

Shutdown Silence Sparks Stock Surge

Washington's gridlock became Wall Street's green light this week. As the federal government's shutdown entered its third day Friday, the anticipated monthly employment report vanished from the calendar—but investors treated the data blackout as a blessing in disguise. Both the Dow Jones Industrial Average and S&P 500 matched the 1.1% weekly climb, with the Dow posting its sixth straight victory lap and a fresh record close thanks to strong performances from UnitedHealth and Travelers. The blue-chip index gained 0.5% on Friday alone. Small-cap stocks outmuscled their larger peers, with Russell 2000 jumping 0.7%, though growth-focused names stumbled as the Innovator IBD 50 ETF slipped 0.2%. The 10-year Treasury yield ticked up three basis points to settle at 4.12%.

The winning streak tells a story of remarkable investor composure. The Cboe Volatility Index (VIX) — the market's fear gauge—lingers in the relaxed mid-teens range, signaling zero panic despite Capitol Hill's dysfunction. It looks like traders are simply shrugging off the Washington theatrics. Instead, they're laser-focused on two upcoming catalysts: another expected interest rate trim before month-end and what's shaping up to be a stellar third-quarter earnings finale.

The Nasdaq Composite delivered the week's strongest punch at 1.3%, despite Friday's 0.3% pullback as profit-takers circled Big Tech positions. The tech retreat may have been prompted by some unusually public remarks from Amazon's Jeff Bezos, who cautioned about an AI bubble—though he described it as the more constructive "industrial" type. He cautioned. "Brilliant ventures get funded alongside absurd ones, and distinguishing between them becomes nearly impossible amid the frenzy."

Yet Bezos stressed the AI wave rides on legitimate substance: "This technology is authentic and will revolutionize every industry."

That conviction didn't prevent AI software pioneer Palantir Technologies from leading S&P 500 decliners with a brutal 7.5% nosedive following reports of fundamental security flaws in its battlefield communications prototype. Its stock, however, still clings to its 50-day average.

Market Scorecard

Index	Friday Close	Weekly	Monthly	YTD	1-Year
S&P 500	+0.01%	+1.09%	+4.15%	+14.18%	+17.82%
Dow Jones	+0.51%	+1.10%	+3.28%	+9.91%	+11.30%
Nasdaq 100	-0.43%	+1.15%	+5.85%	+17.96%	+25.22%
Nasdaq Composite	-0.28%	+1.32%	+5.97%	+17.97%	+27.13%
Russell 2000	+0.74%	+1.86%	+5.50%	+12.13%	+14.98%

Sector Pulse

Sector	Weekly Change	One-Month Trend
Health Care (XLV)	+6.88%	-0.68%
Materials (XLB)	+1.15%	-0.75%
Industrials (XLI)	+1.20%	+3.50%
Real Estate (XLRE)	+0.48%	+2.22%
Financials (XLF)	-0.26%	+0.74%
Communications (XLC)	-1.51%	+3.30%
Energy (XLE)	-3.35%	+1.33%
Discretionary (XLY)	-0.77%	+3.18%
Utilities (XLU)	+2.42%	+6.77%
Staples (XLP)	+0.09%	-2.51%
Technology (XLK)	+2.11%	+9.08%

Sector performance painted a mixed canvas. Utilities and healthcare led the charge while communication services and consumer discretionary lagged. Managed care providers, integrated computer systems, metal miners, data storage specialists, and trucking operations drove gains, while tobacco, oil royalties, solar panels, fiber optics, contract manufacturers, and automakers dragged behind. Advancers outnumbered decliners substantially on both exchanges despite elevated volume adding a distribution day to the Nasdaq's count.

Strength in Healthcare, Materials and Industrials while weakness in aggressive areas like Discretionary (where Amazon and Tesla tumbled during the week) signals more capital rotation is taking place. Healthcare (XLV) got a big boost (7% for the week) in response to the Pfizer deal with Government on reducing drug prices. Technology (XLK) was bolstered by leaked reports that Washington wants 50% of Taiwanese chip production in US which moved big chip manufacturers like Intel, MU and AMD (besides a Friday drop). Utilities (XLU) continued to outperform most other sectors based on future business prospects due to the need for additional energy for planned AI data centers.

Looking ahead, the data vacuum continues as Senate Democrats blocked yet another Republican seven-week funding proposal Friday. Federal statistics like weekly jobless claims will likely remain frozen, though Wednesday brings Federal Reserve meeting minutes that could telegraph future rate adjustments for October and December gatherings. Thursday features speeches from Fed Chair Jerome Powell and Treasury Secretary Scott Bessent at the Community Bank Conference, with Vice Chair Michelle Bowman joining a fireside discussion. Friday delivers the University of Michigan's preliminary October consumer sentiment reading.

The earnings parade winds down next week with notable reports from Constellation Brands, Delta Air Lines, Applied Digital, and Levi Strauss.

Regardless of when Washington resolves its issues, strong corporate profits and supportive monetary policy are likely to push equities higher through year-end. Sometimes the best news is

indeed no news at all. However, one word of caution: Second week of every month is typically a weaker period, and extended stocks could take a breather to offer investors better entry prices. Investors, therefore, need to be very cautious for next two weeks observing if market starts giving deeper pullback and correction signals.

Important Economic events next week:

Comparatively calm week when it comes to important economic events:

Tuesday (10/07): Exports, Imports, Trade Balance (Aug)

Wednesday (10/08): 10 Year Note Auction, FOMC Meeting Minutes

Thursday (10/09): Fed Chair Powell Speaks, Initial Jobless Claims, Atlanta Fed GDPNow (Q3)

Friday (10/10): Average Hourly Earnings (MoM). Nonfarm Payrolls, Unemployment Rate (Sep).

Consumer Sentiment (Oct)

Important Earnings this week:

Some important earnings left for the upcoming week are:

Monday (10/06): Aehr Test Systems (AEHR)

Thursday (10/09): Delta Air Lines (DAL), Levi Strauss (LEVI)

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 finally broke out from the 184.47 buy point and stayed above, besides a retreat on Friday, it still closed above this buy point. This buy range extends to 193 and Nvidia is expected to slowly crawl towards 200. If it loses this buy point, then chances are that it may fall to its 50-day EMA (currently 175.04). Nvidia is a long-term leader and continues to find support on every pullback as shown by its rising Accumulation/Distribution line.
AAPL	Our long-term leader Apple gained another 1% last week as it tested the all-time high at 259.18. It then pulled back and settled at 258. At this point, an aggressive entry at current prices with stop loss below 247.84 is available , otherwise it is recommended to hold the existing position and wait for pullbacks to key moving averages to add or initiate new positions.

Interesting new picks:

1. **AMD:** AMD made the list this week due to reports that it is in talks with Intel (INTC) about potentially outsourcing some of its chip production to Intel, a decision that could provide significant support to Intel's struggling foundry segment. The news follows Nvidia's stake in and alliance with Intel. Shares initially rose but Friday's action is bearish and a market in correction

could also pull AMD down along with it. A better entry would be if AMD pulls down to its 50-day EMA (159.49) where it is likely to get support.

2. **CCJ:** Cameco Corporation is one of the world's largest uranium producers, a significant supplier of conversion services and an AI stock as the data centers that drive the ongoing AI revolution will require huge amount of power, including nuclear. Cameco is one of the leading uranium producers and its stock boasts good performance during last one year. Its earnings have also increased substantially over time with an ascending and a buy point of 84.2.

Medium- and Short-Term Picks:

EME	<p>Picked last week, EME gained by 2.16% during the week now eyeing a breakout beyond 667.64 which will be another entry if it moves in volumes past this buy point.</p> <p>It is still in a buy zone as per our Daily TR indicator with a stop loss at 607.</p>
PWR	<p>Similar to EME, PWR was chosen last week and recorded a gain of 3.90%, which further validates its selection. It made a new high and then reverted. 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 the buy range but any pullback to its rising 50-day EMA could provide a much better entry point with high reward-to-risk ratio.</p>
CDNS	<p>Cadence System Design lost another 0.81% last week but is looking for support at 50-day EMA. It still offers an entry at this level with an 8-10% stop loss. If the tech sector and overall market stay strong, it could quickly return to previous levels.</p> <p>Note: A deeper market pullback could also pull CDNS down, albeit temporarily. Therefore, keep position sizes small for now.</p>
MP	<p>Although after losing 11 on last Friday, it gained 4.18% last week, it is still in a consolidation range as it found support near its 50-day EMA line at 65.57. Any other pullback to its 50-day EMA or lower Bollinger band at 59.91 will again likely get support and could provide a better entry.</p>
GEV	<p>GEV lost another 1.85% last week. If it moves above 612.84 then this move will provide an entry with a stop loss below 589. Long-term indicators fully support a continuation of the trend.</p>
HIMS	<p>Selected three weeks ago, HIMS lost 10% last week. We think the main story remains consistent, so we suggest maintaining your position unless the stop loss at 48.69 is triggered. Nevertheless, all new entries must be put on hold for now.</p>
FIX	<p>Added now four weeks ago, Comfort Systems gained another 1.7% last week. As mentioned earlier, it found support at a test of its 20-day EMA. It seems a bit extended</p>

	at this stage, however, another test of its rising 20-day EMA at 787.45 could provide another entry.
STNE	Stoneco decreased by another 4% last week, reinforcing our view that it has become overextended and is now entering a period of consolidation. Although it is looking for support at its 200-day EMA (17.73), it is also important for it not to lose this level. Until then, it is advisable not to make any additional investments, and investors might consider taking profits if gains reach around 15-20%. Since the stock is currently overbought, it will likely remain stable around these levels.
ZM	Zoom lost 4.2% last week. If it moves below 79 then position should be closed as it seems to be struggling below its 50-day EMA line.
MU	Contrary to our expectations, Micron reversed and gained 19.51% last week, moving to new all-time highs. At these levels, Micron could come down with market and hence some profit should be secured while raising the stop loss level to entry price.
APP	<p>Applovin rose by 1.93% last week now 8 out of nine weeks in a row. This stock seems now a bit overbought and if not yet taken then some profits should be booked as mentioned earlier.</p> <p>Long-term indicators fully support continuation of the uptrend but now it is extended and should be considered at better locations.</p>
IONQ	Last week, it was noted that if IONQ pulls back to the 20-day EMA at 59.61, this level could act as a test and potentially offer aggressive investors another entry opportunity. This is exactly what it did and IONQ found support at its 20-day EMA to gain an impressive 8.92% for the week. The stock has an aggressive entry at current level with an aim of moving beyond 76.13 with a stop loss below 60.14. Another strategy could be to wait for another test of 20-day EMA at which it is likely to find support.
GBTC / ETHE	<p>Bitcoin hit another high on Sunday and gained 12.5% last week while ETHE also reversed with a 12.3% gain. ETHE is flashing a buy signal at current prices, eyeing a new all-time high with a stop loss below 31.43.</p> <p>Note: Both bitcoin and Ethereum are volatile in nature and hence require a wider stop loss than equities.</p>
AVGO	<p>Broadcom lost another 1.15% last week as it consolidates after a great run since April and now settled above its 20-day EMA. It provides another entry at these levels but any temporary pullback in market could also pull it back to 20-day EMA or even 50-day EMA where it is likely to find support. Long-term indicators fully support a continuation of the trend.</p> <p>Note: Nov-Dec historically has been a bullish period for this stock and hopefully it will provide new opportunities.</p>

AEM	AEM continued to ride the gold rally with another 3.67% gain. Stock continues to be in overbought territory and could consolidate along with Gold. Better to hold new entries for now to obtain a better price.
MELI	MELI lost a noticeable 12% for the week and flashed a sell signal on Tuesday when it breached the 50-day EMA. Accordingly, the position was closed to avoid any further losses as the stock has settled below the 200-day EMA line.
AU	AU was another winner this week and gained 7.35% amid continuing rally in gold and gold miners. 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. Let us wait for a better entry around the 20-day or 50-day EMA lines.
META	Meta seems to be struggling as its short-term stop loss triggered at 721. We still believe that Meta has strong fundamentals and a long-term vision of becoming a leader in AI. This current phase could continue, and it is on our watchlist for a suitable entry in future. At the moment, OpenAI is expected to go big in advertising, which could impact META directly, hence its shares are feeling pressure.
TSLA	<p>We mentioned last week making some profits on Tesla before a pullback and Tesla lost 2.4% for the week from a prior week's high of 470.75 to close at 429.83. Ultimately it found support at its 20-day EMA but given the recent price action, it is possible for Tesla to further lose ground before forming a base. The position can be closed at this time to secure profits, otherwise any close above than 446 could also offer another aggressive entry.</p> <p>Tesla delivered a record number of vehicles in Q3, up 29.4% from Q2 but expiration of US EV tax credit could pull down the Tesla stock further in near future.</p>
MSFT	Microsoft gained 1.15% last week as it tried to remain in a tight range, finding support around its 20-day and 50-day EMAs. It is still offering a good reward-to-risk entry at current levels with a stop loss below 495. As mentioned last week, it can remain in a range for some time before making a move.
GOOGL	Alphabet continues to find support at its 20-day EMA. If it moves past 246.30 in the coming week and holds it, then it will be another buy signal with a tight stop loss below 235.
CVX	Chevron lost 4.13% last week due to falling crude oil prices. The energy giant offers a 4.45% dividend and remains attractive to long-term investors, though its stock price is unlikely to change much in the short term. Its consolidation is now in fourth year in a range between 129-165 and it can continue to trade in this range in near future as well.
MPLX	MPLX lost another 3.24% last week and now is below 50-day EMA at 50.22. MPLX was chosen due to its attractive dividend yield, and should be sold if its price drops

	below 49.13. Long-term investors, however, could continue to hold it amid high dividend yield.
BABA	Baba made another leap of 9.38%, making it now 9 weeks in a row. We think that Ali Baba is going further higher eventually but in the short run consider taking profits and trimming your position, as BABA is prone to sharp pullbacks and volatility.
GLDM	We mentioned last week that aggressive investors could still take a position and Gold continued to make new highs now 9 out of the 10 last weeks. Gold again gained 3.12% last week and has been at its most overbought position since 1980. Gold now seems extended but continues to look strong and ideal for an entry on pullback to 20-day EMA line.

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.