

When the Market Trips Over Its Own Hopes

Friday was a reality check for investors who sometimes hope bad news can be spun into good. This time, employment data stayed stubbornly weak. Although it substantiated the possibility of a rate cut in September perhaps it was too weak. The S&P 500, Nasdaq and Dow hit new highs early in the morning before reversing lower.

The Dow Jones slid 220 points (-0.5%), the S&P 500 slipped 0.3%, and the Nasdaq Composite barely moved but still ended lower. Stocks looked poised for a strong finish early in the day, but momentum reversed after the Labor Department reported the U.S. economy added just 22,000 jobs in August—well below the 76,600 economists had projected.

Not every part of the market was in a sour mood. On Friday, the interest rate sensitive industries were on rise. The US Home Builders ETF (XHB) rose 1.8% since lower interest rates could bring more buyers to the market. Small cap Index Russell 2000 also rose by 0.50% since small companies tend to carry more floating-rate debt and falling interest rates could help them in reducing their financing costs.

Talking about stocks, Broadcom (AVGO) jumped on earnings on Friday, although its gain was pain for Nvidia and AMD and many other AI stocks (in anticipation of losing market shares to Broadcom). Home Depot also increased by 1.76% along with other home construction and retailers.

Betting on Cuts

The lackluster jobs report pushed bond yields lower, with traders piling into bets that the Federal Reserve will deliver rate cuts soon:

- No September cut: off the table (down from 3.6% odds).
- Quarter-point cut a near certainty at 92%.
- Half-point cut: slim but real at 8%.
- By December: markets expect up to three quarter-point cuts (68% chance).

Winners and Losers

Lower yields helped real estate and materials stocks, but most sectors struggled to keep up. Energy was Friday's weakest link, while real estate claimed the title of top performer.

Voices from the Street

Analysts point to one core issue: a stalled labor market. Job growth has been flat for three months, with fewer than half of industries hiring in the last five. That stagnation, they warn, leaves little room for optimism. And as one strategist put it, “Hoping for weak data to force rate cuts is dangerous—you might just get what you wished for, and not like the outcome.”

Next week, investors will be focused on Core Inflation reports (CPI and PPI data), however, with weak employment data released on Friday, these two inflation reports may not be impactful as they generally are.

Market Wrap-Up

Index	Friday Close	Weekly	Monthly	YTD	1-Year
S&P 500	-0.32%	0.33%	2.89%	10.20%	17.77%
Dow Jones Industrial	-0.48%	-0.32%	2.92%	6.71%	11.40%
Nasdaq 100	0.08%	1.01%	2.75%	12.57%	24.94%
Nasdaq Composite	-0.03%	1.14%	3.75%	12.37%	26.70%
Russell 2000	0.50%	1.11%	7.66%	8.15%	13.48%

Market Pulse: Sector Snapshot

Sector	Weekly Change	One-Month Trend
Health Care (XLV)	+0.34%	+4.08%
Materials (XLB)	-0.35%	+3.92%
Industrials (XLI)	-0.71%	+0.08%
Real Estate (XLRE)	-0.31%	+0.96%
Financials (XLF)	-1.70%	+2.65%
Communications (XLC)	+2.96%	+6.87%
Energy (XLE)	-3.35%	+2.16%
Discretionary (XLY)	+1.45%	+7.40%
Utilities (XLU)	-1.01%	-3.38%
Staples (XLP)	+0.11%	+0.50%

Sector	Weekly Change	One-Month Trend
Technology (XLK)	+0.16%	+1.05%

Communications (XLC) stole the spotlight, boosted by a favorable antitrust ruling for Alphabet that lifted sentiment across the sector. Consumer Discretionary (XLY) also stayed in rally mode, powered by Tesla's strength and Amazon's gap-up after announcing an AI partnership expected to enhance its AWS business. Retailers like Ollie's Bargain (OLLI), homebuilders such as D.R. Horton and Lennar, and even Home Depot added to the sector's momentum.

Technology (XLK) started the week soft but found its footing with help from Apple and Broadcom, while Nvidia cooled in a controlled pullback. The sector's momentum remains cautious, and another dip toward the 50-day EMA is possible over the next couple of months.

Healthcare (XLV) has been grinding higher for a month, largely thanks to a rebound in biotech names like Novavax, Novartis, AstraZeneca, AbbVie, Merck, and Johnson & Johnson, all showing improved relative strength.

Industrials (XLI) and Financials (XLF) both lost grounds, echoing in September's seasonal weakness and the drag from softer employment data. Energy (XLE) was also hit hard, sliding alongside falling crude oil prices.

Defensive plays continued to struggle as Utilities (XLU) dropped decisively below its 50-day EMA, signaling more weakness ahead. Staples (XLP) managed a slight gain but remain broadly sluggish as a group.

The Seasonal Context

As mentioned last week, history hasn't been kind to Tech during the **September–October stretch**, and the recent numbers echo that trend. While **rotation—not retreat—appears to be the theme**, investors are diversifying exposure away from growth-heavy Tech toward areas better positioned for the current macro backdrop. This includes areas like home construction, biotech and renewable energy stocks.

Important Economic events next week:

Comparatively a calm week when it comes to important economic events:

Wednesday (09/10): PPI (MoM and YoY), Crude Oil Inventories, 10-Year Note Auction, Atlanta FedGDPNow(Q3)

Thursday (09/11): Core CPI (MoM and YoY), Initial Jobless Claims

Friday (09/12): Consumer Sentiment

Important Earnings this week:

Not many important earnings are left for the upcoming week:

Tuesday (09/09): Synopsys (SNPS), Oracle (ORCL)

Wednesday (09/10): Chewy (CHWY)

Thursday (09/11): Adobe (ADBE), Kroger (KG)

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 lost another 4.11% during last week and has had 7 red days during the last 8 days. It is now below the 50-day EMA. Current weakness in stock could be seasonal at is likely to find support b/w 150-153 range. It is still a long-term stock, and anxious investors would support it unless there is a big correction in the overall stock market due to economic concerns.
AAPL	<p>Our long-term leader Apple gained another 3.25% for the week but is in a buy zone ahead of Tuesday's product event where iPhone 17 will be released. Apple stock also gained after a federal judge imposed relatively light antitrust penalties on Google parent Alphabet with Apple's search deal left intact.</p> <p>Generally, this is a weaker period for Apple, and we think that post event it could come between 230-235 range which will provide a better opportunity to hop in. Nevertheless, it is still a long-term leader, and we think that eventually it will test its recent highs at 259.</p>

Interesting new picks:

1. Incyte (INCY): Medical stock Incyte is offering a fresh entry amid a 60% run from the lows in April. The drug company focuses on treatment of severe medical conditions like cancer and diabetes and its most popular drug is Jakafi. It is currently in a buy zone and near its 52-week highs. The stock is expected to provide good returns as 12 analysts have revised their earnings estimates for the upcoming period.
2. Celestica (CLS): Keep an eye on the price action of Celestica Inc. Celestica is one of the largest electronics manufacturing services companies. It found a sudden jump based on BMO's OpenAI supplier expectations. Any pullback to its rising 20-day EMA will be a buy signal.
3. Comfort Systems (FIX): Comfort Systems is a national provider of HVAC equipment and services. The stock is just below 718.40 three-weeks-tight entry and within the buy range as per the TR Indicator Weekly chart.

Medium- and Short-Term Picks:

BA	Boeing lost 2.16% for the week but still looks good to test last year's high at 267.54. Long-term indicators also support a continuation of its long-term trend; however, short-term outlook is weakening, indicating support for a bearish trend.
STNE	Stone justified its selection last week with a 4.78% breakout gain on Friday and 5% weekly gain. It was a textbook breakout but slightly overbought. This stock should go higher but for another entry wait for a pullback to the rising 20-day EMA.
ZM	It was mentioned last week that good trade was available and Zoom managed to gain 2.78% for the week (14% in two weeks since it was first mentioned). It closed the gap and rebounded around 78.5. Good trade is still available at current prices with a stop loss below 76. Stock looks strong amid strong fundamentals and being undervalued could provide handsome return if it moves past 85.07.
UBER	Uber lost another 2.94% last week and tested the 20-week EMA line. If it moves above the 50-day EMA at 91.36 then it could provide another entry. Again, this will be an aggressive entry, but it is likely to continue its journey upwards. Suggested stop loss: 85.42.
DHI	D.R. Horton was another winner last week with a 7.27% gain. Looks extended at this stage but homebuilder stocks are performing well amid anticipated Fed rate cuts and DHI is among the top picks. Look for another buying opportunity around 20-day EMA line (it is strong and could get support even above it).
MU	As mentioned last week, Micron was supposed to come and test the 115 range. It exactly did this and then broke out from a cup-with-handle entry of 128.60 on Friday. The relative strength line is spiking amid the breakout attempt, a good sign. The chip stock has jumped away from its 50-day moving average. The TR indicator on week chart also gives a buy signal. Still in actionable range for investors seeking a position in a semiconductor stock.
APP	<p>Applovin added 2.43% for the week but real action came after market close on Friday when it was announced that it would be added to S&P 500 on 09/22 resulting in a 7.6% increase in extended trading. It is actionable now and is expected to hold this level just above the previous all-time high.</p> <p>It was mentioned last week that APP had good chances to test the 473.7 level. APP just did that with an 8.36% weekly gain and touched the highs of 488.70 before pulling back. APP still has a chance to move back and test its all-time high at 525.15. However, given the seasonal head winds, it is suggested to let it wait for a while and buy at support on pullback.</p>

	Long-term indicators fully support continuation of the uptrend.
IONQ	IONQ lost 2.20% for the week amid seasonal head winds in the Technology group. It seems to be consolidating further before making another move. Any move back to the 50-day EMA at 32.43 will be a buy. As mentioned earlier, it is a highly volatile stock due to nature of quantum computing (accordingly a smaller position size is suggested).
ATAT	Atour was flat last week and gained 0.3% after a huge last week gain of 9%. It was mentioned that any breakout above 37.46 will be a buy signal. The stock is still in an actionable buy range although any pullback to 38 level will provide another entry for this Chinese hotel operator.
GBTC / ETHE	Bitcoin ETF (GBTC) recovered 3.14% to get back above the 20-day EMA while ETHE (Ethereum ETF) was flat last week with a 0.22% loss. We think these two crypto currency ETFs will consolidate further and hence both are on hold for the time being.
AMZN	Amazon gained 1.45% for the week. We still think in the long term that the stock will come back to previous highs at 242.52. Its stock gapped up on Thursday on news with Aggressive investors could take a position at this level (although a reduced position size is suggested) as the stock is just below a buy point.
AVGO	Broadcom came out with its earnings and gained 9.41% on Friday in high volumes. Their CEO announced a \$10 billion new customer for their AI chips which sealed the show. Normally stocks follow up these huge gains with a period of consolidation followed by another leg up. Keep posted with our WhatsApp group, Facebook and Threads pages to identify the potential entry points during the week. Broadcom is the new leader for chip industry and is likely to provide ample opportunities going forward.
AEM	AEM gained another 5.62% gain as it surpassed the 150 level. Stock now looks somewhat overbought and could consolidate along with Gold. Better to hold new entries for now to obtain a better price.
CRDO	<p>CRDO scored another impressive gain of 14.44% on earnings when it crushed street's estimates and enhanced future guidance. No new entry as the stock is extended, however, its history shows that gaps are filled by an orderly pullback to its rising 20-day EMA. Watch for a pullback to its rising 20-day EMA as support for another possible entry.</p> <p>Caution: These types of stocks are suited only to aggressive investors because of high volatility.</p>
MELI	MELI lost 2.24% for the week but found support at its 20-day EMA. It is still actionable with an 8% stop loss below 2285 targeting 2645 and even beyond though typically September is a weaker month for MELI. Another strategy could be to wait till the end of September for another entry.
AU	Just like other gold miners, AU also gained 5.5% for the week to close at new highs. We still think it has good long-term prospects but could consolidate after a huge gain. Let us wait for a better entry around the 20-day or 50-day EMA lines.

META	<p>Meta gained 1.86% during the week and still in an actionable range as mentioned in the article posted on our website: https://analyzestocks.net</p> <p>Meta has strong fundamentals and a long-term vision of becoming a leader in AI. Read the article for a detailed analysis of META's fundamentals and technical.</p>
TSLA	<p>We have been bullish on Tesla for last several months when it found support around 300. Tesla stock jumped 5.1% to 350.81 for the week, regaining its 200-day line. We think that it is moving towards the buy point 367.71 and beyond. Tesla investors are optimistic about the scope of its Robotaxi and ride-hailing services, which is constantly pushing stock higher.</p>
MSFT	<p>Microsoft lost another 2.31% for the week (all losses came on Friday) and is now decisively under the 50-day EMA line. It is possible for it to further consolidate at these levels before making an entry. For a better entry, it is suggested to wait for a move above the 50-day EMA.</p>
GOOGL	<p>Google's stock rose 10.39% last week after a federal judge gave Alphabet light antitrust penalties and allowed the Apple search deal to remain. It had a nice gap up on Thursday. Generally, the strong stock consolidates after such a gap and therefore, a trend reversal is also possible. Let us wait for a pullback to the 20-day EMA for a possible entry.</p> <p>gain as it made a new all-time high on Friday. Besides the strength in Google, we think it will consolidate and any pullback to the rising 20-day EMA (202.78 now) will provide a better entry.</p>
CVX	<p>Chevron lost 4.32% last week along with the falling crude oil prices (which came down by 5% last week). The stock is likely to hold the range between 148-152, however, continuous crude oil prices will pressurize the energy sector overall and Chevron as well. The energy giant with a solid dividend (4.54%) is still a favorable play for many long-term investors.</p>
MPLX/HESM	<p>MPLX lost 0.71% while HESM lost 1.09% last week mainly because of a lackluster energy sector. Looks like they are on their path to further decline to test their respective 50-day EMA lines at 50.31 and 40.26 respectively. With high dividend yields (MPLX:8.52%, HESM: 7.57%), these pipeline operators are ideal for investors who want a continuous stream of income. For any new entry, watch out for any pull back to their 50-day EMA lines.</p>
BABA	<p>Baba was flat last week with a 0.4% gain after a very good last week. We think that Ali Baba is actionable and in a buy range and potentially will clear the 144.79 (recent highs) on investor optimism.</p>

GLDM	<p>GLDM has been on this list since March, however, by mistake it was omitted for last two write-ups.</p> <p>GLDM made another high last week as Gold broke out. Gold is experiencing a very solid uptrend since last 1-1/2 years now which is likely to continue in near future amid global certainty, Ukraine war and inconsistent policies by US administration. However, it could take a breather to consolidate for a while before making next move.</p>
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