors will be looking for clues on its robotaxi initiative, deliveries and sales. Keep your fingers crossed as Tesla has the capability to stun investors on any given day.
<b>MSFT</b>	Microsoft gained 0.51% for the week as it is now at the 20-day EMA trying to move past it. It looks like it can go down along with market to test its recent lows, but long term looks good. Its earnings are scheduled for 10/29 so caution should be taken around that time while making new purchases.
<b>GOOGL</b>	Alphabet reversed its direction and flashed a buy signal on TR Chart on Wednesday. For the week it was up by 7.07%, which is a huge gain for the size of this company. It looks strong as it is trying to move past its recent high. However, chasing stocks is not a good idea. Observe for any pullbacks to means which could provide another suitable entry.
<b>MPLX</b>	MPLX found support at its 50-day EMA. For dividend seekers, it offers an entry in the current range as its yield is high (7.82%). However, for growth-oriented investors, it does not provide enough momentum and range to be considered.
<b>GLDM</b>	Besides a 2% pullback on Friday, Gold was up by 5.36% for the week. We mentioned earlier and still thinks that Gold is historically high and could take a breather to cool down. Long term is still fine, but a deeper pullback and/or consolidation is expected. If profits are in 15-20% range or beyond then some could be taken, and future entries could be put on hold till a pullback to mean is noticed.

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