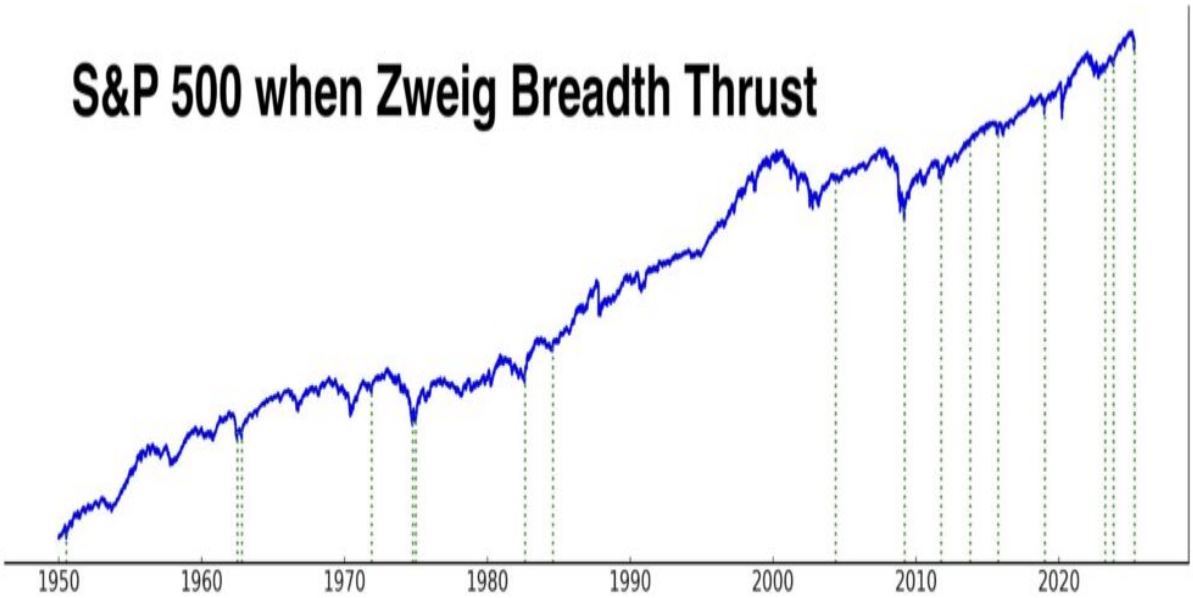
A Rare Zweig Breadth Thrust Provides Optimism

The Zweig Breadth Thrust, a rare technical indicator, triggered a bullish signal on Friday. The signal indicates rapid and significant changes in momentum. The calculation is based on the 10-day moving average of the percentage of stocks that were positive on a daily basis. The Zweig Breadth Thrust signal occurs when the moving average rises from below 40% to above 61.5% within 10 days. It is trying to capture the final capitulation in a downward trend.

A Zweig bullish thrust signal is rare. But it?s been a great predictor of positive forward returns when triggered, as shown below. Since 1950, the bullish indicator has only triggered 16 times, not including last Friday. The graph and table below show that in every instance the rare Zweig bullish thrust signal has occurred, it has consistently produced positive returns in the six-month and one-year periods. The shorter-term returns are positive in almost all cases. While this doesn?t guarantee the downward trend is over, it does provide optimism that those willing to hold through more volatility and potentially lower lows will ultimately be rewarded.

Check out the Tweet of the Day below. It shares Jason Goepfert?s analysis of triggering the even rarer Super Zweig. The Zweig Breadth Thrust and Jason?s Super Zweig show average one-year returns, post trigger, in the mid-20s percentage range.



S&P 500 after a Zweig Breadth Thrust

@SubuTrade, 1950-present

	1 Week Later	2 Weeks Later	3 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	1 Year Later
July 21, 1950	0.57%	3.13%	3.92%	6.31%	9.21%	13.76%	18.70%	22.17%
July 11, 1962	-2.65%	-2.20%	0.03%	-0.28%	1.25%	-0.92%	12.09%	20.84%
November 5, 1962	1.90%	3.60%	6.46%	7.85%	10.95%	13.80%	19.98%	24.78%
December 3, 1971	0.65%	3.30%	4.01%	5.18%	7.85%	11.21%	13.05%	20.94%
October 10, 1974	1.98%	0.62%	5.89%	7.34%	-3.60%	4.04%	20.62%	26.62%
January 3, 1975	2.69%	0.35%	3.21%	10.06%	18.65%	14.38%	33.45%	28.55%
August 20, 1982	3.62%	8.55%	8.16%	10.49%	23.19%	22.40%	30.45%	44.71%
August 3, 1984	1.89%	1.10%	3.18%	1.56%	0.06%	3.17%	10.03%	17.94%
May 25, 2004	1.07%	1.64%	1.71%	1.92%	-1.64%	-0.73%	5.74%	6.91%
March 18, 2009	2.46%	2.11%	3.88%	9.47%	14.52%	14.65%	34.55%	46.77%
October 14, 2011	1.12%	4.94%	2.34%	2.22%	-1.04%	5.64%	13.57%	17.60%
October 18, 2013	0.88%	0.98%	1.50%	2.70%	3.79%	5.69%	7.74%	9.14%
October 8, 2015	0.52%	1.94%	3.77%	4.26%	2.49%	-4.54%	1.42%	6.97%
January 7, 2019	1.29%	3.26%	3.54%	7.13%	7.58%	13.57%	16.86%	26.96%
March 31, 2023	0.00%	1.02%	0.67%	0.25%	2.72%	8.43%	4.36%	26.82%
November 3, 2023	1.31%	3.57%	4.41%	4.79%	7.78%	13.67%	19.03%	32.68%
April 24, 2025 ??								
Average:	**1.20%**	**2.37%**	**3.54%**	**5.08%**	**6.49%**	**8.64%**	**16.35%**	**23.78%**
% Positive:	**88%**	**94%**	**100%**	**94%**	**81%**	**81%**	**100%**	**100%**

What To Watch Today

Earnings

Tuesday Apr 29	EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time
Visa V:US		2.68	2.51		9.54B	8.78B	$662.74B	Q2	PM
Coca-Cola KO:US		0.73	0.72		11.32B	11.3B	$312.26B	Q1	AM
Booking Holdings BKNG:US		17.45	20.39		4.6B	4.4B	$150.29B	Q1	PM
S&P Global SPGI:US		4.25	4.01		3.72B	3.49B	$148.59B	Q1	AM
Honeywell International HON:		2.45	2.25		9.87B	9.1B	$128.6B	Q1	AM
Pfizer PFE:US		0.7052	0.82		14.43B	14.9B	$126.56B	Q1	AM
Altria MO:US		1.21	1.15		4.70B	4.72B	$104.49B	Q1	AM
American Tower AMT:US		1.66	2.79		2.56B	2.83B	$103.15B	Q1	AM
Starbucks SBUX:US		0.5125	0.68		8.89B	8.6B	$92.18B	Q2	PM
Mondelez International MDLZ:		0.6718	0.95		9.36B	9.29B	$90.07B	Q1	PM
Sherwin-Williams SHW:US		2.30	2.17		5.49B	5.37B	$84.25B	Q1	AM
United Parcel Service UPS:US		1.78	1.43		22.40B	21.7B	$81.94B	Q1	AM
Ecolab ECL:US		1.51	1.34		3.73B	3.8B	$67.79B	Q1	AM
Enterprise Products Partner		0.6988	0.66		14.12B	14.76B	$67.56B	Q1	AM
PayPal PYPL:US		1.16	1.40		7.85B	7.7B	$65.15B	Q1	AM
Regeneron Pharmaceuticals		9.55	9.55		3.43B	3.15B	$60.73B	Q1	AM
Royal Caribbean Cruises RCI		2.52	1.77		4.01B	3.7B	$54.49B	Q1	AM
Hilton Worldwide HLT:US		1.63	1.53		2.73B	2.57B	$53.02B	Q1	AM
General Motors GM:US		2.53	2.62		44.05B	43.01B	$51.53B	Q1	AM
ONEOK OKE:US		1.49	1.09		5.81B	6.02B	$50.5B	Q1	PM
Fair Isaac FICO:US		7.43	6.14		500.79M	433.81M	$46.61B	Q2	PM
PACCAR PCAR:US		1.75	2.25		7.77B	8.74B	$45.72B	Q1	AM
Corning GLW:US		0.5037	0.38		3.62B	3.26B	$35.64B	Q1	AM
Entergy ETR:US		0.60	1.08		2.98B	2.79B	$35.61B	Q1	AM
Sysco SYY:US		1.04	0.96		20.14B	19.4B	$35.61B	Q3	AM
Kraft Heinz KHC:US		0.6082	0.69		6.04B	6.41B	$35.57B	Q1	AM
CoStar CSGP:US		0.21	0.10		726.47M	656M	$32.88B	Q1	PM
Extra Space Storage EXR:US		1.08	1.01		833.6M	799.54M	$29.88B	Q1	PM

Economy

Tuesday April 29 2025			Actual	Previous	Consensus	Forecast
07:30 AM	US	Goods Trade Balance Adv MAR		$-147.91B	$-146B	$-140.0B
07:30 AM	US	Retail Inventories Ex Autos MoM Adv MAR		0.1%		-0.2%
07:30 AM	US	Wholesale Inventories MoM Adv MAR		0.3%	0.7%	0.6%
07:55 AM	US	Redbook YoY APR/26		7.4%		
08:00 AM	US	S&P/Case-Shiller Home Price YoY FEB		4.7%	4.8%	4.7%
08:00 AM	US	House Price Index FEB		436.5		438.2
08:00 AM	US	House Price Index MoM FEB		0.2%	0.3%	0.4%
08:00 AM	US	House Price Index YoY FEB		4.8%		4%
08:00 AM	US	S&P/Case-Shiller Home Price MoM FEB		0.1%		0.7%
09:00 AM	US	JOLTs Job Openings MAR		7.568M	7.5M	7.4M
09:00 AM	US	CB Consumer Confidence APR		92.9	87	89
09:00 AM	US	JOLTs Job Quits MAR		3.195M		3.19M
09:30 AM	US	Dallas Fed Services Index APR		-11.3		-9
09:30 AM	US	Dallas Fed Services Revenues Index APR		1.3		1

Market Trading Update

Yesterday, we discussed the recent breakout above the 20-DMA and the downtrend from the February peak. Last week, saw a strong rally from the recent lows, which put markets back into a short-term overbought condition. As Goldman Sachs noted:

> *?On April 3, the S&P 500 opened at 5462 (when we got our first look at the now (in)famous tariff board after the close on April 2. Four days later, on April 7th, the S&P 500 made its one-year low of 4835. On Friday, after four consecutive positive trading sessions (S&P 500 gained 735bps during this stretch), we closed at 5525.?*

It should be unsurprising that after such a strong rally from the lows, and completely retracing the entire tariff decline, markets gave back a bit of the advance yesterday. What is crucial is that the recent breakout of the downtrend holds, without violating the rising trend line from the recent lows as shown. A violation of those levels would suggest a retest of recent lows. Such a decline would

likely require either bad news on the tariff front or a collapse in economic data suggesting rising recession risks. Both are likely events at this juncture, and we must remain cautious.

This ***snippet from yesterday?s blog*** encapsulates our current concerns.

> *?As the current correction continues, the market has violated the 40-week moving average. This has only happened a handful of times since 2008, namely during:?*

- *The Euro crisis in 2012*
- *Brexit in 2015*

- *The Fed Taper Tantrum in 2018*
- *COVID in 2020*
- *Russia/Ukraine War in 2022*
- *And currently.*

> *?Each one of those corrections ended without a confirmed violation below the 200-week moving average, but each lasted a few months before the bull market returned. As the correction continues, the violation of the 40-week moving average puts us in the position of needing reduced equity risk in portfolios until we begin to see more bullish price action take shape.?*

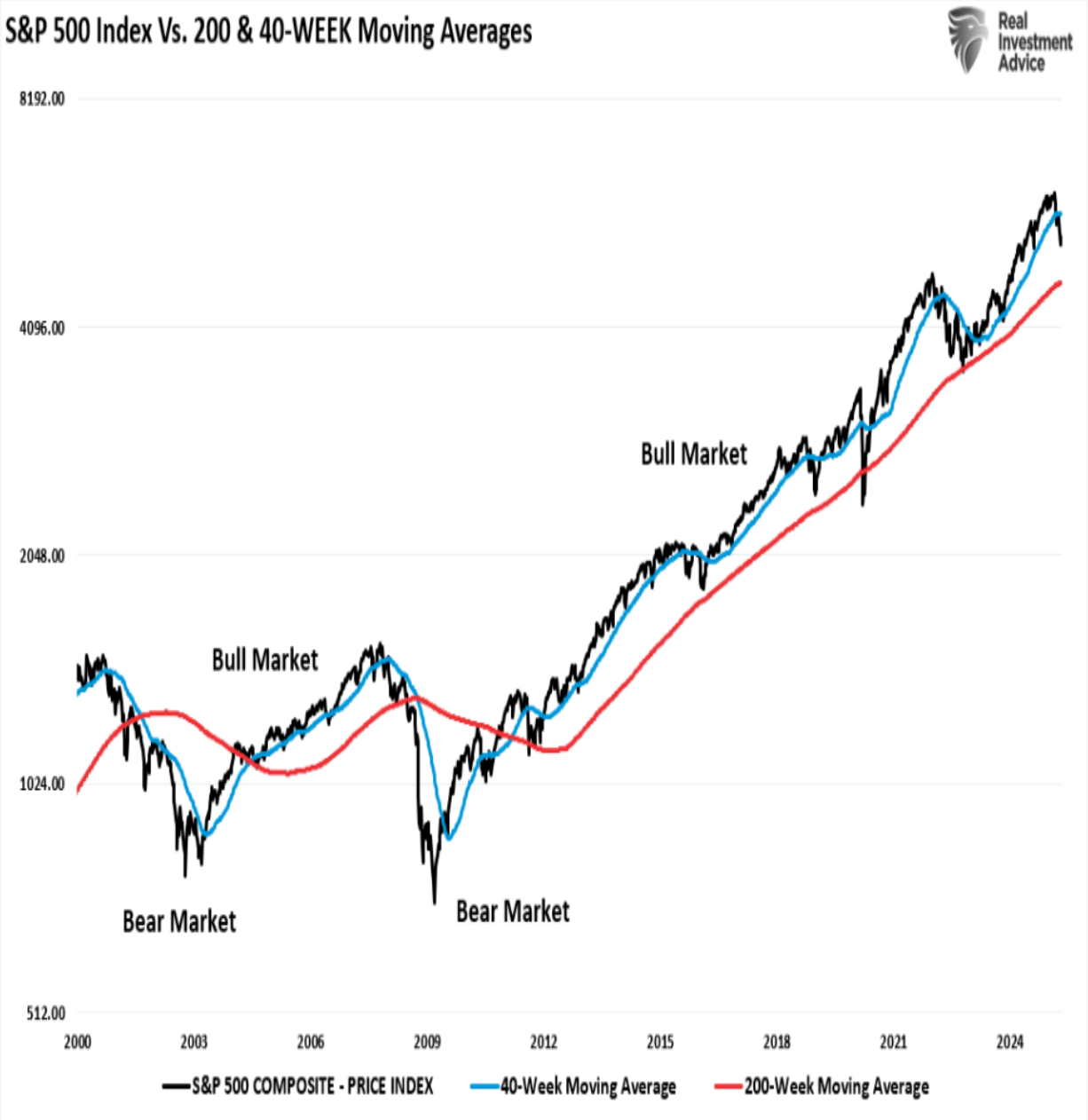
Such is why we remain risk-averse for now and added to a short S&P 500 hedge last week.

Correction Continues- The Value Of Risk Management

Despite the recent rally, the correction continues. While wanting to *?buy the dip?* is tempting, there has been enough technical damage to warrant remaining cautious in the near term. As we have discussed, managing risk requires discipline and the emotional ability to navigate more volatile markets until a more straightforward path for risk-taking emerges. The problem with this statement is that it often immediately gets translated to mean *?being entirely out of equities,?* which is the act of&#2013266080;*?market timing.?*&#2013266080;

That is not what we mean by risk management. Repeated studies have evidenced that the problem with market timing is that individuals cannot successfully replicate the profitable timing of the buys and sells. However, individuals can increase and reduce exposure to risk during periods of higher volatility. This is because the most significant drawdowns tend to occur during periods of increased price volatility. As this correction continues, volatility remains relatively subdued. However, if the economy slips into a recession or some other event disrupts forward earnings expectations, there is undoubtedly a risk of a further increase.

READ MORE?



Market Breadth Normalizes

As we led, the Zweig Breadth gauge indicates the potential for resuming the bullish trend. The SimpleVisor graphic below also provides optimism that the recent market decline and significant volatility are ending. Whether this period is a rest bit before further downside pressure, or signals a healing process that will lead to eventual upside, is unclear. As we highlight with the red square, all but three sectors have absolute and relative scores near zero. This entails that most sectors are trading similarly to the market. The absolute scores indicate most sectors are no longer oversold and have room to the upside (become overbought), but they also have room to become oversold again. The second graphic showing factor scores tells a similar story, with many scores near zero.

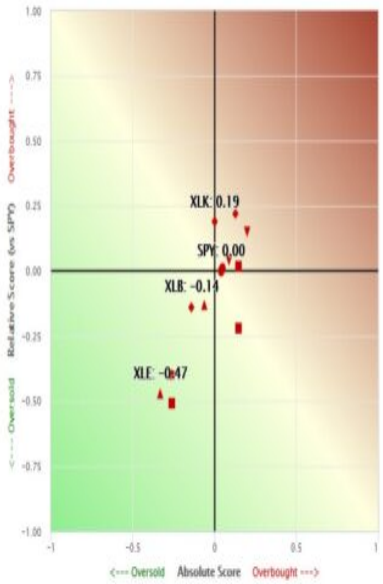
SimpleVisor Home Insights Markets Portfolios DIY Research Charts BTC-USD

Performance Analysis | Factor Analysis | Risk Range | Screener | Stock Summary | Strategy Builder

Sectors | Factors

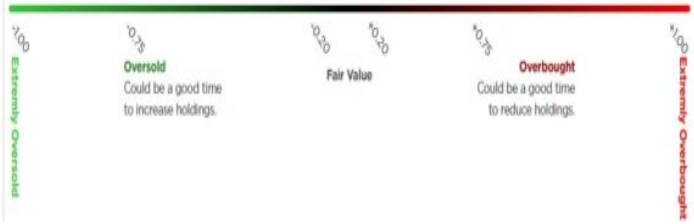
Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)	Chart
XLY	Consumer Discretionary		0.13	0.22	✓
XLK	Technology		0.00	0.19	✓
XLU	Utilities		0.20	0.15	✓
XLF	Financial		0.09	0.04	✓
XLP	Consumer Staples		0.15	0.02	✓
XLI	Industrials		0.05	0.01	✓
SPY			0.04	0.00	✓
XLRE	Real Estate		-0.06	-0.13	✓
XLB	Materials		-0.14	-0.14	✓
XLC	Communication Services		0.15	-0.22	✓
XLV	Health Care		-0.26	-0.40	✓
XLE	Energy		-0.33	-0.47	✓
XTN	Transportation		-0.26	-0.51	✓



Tail Length 4 Weeks

How it works



SimpleVisor Home Insights Markets Portfolios DIY Research Charts

Performance Analysis | Factor Analysis | Risk Range | Screener | Stock Summary | Strategy Builder

Sectors | Factors

Factors Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)
MTUM	Momentum		0.34	0.62
VEA	Developed Markets		0.34	0.53
EFA	EAFE		0.46	0.51
ARKK	Disruptive Tech		0.16	0.36
GDX	Gold Miners		0.40	0.30
EEM	Emerging Markets		0.07	0.26
MGK	Mega Cap Growth		0.12	0.20
IVW	S&P 500 Growth		0.15	0.19
SPHB	High Beta		-0.03	0.06
SPY			0.04	0.00
PKW	Buyback Achievers		0.01	-0.05
VBK	Small Cap Growth		-0.03	-0.12
RSP	Equal Weight S&P 500		-0.07	-0.13
SPLV	Low Beta [Low Vol.]		0.04	-0.15
IWM	Small Caps		-0.08	-0.17
VYM	High Dividend Yield		-0.11	-0.17
VFQY	Vanguard U.S. Quality Factor		-0.16	-0.23
MDYG	Mid Cap Growth		0.02	-0.24
MDYV	Mid Cap Value		-0.17	-0.25
MDY	Mid Cap 400		-0.15	-0.27
VBR	Small Cap Value		-0.17	-0.30
IVE	S&P 500 Value		-0.18	-0.32

Tweet of the Day

Jason Goepfert @jasongoepfert · Apr 24

Forget the **Zweig breadth** thrust – the NYSE just triggered a SuperZweig.

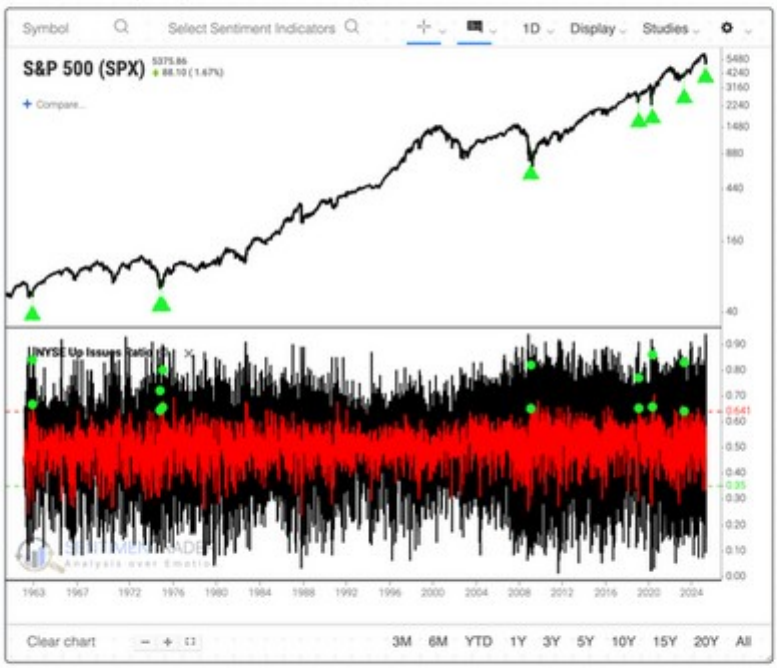
Both extremes were significantly further than the thresholds of the original signal.

The S&P 500 returned more than +20% the year following every prior thrust.

Talk about a bear killer.

S&P 500 after NYSE SuperZweig thrust signal

NYSE Up Issues 10-day EMA cycles < 35% to > 64% within 30 days



Entry Date	1 Week Later [%]	2 Weeks Later [%]	1 Month Later [%]	2 Months Later [%]	3 Months Later [%]	6 Months Later [%]	1 Year Later [%]
1962-11-12	0.39	3.59	5.1	9.41	10.47	17.82	22.89
1974-10-11	1.6	-1.43	5.64	-4.88	1.64	20.33	23.99
1975-01-06	1.74	0.01	9.2	17.76	13.06	31.62	30.27
2009-01-02	-4.45	-8.77	-10.01	-26.75	-9.58	-3.55	21.59
2019-01-08	1.39	2.5	5.11	8.11	11.8	16.26	26.36
2020-04-09	3.04	1.68	5.04	14.35	14.17	23.55	47.97
2023-03-31	0	1.02	0.25	2.72	8.43	4.36	26.82
Median	1.4	1.0	5.1	8.1	10.5	17.8	26.4
% Positive	71%	71%	86%	71%	86%	86%	100%
Avg Max Loss	-1.0	-1.3	-1.4	-1.4	-1.4	-1.4	-1.4
Avg Max Gain	1.0	3.0	5.7	8.8	11.4	18.3	27.9
Z-Score	1.0	0.8	0.9	0.9	1.1	0.5	-0.6

?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.?]

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