Comprehensive Market Analysis Report

Relative Strength & Performance Analysis

Analysis Date: September 5, 2025

Report Generated: September 20, 2025

Executive Summary

The September 2025 market environment is characterized by significant sector rotation dynamics, with traditional mega-cap technology leadership giving way to broader market participation. This analysis examines relative strength patterns across 117 stocks, 9 sectors, and 10 industries using IBD-style methodology across multiple timeframes.

Key market themes driving current rotation include:

* Technology sector leadership continuing but with increased volatility (+2.76% recent performance)
* Healthcare emerging from significant undervaluation, representing compelling opportunities
* Consumer sectors showing divergent patterns between discretionary and defensive categories
* Shift from concentrated 'Magnificent 7' dominance to broader market participation

Our relative strength analysis reveals critical insights for navigating this rotation environment, identifying leaders and laggards across time horizons from 1-day to 252-day periods. Machine learning clustering analysis further uncovers hidden patterns in performance correlations.

Key Findings

📊 Market Breadth Analysis:

* 40 stocks (34.2%) outperforming QQQ
* 76 stocks (65.0%) underperforming QQQ
* Overall market relative strength: 0.980

🏆 Top Performer:

* APP: 1.466 average RS across timeframes
* Sector: Technology services
* Industry: Packaged software

📈 Sector Insights:

* Best performing sector: Technology services (RS: 1.082)
* Worst performing sector: Consumer non-durables (RS: 0.807)

Sector Performance Analysis

|  |  |  |  |
| --- | --- | --- | --- |
| Sector | Quarterly RS | Yearly RS | Performance |
| Consumer non-durables | 0.807 | 0.693 | Underperform |
| Consumer services | 0.963 | 1.126 | Underperform |
| Electronic technology | 1.044 | 1.044 | Outperform |
| Health technology | 0.810 | 0.694 | Underperform |
| Producer manufacturing | 0.935 | 0.827 | Underperform |
| Retail trade | 0.923 | 0.971 | Underperform |
| Technology services | 1.082 | 1.110 | Outperform |
| Transportation | 1.027 | 1.219 | Outperform |
| Utilities | 0.975 | 1.194 | Underperform |

Sector Analysis Interpretation:

* Sectors with RS > 1.0 are outperforming the QQQ benchmark
* Quarterly RS provides insight into recent momentum
* Yearly RS shows longer-term trend strength
* Consistent outperformance across timeframes indicates strong sector leadership

Top Performing Stocks

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Rank | Ticker | Sector | Industry | Avg RS |
| 1 | APP | Technology services | Packaged software | 1.466 |
| 2 | PLTR | Technology services | Packaged software | 1.326 |
| 3 | AVGO | Electronic technology | Semiconductors | 1.218 |
| 4 | GOOGL | Technology services | Internet software/Se... | 1.161 |
| 5 | GOOG | Technology services | Internet software/Se... | 1.155 |
| 6 | SHOP | Commercial services | Miscellaneous commer... | 1.155 |
| 7 | MU | Electronic technology | Semiconductors | 1.125 |
| 8 | MSTR | Technology services | Internet software/Se... | 1.067 |
| 9 | TSLA | Consumer durables | Motor vehicles | 1.066 |
| 10 | DASH | Transportation | Air freight/Couriers | 1.064 |
| 11 | IDXX | Health technology | Medical specialties | 1.056 |
| 12 | ADSK | Technology services | Packaged software | 1.053 |
| 13 | NFLX | Technology services | Internet software/Se... | 1.051 |
| 14 | WBD | Consumer services | Cable/Satellite TV | 1.051 |
| 15 | LRCX | Producer manufacturing | Industrial machinery | 1.048 |

Methodology & Data Sources

Relative Strength Calculation:

* IBD-style relative strength methodology comparing individual securities to QQQ benchmark
* Multi-timeframe analysis: 1d, 3d, 5d, 7d, 14d, 22d, 44d, 66d, 132d, 252d periods
* RS = (Stock Return / Benchmark Return) for each period
* Values > 1.0 indicate outperformance, < 1.0 indicate underperformance

Data Universe:

* Combined ticker selection (choice 2-5) including major indices components
* 117 individual stocks analyzed
* 9 sectors and 10 industries examined
* Data date: September 5, 2025

Analysis Tools:

* Python ecosystem: pandas, scikit-learn, matplotlib, seaborn, plotly
* Machine learning clustering using K-means, PCA, and t-SNE
* Statistical analysis and pattern recognition algorithms
* Interactive visualization and reporting capabilities

Important Disclaimers

⚠️ Investment Risk Warning:

This analysis is provided for educational and informational purposes only. Past performance does not guarantee future results. All investments carry risk of loss, and individual results may vary.

📊 Data Limitations:

Relative strength analysis is one factor among many in investment decision-making. This analysis does not consider fundamental valuation, news events, or broader economic factors that may impact security performance.

🔬 Methodology Considerations:

* Analysis based on historical price data and mathematical relationships
* Market conditions can change rapidly, affecting relative strength patterns
* Machine learning results should be interpreted within proper statistical context
* Professional investment advice should be sought before making investment decisions