Market Observations - as of July 3, 2025

By Carl Jorgensen - For Objective Traders - For educational purposes only. Not Financial Advice.

Last week we saw a failed rally the first hour on Monday that quickly dropped to lower lows mid day, below the prior Friday. The afternoon saw a strong rally to higher highs for the day. Tuesday saw a strong gap up and rally most of the day. Wednesday saw a small gap up that was slowly filled during the day with the S&P closing flat for the day and the Nasdaq Composite showing a small gain. Thursday saw a small gap up, brief dip and rally most of the day. Friday saw the rally continue higher with the Nasdaq Composite and S&P-500 both delivering new all time highs. Mid day Friday we saw a quick drop in most Indexes as a reaction to Canada Tariff news. This reaction was mostly recovered in the last hour of trading Friday as markets returned to nearly where they were before the news came out.

This week was a short Holiday week, with US Markets closing early on Thursday and remaining closed on Friday. Monday saw the rally continue higher with new all time highs seen in the Nasdaq and the S&P. Tuesday saw a pause and very small pull back in the S&P while the Nasdaq experienced a bigger drop this day. Wednesday saw the S&P again deliver new all time highs while the Nasdaq failed to do the same. Thursday saw a strong gap up and rally to new all time highs in both the S&P and Nasdaq before the markets closed early.

With the end of June on Monday we will include some monthly charts below for the major Indexes as of the June 30th close. Below we have also included a few comparison charts to see how the Indexes have done in the 2nd Quarter and how the biggest Tech stocks compare so far.

Gold was mostly flat this week while Silver saw a mild rally. The US Dollar made new 3 year lows this week. Oil prices saw a small rally on Wednesday then began giving some of those gains back on Thursday.

The US 10 year Treasury saw a dip this week while Yields increased.

Let’s look at the charts to see what they are telling us this week.

S&P 500 monthly chart as of Jun 30, 2025 – The rally we saw in May continued higher in June to deliver new all time highs.

S&P 500 weekly chart as of Jul 3, 2025 – We saw the S&P deliver new all time highs last week and continued higher this week to deliver more new all time highs.

S&P 500 daily chart as of Jul 3, 2025 – The S&P continued its rally with new all time highs on Monday, Wednesday and Thursday after a brief pause on Tuesday, ending this week up +1.72%.

S&P 500 15 min. chart as of Jul 3, 2025 – On Monday we saw a small gap up and pause most of the day with a rally to new all time highs in the last hour. Tuesday saw a small gap down and pause most all day to end the day down only -0.11%. Wednesday saw a rally all day to more new all time highs. Thursday gapped up at the open above its upper Expected Move and continued higher all day during this shortened session to more new all time highs.

This week (like last week) the S&P ended above its upper Expected Move. Next week's S&P weekly Expected Move is +/- $93.00 from Thursday's close at $6279.35.

DJIA monthly chart as of Jun 30, 2025 – The Dow Industrials continued its rally in June as it gets closer to reaching its record highs see last December.

DJIA weekly chart as of Jul 3, 2025 – We saw a strong rally last week that continued higher this Holiday week.

DJIA daily chart as of Jul 3, 2025 – We saw a higher high and higher close every day this short week except on Wednesday. Thursday ended the week up +2.30% and is now within 0.54% of its all time highs seen last December.

Nasdaq monthly chart as of Jun 30, 2025 – The Nasdaq Composite continued its rally in June to deliver new all time highs.

Nasdaq weekly chart as of Jul 3, 2025 – Last week we saw a strong rally to new all time highs. This week that rally continued higher with more new all time highs.

Nasdaq daily chart as of Jul 3, 2025 – Monday continued higher with more new all time highs. Tuesday saw a gap down and decline below the prior highs from last December. Wednesday saw a recovery rally that did not reach Monday's highs. Thursday saw a gap up and rally to new all time highs, ending this short week up +1.62%.

Russell 2000 monthly chart as of Jun 30, 2025 – The Russell 2000 saw the rally continue in June, crossing above its 20 month (Yellow) SMA.

Russell 2000 weekly chart as of Jul 3, 2025 – Last week's rally continued this week above its 50 week SMA (Blue).

Russell 2000 daily chart as of Jul 3, 2025 – Monday saw a pause near its 200 day SMA (Purple) then rallied the next 3 days with higher highs and higher closes, ending this short week up an impressive +3.52%.

US Indexes Percent Change daily chart as of Jul 3, 2025 – Here we are comparing the Major US Indexes for the 2nd Quarter, showing the percent change from their March 31 2025 close to the July 3rd close. For this period, the Nasdaq Composite was up +19.09%, the Nasdaq-100 (NDX) was up +18.61%, the Equal Weighted Nasdaq-100 (NDXE) was up 14.28%, the Russell 2000 ETF (IWM) was up 11.83%, the S&P-500 ETF (SPY) was up +11.79% and the Dow Industrials ETF (DIA) was up 6.73%.

Note that in about mid-May these Indexes seemed to begin to spread apart with the Nasdaq Composite in the lead most of the past 7 to 8 weeks as the spread between the Nasdaq Composite and the NDXE slowly expands showing us a clue about the Weighting of these stocks. Also note the increasing slope the past two weeks that is rising faster than the prior 4 to 5 weeks.

Next we will look at a few key ‘**Market Internals**’.

McClellan Summation Index weekly chart as of Jul 3, 2025 – Last week we saw a small bounce up to +625.44. This week we see a strong rally up to +806.38.

McClellan Summation Index daily chart as of Jul 3, 2025 – This week the slope accelerated upwards to end this week at +806.38.

NYSE Percent above 200 day SMA daily chart as of Jul 3, 2025 – Last week we saw a small increase up to 49.63%. This week the increase crossed above its 200 day SMA (Red) to end this week at 56.94%.

NYSE Percent above 50 day SMA daily chart as of Jul 3, 2025 – Last week we saw a small increase up to 72.43%. This week see an addition increase up to 80.26%.

VIX daily chart as of Jul 3, 2025 – The VIX saw a very small increase on Monday then declined each day that followed, ending this week at 16.38 and remaining below all 3 key daily SMAs.

VVIX daily chart as of Jul 3, 2025 – The Volatility of the VIX saw a small decline on Monday and Tuesday followed by a pause with an ‘Inside’ day on Wednesday and a very small bump up on Thursday.

Next we will look at a few key ‘**Commodities, Currency** and **Treasuries**’.

Oil daily chart as of Jul 3, 2025 – Oil prices remained within a narrow range on Monday and Tuesday then saw a rally up to its 20 day SMA on Wednesday. Thursday saw a small decline to end this week at $67.18.

Gold daily chart as of Jul 3, 2025 – Gold saw a small rally this week closing higher Monday, crossing above its 50 day SMA on Tuesday and testing its 20 day SMA on Wednesday. Thursday saw a small decline down to its 50 day SMA to end this week at $3,336.

Bitcoin daily chart as of Jul 3, 2025 – Bitcoin saw a pause on Monday then a decline on Tuesday below its 20 day SMA. Wednesday saw a rally to new highs for this week that continued higher on Thursday, ending the week at $110,605.

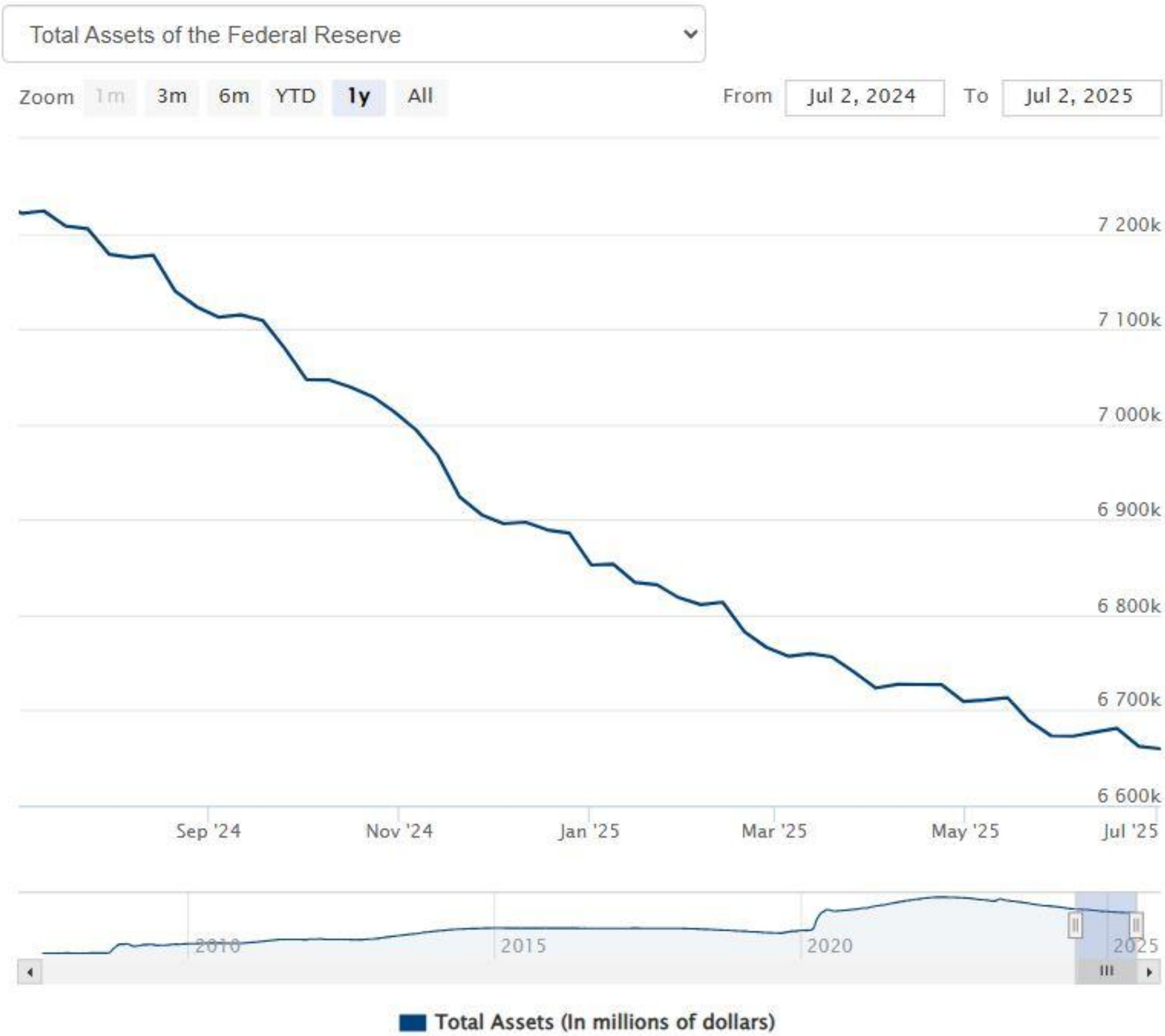
US Dollar Index daily chart as of Jul 3, 2025 – The US Dollar continued its decline on Monday and Tuesday to new 3-year Lows. Wednesday and Thursday saw a small bounce.

US 10 year Treasury daily chart as of Jul 3, 2025 – The 10 year Treasury saw a small rally Monday that was followed with a 3-day decline to test its 20 day SMA for support.

US 10 year Yield daily chart as of Jul 3, 2025 – As the Treasuries sold off this week we see the Yields pop up higher to 4.348% this week.

Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr	10yr - 2 yr
6/2/2025	4.33	4.36	4.44	4.38	4.31	4.12	3.94	3.91	4.01	4.22	4.46	5.00	4.99	0.52
6/3/2025	4.33	4.35	4.43	4.38	4.31	4.12	3.96	3.93	4.04	4.23	4.46	5.00	4.98	0.50
6/4/2025	4.32	4.35	4.44	4.37	4.29	4.06	3.87	3.84	3.93	4.14	4.37	4.90	4.89	0.50
6/5/2025	4.26	4.35	4.44	4.37	4.29	4.08	3.92	3.90	3.99	4.18	4.40	4.90	4.88	0.48
6/6/2025	4.28	4.35	4.43	4.38	4.31	4.14	4.04	4.02	4.13	4.31	4.51	4.99	4.97	0.47
6/9/2025	4.29	4.36	4.44	4.38	4.32	4.13	4.01	3.99	4.09	4.28	4.49	4.98	4.95	0.48
6/10/2025	4.29	4.37	4.45	4.38	4.32	4.12	4.01	3.95	4.08	4.27	4.47	4.96	4.93	0.46
6/11/2025	4.30	4.39	4.45	4.39	4.31	4.08	3.94	3.89	4.02	4.21	4.41	4.93	4.91	0.47
6/12/2025	4.18	4.49	4.46	4.40	4.29	4.06	3.90	3.85	3.97	4.15	4.36	4.86	4.84	0.46
6/13/2025	4.23	4.48	4.45	4.40	4.30	4.09	3.96	3.90	4.02	4.20	4.41	4.93	4.90	0.45
6/16/2025	4.24	4.47	4.43	4.40	4.32	4.10	3.97	3.93	4.04	4.23	4.46	4.97	4.96	0.49
6/17/2025	4.23	4.46	4.42	4.39	4.31	4.10	3.94	3.90	3.99	4.17	4.39	4.89	4.88	0.45
6/18/2025	4.20	4.58	4.42	4.41	4.33	4.10	3.94	3.89	3.98	4.17	4.38	4.89	4.88	0.44
6/20/2025	4.20	4.55	4.39	4.40	4.29	4.07	3.90	3.86	3.96	4.16	4.38	4.90	4.89	0.48
6/23/2025	4.20	4.52	4.38	4.37	4.28	4.00	3.84	3.80	3.91	4.10	4.34	4.87	4.87	0.50
6/24/2025	4.21	4.44	4.38	4.37	4.27	3.99	3.75	3.75	3.86	4.06	4.30	4.83	4.83	0.55
6/25/2025	4.21	4.43	4.38	4.36	4.26	3.99	3.74	3.74	3.83	4.05	4.29	4.83	4.83	0.55
6/26/2025	4.11	4.49	4.39	4.36	4.26	3.96	3.70	3.68	3.79	4.00	4.26	4.81	4.81	0.56
6/27/2025	4.19	4.49	4.39	4.36	4.26	3.97	3.73	3.72	3.83	4.03	4.29	4.85	4.85	0.56
6/30/2025	4.28	4.45	4.41	4.36	4.29	3.96	3.72	3.68	3.79	3.98	4.24	4.79	4.78	0.52
7/1/2025	4.32	4.42	4.40	4.35	4.29	3.98	3.78	3.75	3.84	4.03	4.26	4.79	4.78	0.48
7/2/2025	4.33	4.43	4.41	4.37	4.28	3.99	3.78	3.77	3.87	4.06	4.30	4.84	4.82	0.52
7/3/2025	4.35	4.50	4.42	4.41	4.34	4.07	3.88	3.84	3.94	4.12	4.35	4.87	4.86	0.47

US Yield Rates daily table as of Jul 3, 2025 – We saw a small dip in Yields on Monday followed by an increase on Tuesday, Wednesday and Thursday. Most Terms saw this same pattern this week.



FOMC Balance Sheet weekly chart as of Jul 2, 2025 – The Fed decreased its Balance Sheet this week by $2.602 Billion to a new Total Assets of $6.659598 Trillion.

During June (May 28 through July 2nd) we saw the Fed reduce its Balance Sheet by only $13.646 Billion. This monthly reduction is less than half of the typical monthly reductions we have seen every prior month this year.

Next we will look at a few key '**Sectors**'.

Dow Transportation Index daily chart as of Jul 3, 2025 – The Transports saw a pause on Monday then a strong rally Tuesday above its 200 day SMA. Wednesday continued higher with a higher high and higher close seen on Thursday, ending this week up an impressive +3.56%.

XLE daily chart as of Jul 3, 2025 – The Energy sector saw a small decline below its 20 day SMA on Monday followed by a rally up to its 20 day SMA on Tuesday. Wednesday saw a strong rally above its 20 day SMA that continued higher Thursday to end this week up +2.03%.

XLF daily chart as of Jul 3, 2025 – The Financial sector continued its rally with a higher high and higher close every day except on Wednesday, ending this week on Thursday with new all time highs, up +2.41% for this week.

QQQ daily chart as of Jul 3, 2025 – the Nasdaq-100 ETF continued higher Monday with new all time highs then saw a decline on Tuesday. Wednesday recovered most of the prior day's decline but failed to deliver a higher high. Thursday saw a gap up and rally on this shortened day to deliver more new all time highs, ending this week up +1.48%.

SOXX daily chart as of Jul 3, 2025 – The Semiconductor sector saw an ‘Inside’ day on Monday then a decline on Tuesday. Wednesday saw a strong rally that continued higher Thursday to new 2025 highs, ending this week up +1.88%.

XLC daily chart as of Jul 3, 2025 – The Communication Services sector continued its rally on Monday to new all time highs then declined Tuesday and Wednesday. Thursday saw a small bounce to end this week up +0.33%.

NDX vs. NDXE Percent Change daily chart as of Jul 3, 2025 – The Green Background shows the 'Difference' between the NDX and NDXE and has grown significantly over the past 7 – 8 weeks, since mid May. Also note the expanding space between the NDX and NDXE plots on this chart. This helps us see the impact of the different 'Weighting' of the same 100 stocks in both indexes. The larger the difference, the greater the impact the Weighting has of a few of the 'Biggest' stocks that can move this Index.

INDEXes SECTORs	Week Ending 5/23/2025	Week Ending 5/30/2025	Week Ending 6/6/2025	Week Ending 6/13/2025	Week Ending 6/20/2025	Week Ending 6/27/2025	Week Ending 7/3/2025
$SPX	-2.61%	1.88%	1.50%	-0.39%	-0.15%	3.44%	1.72%
$INDU	-2.47%	1.60%	1.17%	-1.32%	0.02%	3.82%	2.30%
$COMPQ	-2.47%	2.01%	2.18%	-0.63%	0.21%	4.25%	1.62%
$NDX	-2.39%	2.03%	1.97%	-0.60%	-0.02%	4.20%	1.48%
$RUT	-3.47%	1.30%	3.19%	-1.49%	0.42%	3.00%	3.52%
QQQ	-2.35%	1.94%	2.08%	-0.56%	-0.02%	4.15%	1.48%
$TRAN	-4.11%	1.04%	1.30%	-1.29%	0.54%	4.94%	3.56%
XLE	-4.08%	-0.56%	2.31%	5.62%	1.00%	-3.36%	2.03%
XLF	-2.99%	1.82%	0.63%	-2.57%	0.80%	3.49%	2.41%
XLK	-3.44%	1.81%	3.23%	0.34%	0.57%	4.43%	2.47%
SOXX	-4.96%	1.17%	6.05%	1.67%	2.10%	6.11%	1.88%
XLV	-2.07%	1.76%	1.31%	1.30%	-2.59%	1.49%	1.17%
XLY	-3.23%	1.50%	-0.76%	-0.20%	-0.50%	3.98%	1.20%
XRT	-2.34%	1.67%	3.16%	-3.80%	2.20%	0.71%	4.24%
XLI	-2.05%	1.41%	1.48%	-1.57%	-0.20%	3.42%	1.79%
XLU	-1.36%	1.06%	-0.89%	0.28%	-0.79%	1.38%	0.63%
XME	0.71%	0.40%	7.17%	1.47%	0.26%	1.44%	5.56%
XLP	-0.57%	1.51%	-1.38%	-0.89%	0.07%	0.10%	2.02%
XLB	-1.55%	0.75%	1.67%	-0.46%	-1.10%	2.22%	3.96%
XLC	-1.56%	1.21%	2.28%	-1.09%	0.25%	4.96%	0.33%
XHB	-6.14%	-0.46%	0.92%	-0.95%	0.62%	4.02%	4.20%

Weekly Percent Change US Indexes and Sectors table as of Jul 3, 2025 – The largest gains this week were seen in the Transports and Russell 2000 followed by the Dow Industrials. The Nasdaq saw slightly weaker gains than the S&P-500 did this week. The Nasdaq-100 saw the weakest gains this week. This suggests a rotation of money into small cap stocks, Transports and Industrials this week.

ALL sectors saw a gain this week. This suggests breadth to this week's gains.

The Strongest sectors this week included: XME, XRT, XHB and XLB.

The Weakest sectors this week included: XLC, XLU, XLV and XLY.

We did not see the XLK, SOXX or QQQ leading this week, as has often been seen this year.

INDEXes SECTORs	Mon End of Day 06/23/25	Tue End of Day 06/24/25	Wed End of Day 06/25/25	Thur End of Day 06/26/25	Fri End of Day 06/27/25	Mon End of Day 06/30/25	Tue End of Day 07/01/25	Wed End of Day 07/02/25	Thur End of Day 07/03/25	Fri Holiday 07/04/25
$SPX	0.96%	1.11%	0.00%	0.80%	0.52%	0.52%	-0.11%	0.47%	0.83%	n/a
$INDU	0.89%	1.19%	-0.25%	0.94%	1.00%	0.63%	0.91%	-0.02%	0.77%	n/a
$COMPQ	0.94%	1.43%	0.31%	0.97%	0.52%	0.47%	-0.82%	0.94%	1.02%	n/a
$RUT	1.11%	1.34%	-1.16%	1.68%	0.02%	0.12%	0.94%	1.31%	1.02%	n/a
QQQ	0.93%	1.52%	0.26%	0.94%	0.34%	0.65%	-0.85%	0.70%	0.98%	n/a
$TRAN	2.25%	1.84%	-1.07%	0.80%	1.06%	-0.65%	2.85%	1.17%	0.18%	n/a

Daily Percent Change US Indexes table as of Jul 3, 2025 – We saw changes in leadership each day this week, with the Transports actually showing some weakness on Monday and Thursday yet showing some significant strength on Tuesday. The QQQ showed mild strength on Monday followed by a larger decline on Tuesday. The Russell 2000 showed its strength on Wednesday and the Nasdaq Composite waited until the half day on Thursday to show its strength. Note that the Russell 2000 was the only Index that saw a gain every day of this shortened week while all of the other 5 Indexes shown saw a loss one day this week. The Dow Industrials showed nearly a flat day on Tuesday.

Next we will look at a few key '**Stocks**'.

NVDA daily chart as of Jul 3, 2025 – Nvidia saw an 'Inside' day on Monday then a decline down to its prior high from Jan. 7th on Tuesday. Wednesday saw a rally that recovered all of the prior day's losses. Thursday saw a gap up and rally to new all time highs, ending this week up +1.01%.

MSFT daily chart as of Jul 3, 2025 – Microsoft continued its rally on Monday to new all time highs. Tuesday and Wednesday saw a decline with a gap up and rally on Thursday to end this week up +0.58%.

AAPL daily chart as of Jul 3, 2025 – Apple saw a strong rally this week, crossing above its 50 day SMA on Monday and delivering higher highs and a higher close every day this short week, ending this week up +6.20%.

AMZN daily chart as of Jul 3, 2025 – Amazon saw a decline on Monday then a pause Tuesday and Wednesday. Thursday saw a gap up and rally to new highs for this short week, ending this week nearly flat up only +0.05%.

GOOGL daily chart as of Jul 3, 2025 – Alphabet saw a gap up and failed rally Monday with a lower close. Tuesday continued lower. Wednesday saw a rally that recovered half of Monday's losses. Thursday continued a little higher without retesting Monday's highs, ending this week up +0.56%.

META daily chart as of Jul 3, 2025 – Meta continued higher Monday and delivered a new all time high before it declined and closed lower. The decline continued lower Tuesday and Wednesday then saw a small failed bounce on Thursday to end this week down -1.99%.

AVGO daily chart as of Jul 3, 2025 – Broadcom continued higher Monday to deliver a new all time high. Tuesday saw a sharp decline. Wednesday saw a bounce that recovered about half of the prior day's decline. Thursday continued a little higher to recover the rest of Tuesday's decline, ending this week up +2.16%.

TSLA daily chart as of Jul 3, 2025 – Tesla continued its decline on Monday. Tuesday saw a large gap down to find support near $293.21 and bounced a little by the close. Wednesday saw a large gap up and rally above its 200 day SMA and closed nearly on its 50 day SMA. Thursday opened above the 50 day SMA then sold off a bit to close below its 50 day SMA and just above its 200 day SMA, ending this week down -2.56%.

NDX vs. Big 8 Tech Stocks Percent change daily chart as of Jul 3, 2025 – Here we see a comparison of the NDX and the 8 largest Tech Stocks for the 2nd Quarter this year. Shown is the Percent Change since the close on March 31st 2025. As of July 3rd 2025, we see that AVGO is up +64.36%, NVDA is up +47.02%, MSFT is up +32.89%, META is up +24.75%, TSLA is up +21.68%, the NDX is up +18.61%, AMZN is up +17.42%, GOOGL is up +16.10% and AAPL is down -3.86%.

Note how flat AAPL has been until the rally this week.

Note the sharp rally in AVGO and NVDA after the July 1st lows this week.

Let’s compare the above 8 stocks in the table below to help see the relative strength last week and this week.

Stock	% Change Last week	% Change This week
QQQ	4.15%	1.48%
NVDA	9.66%	1.01%
MSFT	3.88%	0.58%
AAPL	0.04%	6.20%
AMZN	6.49%	0.05%
GOOGL	7.14%	0.56%
META	7.52%	-1.99%
AVGO	7.74%	2.16%
TSLA	0.46%	-2.56%

In the table above the green highlighted values are when the gains are greater than were the QQQ’s gains for that week (or a less negative loss).

Observations:

Only two stocks exceeded the QQQ this week, AAPL and AVGO, while 5 exceeded the QQQs last week.

AAPL was the strongest performer this week after being the weakest last week.

Two stocks saw a loss this week: META and TSLA while last week all 8 stocks saw gains.

AMZN was nearly flat this week while MSFT and GOOGL showed rather small gains.

The above table is one way to help expose weekly changes in leadership and breadth.

JPM daily chart as of Jul 3, 2025 – JP Morgan continued its rally with new all time highs seen on Monday, Wednesday and Thursday. Tuesday saw a small pullback for one day then resumed its rally the next day. Thursday ended this week up +3.59%. JPM reports Earnings on July 15th before the open.

GS daily chart as of Jul 3, 2025 – Goldman Sachs continued its rally with new all time highs seen on Monday, Wednesday and Thursday this week, ending this week up +4.76%. GS reports Earnings on July 16th before the open.

COST daily chart as of Jul 3, 2025 – Costco remained mostly flat this week, ending this short week up +0.19%.

AMD daily chart as of Jul 3, 2025 – AMD declined Monday and Tuesday then paused Wednesday and Thursday to end this week down -4.10%.

MU daily chart as of Jul 3, 2025 – Micron reported Earnings last week then saw a decline that followed late last week. This week the decline continued lower Monday and Tuesday then saw a small bounce Wednesday after testing support at its 20 day SMA. Thursday saw a very small gain, ending this week down -1.98%.

NFLX daily chart as of Jul 3, 2025 – Netflix continued its rally on Monday to new all time highs. Tuesday saw a sharp decline the continued lower Wednesday. Thursday saw a tiny bounce to end this week down -1.96%.

BA daily chart as of Jul 3, 2025 – Boeing saw a pullback Monday and Tuesday to test its Support at its 20 day SMA which it respected. Wednesday and Thursday saw a rally to new highs for this week, ending this week up +0.64%.

We saw several signs of a change in Leadership this week, with the typical big Tech stocks pulling back while a lot of other stocks saw some gains. The breadth charts (McClellan Summation Index) showed us a much stronger rally this week as did the Russell 2000 and Dow Transports this week.

The typical previous leading sectors (like the Semiconductors) saw only small gains this week and failed to lead most of this shortened week.

Out of the biggest 8 Tech stocks, only AAPL showed strong gains this week while AVGO's gains were much smaller this week.

We saw lots of new all time highs this week, but most were in different stocks and sectors.

Regardless is some 'experts' that are warning of a coming recession, the Economic reports and this market seems to continue in a rally phase since the April lows, and this week that rally seemed to even accelerate its momentum a bit as Breadth improved.

I prefer to pay close attention to the charts and the actual data the charts reflect than the opinions and comments from the 'experts'. Jesse Livermore warned us many years ago about the power of a few 'experts' to create demand when there is little, or create supply with fear. Those 'experts' may have their own positions and motives that they keep hidden until after their trades.

Trade Smart,

CJ