

Records in a Storm: Bulls Dance While Drama Swirls

Earnings season is the main act. Over the next stretch, mega caps—including Alphabet, Amazon, Apple, Microsoft, and Meta—step on stage, trailed by Dow stalwarts like Visa, UnitedHealth, Verizon, Caterpillar, Boeing, and Chevron. With price tags this rich, applause isn't guaranteed: the S&P 500 trades around 22.2× 2026 estimates versus a five-year norm near 19.5×, so even good results can earn polite claps while any miss gets booed off the floor.

Valuation tension showed up in tape action around reports. Companies that underwhelmed fell harder than the historical average in the four-day window bracketing earnings, and even strong showings (think Vertiv Holdings or GE Vernova) didn't always stick to the landing. Translation: perfection is the new baseline.

Macro set the mood. A late-arriving September CPI landed a touch cooler than forecasts: headline +3.0% year over year (vs. 3.1% expected), +0.3% month over month, and core up 0.2% on the month. That eased nerves, nudged haven demand lower—gold slipped—and firmed expectations for another Fed rate cut on Oct. 29. In bonds, the 10-year Treasury yield pinned the close right at 4%.

Price action did the talking. The Nasdaq popped 1.2% on Friday, finishing the week up 2.3% and cruising above its 21-day EMA; it's now +20.2% in 2025. The S&P 500 added 0.8% on the day, 1.9% on the week, and sits comfortably above key moving averages, up 15.5% year to date. The Dow notched a first-ever finish north of 47,000 with a 1% gain, led by IBM, Goldman Sachs, and Nvidia. Breadth favored bulls—advancers beat decliners 2-to-1 on both the NYSE and Nasdaq—though lighter volume kept the victory lap modest. Small caps joined in: Russell 2000 +1.2%. Growth led: Innovator IBD 50 ETF (FFTY) jumped 2.8%. With trend strength returning, a prudent playbook is back in style—think roughly 60%–80% equity exposure, scaled in rather than slammed.

Corporate scorecards helped the cause. Coca-Cola, GE Aerospace, General Motors, and other bellwethers posted solid numbers. By current tallies, third-quarter profits are tracking near +8.9% with an upside path toward ~+13% if beats keep stacking, according to Evercore ISI.

Not everything sparkled. Netflix skidded 10% on Oct. 22 after a profit shortfall. And the backdrop offered its share of noise: a U.S. government funding standoff stretched to 24 days (second-longest), oil prices jumped after tougher U.S. sanctions on Russia, and trade static resurfaced as President Donald Trump cut off talks with Canada following an Ontario spot invoking Ronald Reagan.

Smaller companies are trying to turn a page. The S&P SmallCap 600 rose 3% on the week; after earnings slumps in 2023 and 2024, consensus looks for a +10% rebound this year and another +20% in 2026. Sentiment is thawing, but optimism needs receipts—namely, follow-through on revenues, margins, and guidance.

The takeaway: As we are moving towards traditionally a bullish period for overall market (Oct 27 – Jan 18), the wall of worry has not moved, but prices climbed it anyway. Soft earnings and resilient blue-chip earnings and improving breadth point; elevated valuations and headline risks demand

humility. Add exposure deliberately, manage position sizes, and let the numbers—not the noise—set your stride.

Market Scorecard

Index	Friday Close	Weekly	Monthly	YTD	1-Year
S&P 500	+0.79%	+1.92%	+2.32%	+15.47%	+16.90%
Dow Jones	+1.01%	+2.20%	+2.35%	+10.96%	+11.40%
Nasdaq 100	+1.04%	+2.18%	+3.49%	+20.68%	+25.33%
Nasdaq Composite	+1.15%	+2.31%	+3.14%	+20.17%	+26.01%
Russell 2000	+1.22%	+2.47%	+3.24%	+13.77%	+14.75%

Sector Pulse

Sector	Weekly Change	One-Month Trend
Health Care (XLV)	+1.93%	+7.07%
Materials (XLB)	+1.29%	+0.03%
Industrials (XLI)	+2.10%	+1.75%
Real Estate (XLRE)	+1.45%	+2.60%
Financials (XLF)	+1.78%	-0.93%
Communications (XLC)	+1.38%	-0.81%
Energy (XLE)	+2.43%	-2.51%
Discretionary (XLY)	+1.38%	-0.81%
Utilities (XLU)	-0.20%	+5.96%
Staples (XLP)	-0.80%	+0.73%
Technology (XLK)	+3.01%	+5.42%

Gold's price action is interesting as it moved lower for the week. Even though gold made a comeback on Thursday and Friday, it is still in a cooling period near highs. Gold miners were hit hard although the ETF GDX found support at its 50-day MA, but it will take some time to recover. Gold in fact looks better than gold miners (GDX) now.

Energy (XLE) recovered ground this week (although fell 1% on Friday) but still looks weak as many oil stocks tumbled due to falling crude oil prices. Materials (XLB) look solid as consolidating around the 50-day EMA line, but more work needs to be done in this sector. Staples (XPL), another defensive sector also remain overall sluggish but given the renewed strength in Technology and other aggressive sectors, this was expected.

Healthcare (XLV) has been the best sector for the last one month (although flat on Friday) as it is getting close to near highs. Medical stocks should be screened carefully to find potential movers for the upcoming period. Biotech (XBI), a subsector of Health stocks is also near its recent highs. Real Estate (XLRE) also

rose last week, rising above 42 level amid strong dividend yields which provide continuous income stream for dividend seekers.

Utilities, although treated as a defensive sector, was up 1.17% on Friday as what now appears is that this sector now moves in conjunction with FANG and AI stocks as more AI data center Capex is likely to improve the utility companies' business.

On the aggressive side, Discretionary (XLY) is heavily weighted by the likes of Tesla and Amazon. Tesla pulled back after its earnings on Thursday, but it is still holding on to the 20-day EMA line while Amazon also supported the sector by gaining 1.4% on Friday. Communications (XLC) moved back above its 50-day EMA line due to strength in Google which has the best-looking chart ahead of its earnings among other Mag7 stocks. Google is now racing ahead into its next big tech frontier, quantum computing. This helped XLC to stay strong, besides a pullback in Netflix after its earnings. Technology (XLK) is now at new all-time highs (also the main driver behind market's new highs last week). Tech sector is also looking powerful as it gained 1.5% on Friday. Semiconductors ETF (SMH) also rose to new highs while Computer Services was buoyed by IBM, which rose by 7.88% on Friday after the company reported strong third-quarter results that surpassed expectations, raised its full-year guidance, and announced a breakthrough in quantum computing.

Important Economic events next week:

Several important economic events are scheduled for the upcoming week:

Monday (10/27): New Home Sales, Durable Goods Orders, Atlanta Fed GDPNow (Q3)

Tuesday (10/28): Consumer Confidence

Wednesday (10/29): FOMC Statement, Fed Interest Rate Decision, FOMC Press Conference

Thursday (10/30): GDP (QoQ)

Friday (10/31): Core PCE Index (QoQ and YoY), Personal Spending

Important Earnings this week:

Monday, October 27, 2025: Cadence Design Systems (CDNS)

Tuesday, October 28, 2025: Bloom Energy (BE), Incyte (INCY), Novartis (NVS), Seagate (STX), PayPal (PYPL), Visa (V)

Wednesday, October 29, 2025: Agnico-Eagles Mines (AEM), Alphabet (GOOGL), eBay (EBAY), Meta (META)

Thursday, October 30, 2025: Amazon (AMZN), Apple (APPL), Argenx (AGRX), Atlassian (TEAM), Cloudflare (NET), Eli Lilly (LLY), L3Harris Technologies (LHX)

Friday, October 31, 2025: AbbVie (ABBV), Chevron (CVX)

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.

NVDA	Nvidia gained 1.66% last week and has been trading in a range for the last 5 months. It looks like it is setting up for another move up to test the 200-level offering another entry for anxious investors to add on to their positions with a top loss below 164. November has been traditionally strong month for Nvidia with 100% gains over the last five years. On the other hand, any decisive break below 165 could push the stock further down to 154 level.
AAPL	Our long-term leader Apple gained another 4.17% last week and still looks better among other Mag7 stocks along with Google. 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:

1. **FTI:** TechnipFMC plc is a leading manufacturer and supplier of products, services and fully integrated technology solutions for the energy industry. Last week it jumped by 9.94% (besides a 3.94% pullback on Friday) and is in buy zones as per the TR indicator daily and weekly charts. Any further pullback to the 20-day EMA at 36.15 will be a suggested buy point.
2. **SNOW:** Snowflake provides cloud-based data-warehousing that allows corporate users to store and analyze data. The stock is breaking out on high relative strength in a buy zone, and long-term indicators fully support a continuation of trend. Target a 15% move as stock has had volatile move with the market.
3. **IBM:** Big blue is back, this time with raised full-year guidance and a breakthrough in quantum computing pushing its stock prices above 300 for the first time. Although it is a bit extended, it is in a strong buy zone with a stop loss below 20-day EMA at 268.15. In fact, given IBM's last two years' performance, it could be given even a wider stoploss amid market enthusiasm behind its recent move.
4. **ZS:** Although we already have a position in this stock since April, this cyber security stock is giving another buy signal. Z Scaler's platform operates across 160 data centers globally and helps identify security attacks and prevent data loss. It has good gross profit margins, and 21 analysts have revised their earnings upwards for the upcoming period.

Medium- and Short-Term Picks:

ALNY	Picked last Monday, ALNY was down 3.79% last week. Earnings are due on 10/30 hence no entry currently. It was already mentioned last week to maintain a smaller than usual position size in case of an entry.
WDC	After 2-3 days of decline, WDC made a comeback on Thursday with a net 2.56% for the week. 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.
ATAT	ATAT justified its selection last week as it gained 6.67%. It is still in the upper range of buy zone, long-term indicators are in favor of growth but being a Chinese volatile stock, sharp pullbacks are not unusual and, therefore, caution should be taken with position sizing and stop losses.
AMD	AMD had another strong week with a 7.63% gain and reached a new high during the week. AMD's price action is encouraging but it seems to be extended at current levels and any pullback to close the gap between 235-242 is likely to be bought and could provide an aggressive entry.
CCJ	CCJ dropped below its 50-day EMA line at 82.76 before finding support and rebounding. No new entry for now and any close below 80.53 should be closed. Cameco is one of the leading uranium producers and its stock boasts good performance during last one year.
EME	EME continued to justify its selection and gained 8.6% last week on top of 3.45% made in the previous week. It has been up 19.42% since selected three weeks ago and is now trying to move past 750 level as it moves past the buy range. Now it is time to book some profits as its earnings are scheduled for release on 10/30
PWR	Quanta Services gained another 1.63% to close at new highs and the top of the current second stage buying zone. Although this utility player is still in a buy zone (as per the TR daily and weekly charts), but its earnings are scheduled for 10/30, so caution is warranted.
CDNS	CDNS found support at its 200-day EMA and gained 5.82% last week. No entry is proposed at this stage, especially when its earnings are due on 10/27 but keep in mind that November has been historically for this stock and hence immediately after its earnings, we could find a very good short-term opportunity.
MP	<p>Although MP gained 3.4% on Friday but for the week it still lost 12.35%, triggering our stop to close the sale. It went as high as 100.25 level providing some decent gains and using our strategy of making some profits at 15-20%, overall position should have ended in green.</p> <p>For the time being, this stock is being moved to a watchlist for any future monitoring.</p>

GEV	GEV took a dive and found support at lower weekly Bollinger band at 532.72 before rebounding and closing at 584 (-2.56% for the week). Since it is still below the 50-day EMA at 603.56, it is still likely to roll-over or consolidate. Any close above 605 will signal strength and a possible new entry in the stock.
HIMS	HIMS lost another 2.13% on Friday. The position was closed as it hit our stop loss at 48.69. However, its earnings are due on 11/03 and could trigger another move (in any direction), therefore, not a time to initiate a new position.
FIX	Comfort Systems was a winner with an 18.57% gain after its earnings. If some profits are not made yet, then position size should be reduced to secure some profits while let the rest run.
MU	MU continued its astonishing run since August (81% return since the position opened) and gained another 8.22% 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. Meanwhile, if some profits are not made then this is the perfect time to make some profits before a pullback occurs.
AVGO	<p>It was mentioned last week that any pullback to 20-day EMA would be an entry point. This is exactly what Broadcom did when it tested its 20-day EMA and bounced back strongly to fetch a weekly gain of 1.37%. 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 to make a new entry. The TR Indicator (Weekly chart) also indicates it is in a buy zone.</p> <p>Note: Nov-Dec historically has been a bullish period for this stock and hopefully it will provide new opportunities.</p>
AEM	<p>We mentioned last week that besides a good run; the stock is now overbought. It lost 7.16% last week but the position was closed on Tuesday to secure profits made.</p> <p>Gold miners are expected to continue consolidation before making a fresh move and for the time being both AEM and AU are moved to a watchlist for any new moves.</p>
AU	As mentioned last week, a pullback was due in gold miners. This position was closed on Tuesday as the stock breached the 20-day EMA on heavy volumes further declining below the 50-day EMA before finding support. Gold miners are taking a breather to give back some gains and although long-term look good but need to work on the chart for another entry.
META	Meta found support earlier and gained 2.99% last week. No new entries suggested as its earnings are getting close (10/29) and it is expected to form a base here. Any pullback to 700 level 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.
TSLA	Tesla lost 1.27% (>3% on Friday) last week but seems to have found support around 413 level. Watch any move beyond 450 which could provide an aggressive entry

	(smaller size recommended), otherwise it could drift once again to 405-413 level before finding support.
MSFT	Microsoft gained another 1.95% for the week and seems to have found support at current levels with a stop loss below 500. However, its earnings are very close (10/29) and earnings could move the stock in any given direction although more chances are for it to move past 531 level, which could be a buy point. The Azure cloud computing business will be a key area as will CoPilot AI services.
GOOGL	We mentioned last week that Alphabet reversed its direction and flashed a buy signal. It confirmed our bias by gaining another 2.61% for the week (now over 10% during last two weeks). It looks strong as it made a new high as well. Google is now racing ahead into its next big tech frontier, quantum computing and is likely continue its move upwards but earnings are very close (10/29), therefore, it is recommended to wait for this event before evaluating any future move.
MPLX	MPLX found support at its 50-day EMA last week and gained 3.13% this week. Its earnings are due next week (11/04) but for dividend seekers, it offers an entry in the current range as its yield is high (7.58%). However, for growth-oriented investors, it does not provide enough momentum and range to be considered.
GLDM	Gold continued its cooling period by dropping 2.95% over 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. Watch for the RSI dropping to 45 level which has provided decent support to Gold during the last one year.

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/MJSoftwareCo>

Follow us on Threads: <https://www.threads.com/@analyzestocks>

Subscribe to our YouTube channel to obtain the latest news and information about our products at: <https://www.youtube.com/@MJSoftware>

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.