

Market Update & Signals 9/24/26

Good morning.

Just when things were starting to look easy.

Macro is seizing the narrative from equities — again:

Global bond yields surged to multi-decade highs, driven by fiscal concerns and strong U.S. growth data.

TLT closed at the lowest price since its 2002 launch.

Japan's 10-year yield jumped to the highest level in more than 30 years.

Markets are now pricing 100bps of Fed hikes over the next 12 months.

It's all about rates and the dollar now.

Are stocks heading into a correction?

What do the charts say here?

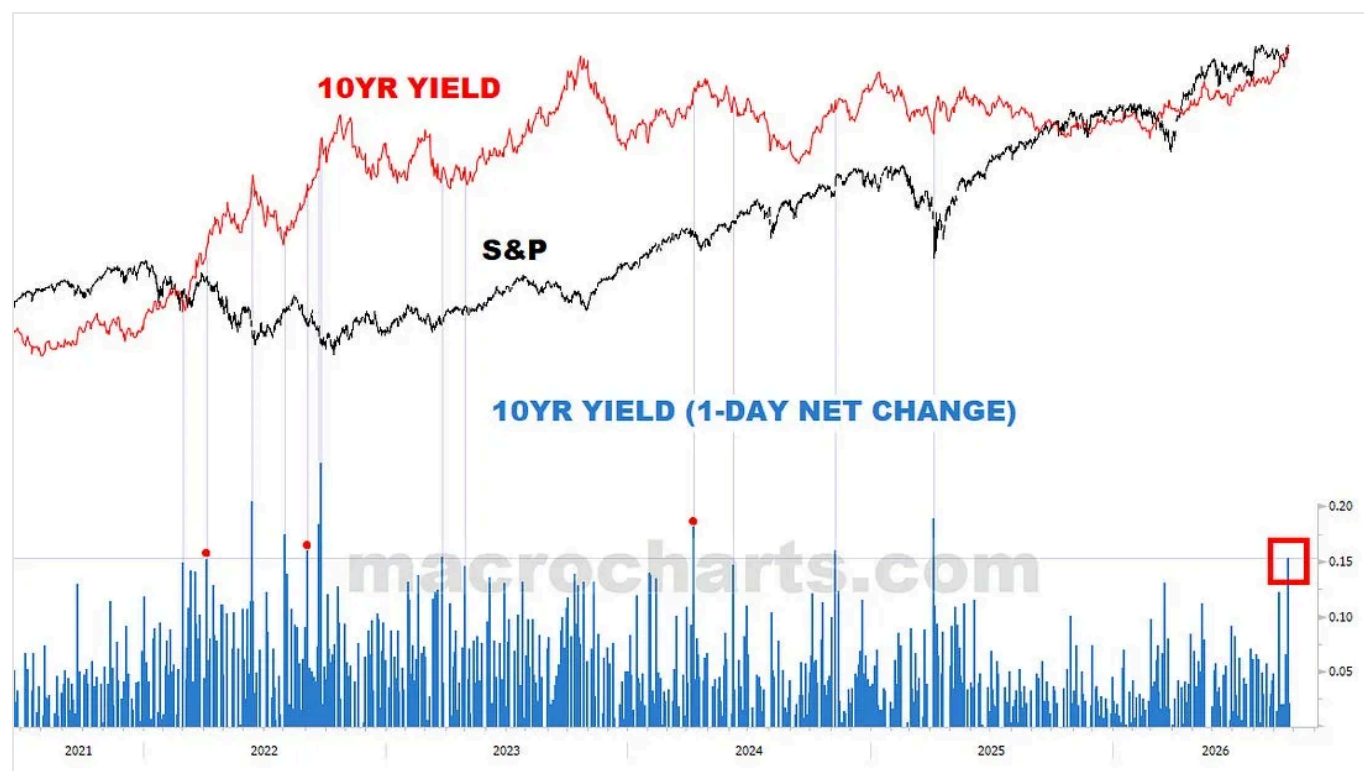
Looking through the tape:

1\. Bonds.

The 10YR was up 15bps yesterday, one of the biggest moves in years.

Below, we overlay the move in Yields against the S&P — *note 13 comparable spikes in the last 5+ years, including the*

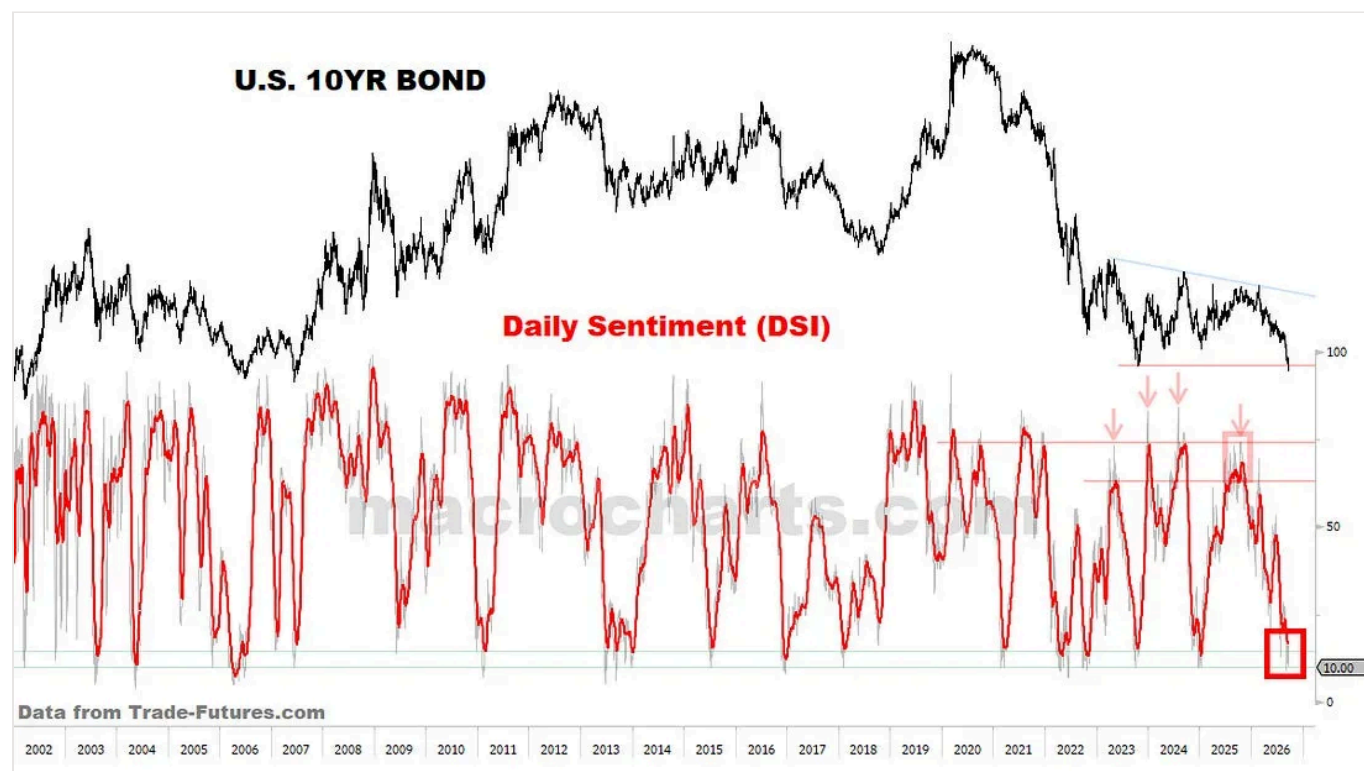
inflationary Bear Market of 2022.



Ten of the thirteen priors led to \either\ a multi-week buying opportunity in stocks (in 2022) or more upside (in 2022-2026).

Three priors led to more volatility (red dots).

Bond sentiment is in full capitulation range:



The noise level is approaching another climax.

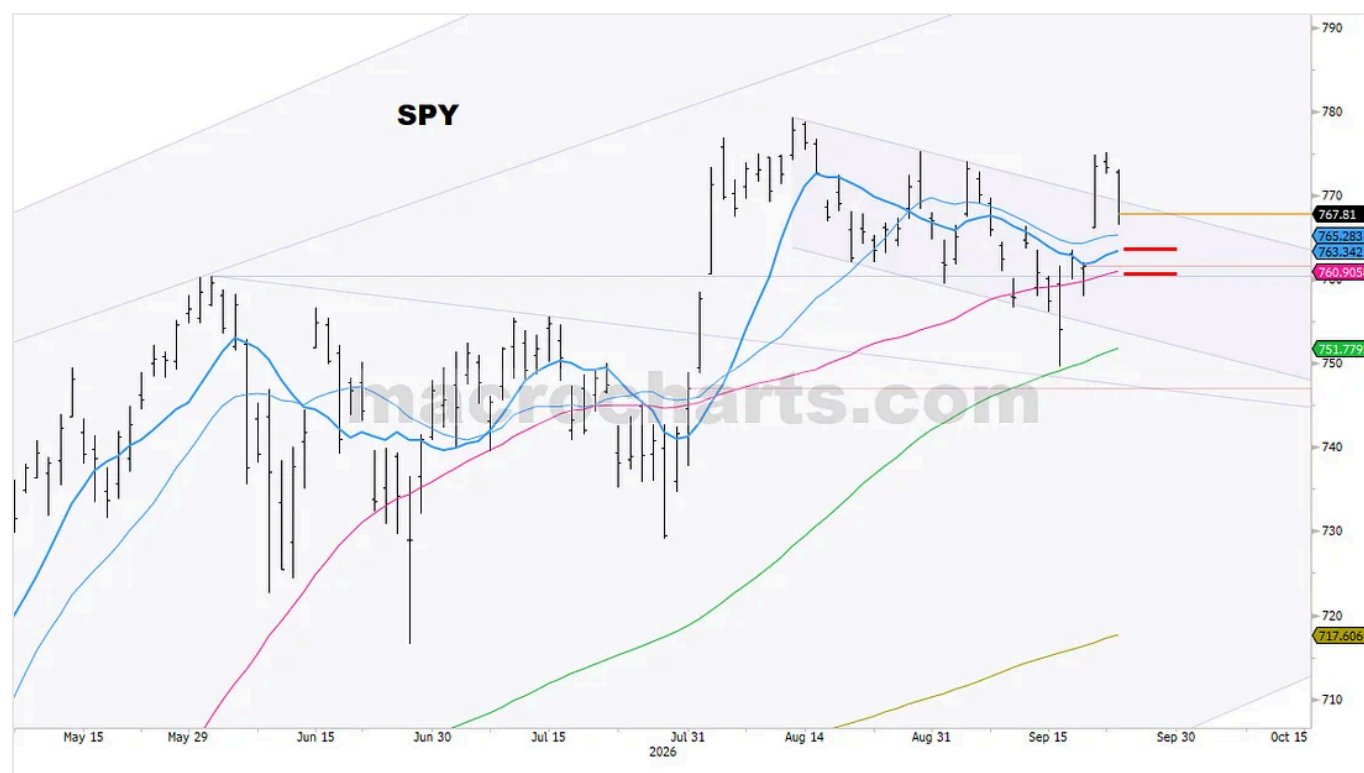
Meanwhile, the average time-to-bottom after similar extremes was ONE week.

Let them make noise...

We quietly wait for a turn.

2\ Stocks.

SPY is indicated to open with a gap down to 763 (red line), with a lower gap at 762 and big support at 760. If that range gets tested I think it's likely to hold. The reason for my view, as we'll show in the next charts, is that a lot of the market is now extremely oversold — while Tech is just back-testing its breakout. Add the noise in Bonds/Dollar and the combination could lead to a snapback/relief rally soon:



*If SPY opens with a gap down today, it will have an upside gap target of 768 (yesterday's close).

"The range is dead, long live the range."

QQQ is indicated to open at 732 (red line), retesting the breakout:



*MAGS and XLK look similar, with both retesting breakout spots.

RSP remains weak, indicated to open at 210 with \major\ support at 205. Again, it's not that far so if that gets tested on residual volatility, a bottom would likely form there:



IWM is indicated to open at 280, with major support at 275:

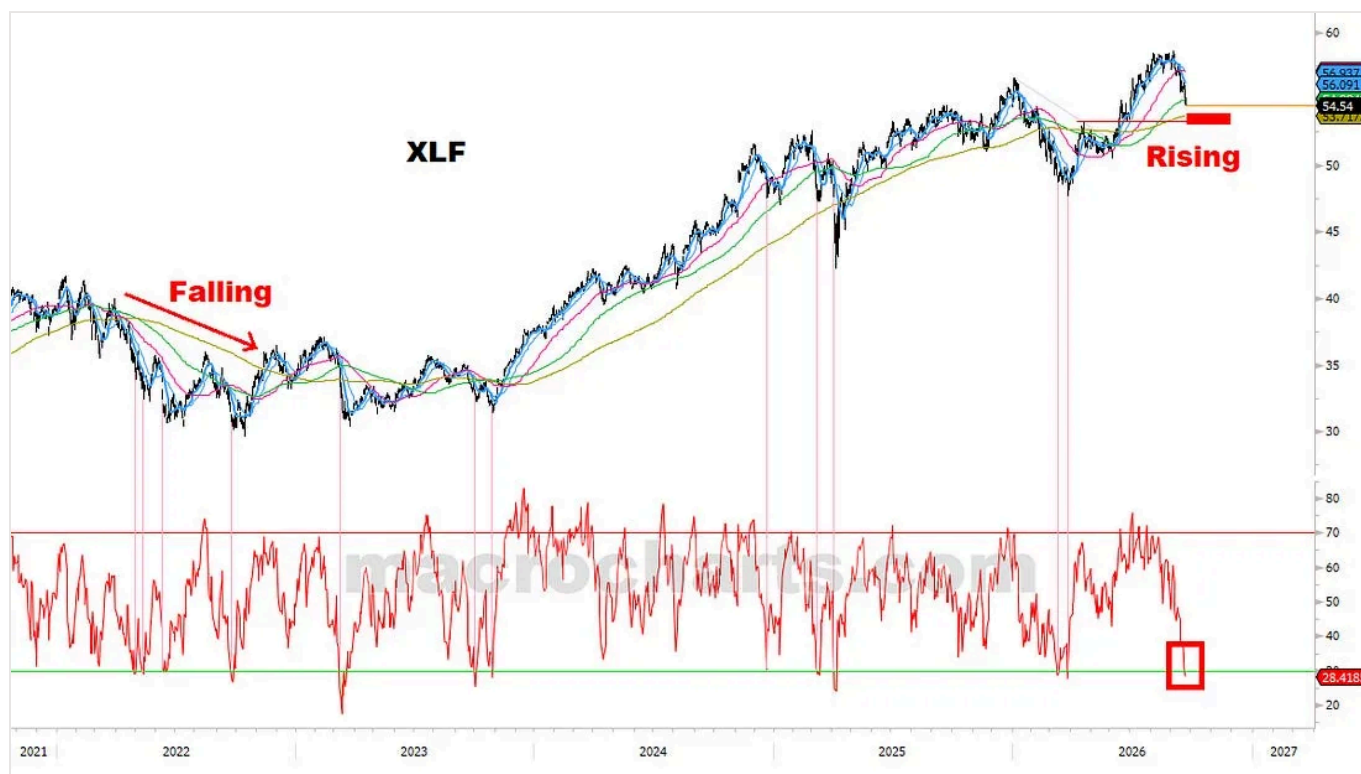


KRE is extremely oversold and near its uptrend from the 2025 low. Watch for a reaction in this range, as part of a bottoming sequence:



XLFF is equally oversold and near major support. This is not a great spot to get bearish. Even in the 2022 bear market, when Financials got this oversold you started leaning to a bear market rally / multi-week squeeze higher. Today in 2026, Financials

remain in a bull market. XLF could easily rally to new highs in the next few months if it can hold this range. Watch for stabilization/roll-up:



KBE has the same setup, worth highlighting as well — look at the major convergence of support just below here:



MC NOTES:

Parts of the market are near oversold extremes.

As I said before, it's still important to stay focused on strength.

The oversold groups will likely get their day in the sun — but wait for turn confirmation first.

I think it could be soon, but need to take it one day at a time.

Pockets of strength:

- ✓ IGV was the best ETF yesterday.
- ✓ Software and Tech in general remain resilient.
- ✓ XLI, XLP, Quality, Value, Financials, Dividends, MAGS, all held in versus the market:

▸ IGV US	+1.26%	Software
▸ XLE US	+.95%	Energy
▸ XOP US	+.57%	Oil/Gas E&P
▸ OIH US	+.15%	Oil Services
▸ ITA US	-.04%	Defense
▸ XLI US	-.10%	Industrials
▸ XLP US	-.36%	Staples
▸ QUAL US	-.42%	Quality
▸ SPHQ US	-.45%	Quality
▸ VTV US	-.47%	Value
▸ XLK US	-.47%	Technology
▸ XLF US	-.47%	Financials
▸ IYT US	-.49%	Transports
▸ HDV US	-.49%	High Dividend
▸ XLB US	-.49%	Materials
▸ DGRO US	-.57%	Dividend
▸ MDY US	-.62%	Mid-Cap 400
▸ DVY US	-.64%	Dividend
▸ XLV US	-.64%	Health Care
▸ MAGS US	-.68%	MAG7
▸ RSP US	-.70%	Equal-weight
▸ DIA US	-.71%	Dow
▸ SPY US	-.72%	S&P

Overall the tape is still choppy, Tech remains resilient, while the rest of the market is weak and approaching potential bottoming levels.

Reinforcing what I wrote yesterday:

I remain constructive for now, until the market shows me the next move.

The winner is not the one who trades first, but the one who adapts to changing conditions.

Stay flexible here...

3\ Precious Metals.

Gold and Silver remain surprisingly resilient (again in the face of a rising dollar and rates).

GDJ could have more work around the \$91 area to set up a proper base — this would be a solid range to look for new Buys/Adds and a roll-up:



*The Silver/Gold ratio continues to hold up surprisingly well.

Just need the Dollar to blink...

The Dollar's RSI is fully overbought — which triggered the last four tops: three were near-perfect sell signals, and the last one extended four more days to the June 24 top:



Also important:

- ✓ DXY daily sentiment hit 83% Bulls yesterday, tied with the June 24 top day.
- ✓ EUR daily sentiment hit 10% Bulls yesterday, in full capitulation range.
- ✓ Above, note DXY is almost testing its June resistance line, just a few cents higher (red arrow).

A turn here would be a classic signal.

Watching closely for confirmation.

4\ Oil & Energy.

Oil bounced from support and closed the gap shown yesterday:



XOP held key support and may be attempting a bounce — though yesterday's action was quite unremarkable:



As before, watching how this bounce develops.

No forced trades — let the market come to us, then respond without emotion or hesitation.

Have a nice day ahead,

\-MC

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