

Wednesday, June 18, 2025

Technical Assessment

Intermediate-Term: **Bullish**

Long-Term: **Bullish**

Over the past three days, the stock market has been whipped around by headlines out of the Middle East. How long this will last is obviously unknown. On Tuesday, crude oil (WTI) surged 4% to \$73.10/barrel and Brent oil jumped 4.2% to \$76.30. And it doesn't stop there, as gasoline futures rose another 2% and are up almost 13% in June -- just as consumers enter the summer driving season.

Surprisingly, the variation of losses among the mega-cap, mid-cap, and small-cap stocks was very tight, ranging from 0.8% to 1%. Once again, the only sector in the green was Energy, with a 0.9% jump. Consumer Discretionary and Healthcare were at the bottom, both off 1.7%. Materials fell 1%, Communication Services lost 0.9%, and Consumer Staples, Utilities, Industrials, Information Technology, and Financial gave back 0.6% to 0.8%.

Over the past three months (back to the April lows), Information Technology has led the market with broad strength. The Technology Select Sector SPDR Fund (XLK) has ripped higher by 12%, with electrical components and software surging 19%, and semiconductors and electrical equipment popping 18%. All four of these industries have strong technical rankings according to www.stockcharts.com.

Some of the stocks that have benefited the most are certainly not household names, with big moves from Amphenol, Jabil, Flex, Celestica, TTM Technologies, Snowflake, Coinbase, Cloudflare, Vertiv Holdings, and Allient Inc. Some more-common names include Microsoft, Oracle, Palantir, CrowdStrike, Nvidia, and Broadcom. It seems we are in the next inning of the AI trade. (Mark Arbeter, CMT)

Strengthening Sectors:

Energy, Communication Services

Weakening Sectors:

Consumer Staples, Utilities

Recent Picks:

COF, DRI, VLO, GD, ICE, JPM, RTX, JCI, AMZN, GILD, WWW, CRWD, C, HPE, AIG, IBM, SBUX, MMM, VRSK, AXP, MS, BA, PWR, PAYX, CME, ADP, ACM

INDEX	PRICE	SUPP	RESIS
NASD	19521	18000	20200
NYSE	19918	19000	20330
S&P 500	5983	5600	6120

Company	Ticker	Price	Support	Resistance
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Baker Hughes	BKR	39.60	36	44
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Baker Hughes is the world's third-largest oil services company. Over the long term, it expects to generate about 30% of revenue from the U.S. and 70% internationally.

BKR has been volatile and traded between \$15 in late 1999 and \$100 in October 2007. The stock's last peak was in December 2016 at \$69. After that, the shares fell below \$10 during the pandemic. Since then, BKR has made nice progress to the upside, but the ride has been jagged. In early November 2024, the stock completed a multi-year inverse head-and-shoulders pattern with a large pickup in volume. The shares peaked at a recovery high on November 21 at \$45. Over the next four weeks, BKR traced out a flag to its 21-exponential moving average. After a bounce, the stock traced out a flag to its 50-day, popped, and then peaked on February 5. The shares were hit hard in April, but are recovering and have little resistance overhead.

We would put a stop-loss just below chart and moving-average support at \$36. We would take profits at \$44, with the potential for greater long-term gains.

AECOM	ACM	112.19	104	118
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AECOM is a global provider of planning, consulting, architectural, and engineering design, as well as construction management services for a broad range of infrastructure projects, including transportation, water, energy, and environmental initiatives.

ACM started trading in 2007 and mostly went sideways between \$14 and \$40 until early 2020, when it popped to \$52. After getting smacked during the pandemic and dropping to \$22, the stock soared to \$70 by May 2021. Since then, the shares have crawled higher in a volatile fashion. From March 2024 until August, ACM traced out a bullish consolidation and then broke out in late August to all-time highs. Trading volume was heavy during the breakout. The stock peaked on August 27, pulled back to its 10-week exponential moving average, and surged, peaking on November 29 at \$116. ACM then dropped to \$87 by April 8 but has rallied nicely, completing a bullish inverse head-and-shoulders formation.

We would put a stop-loss just below chart and moving-average support at \$104. We would take profits at \$122.

Investing in stocks involves risks that may be exacerbated by market and/or price volatility. The stocks in this report have exhibited recent volatility and may continue to do so in the near-term, and thus may be riskier relative to the market as a whole.

Please see disclaimer on page 2.