

ENGINEERING THE MARKETS:

PRECISION, PATTERNS, & PROFITABILITY

March Madness

March 5, 2025



POWERED BY:



by TERRY LONG

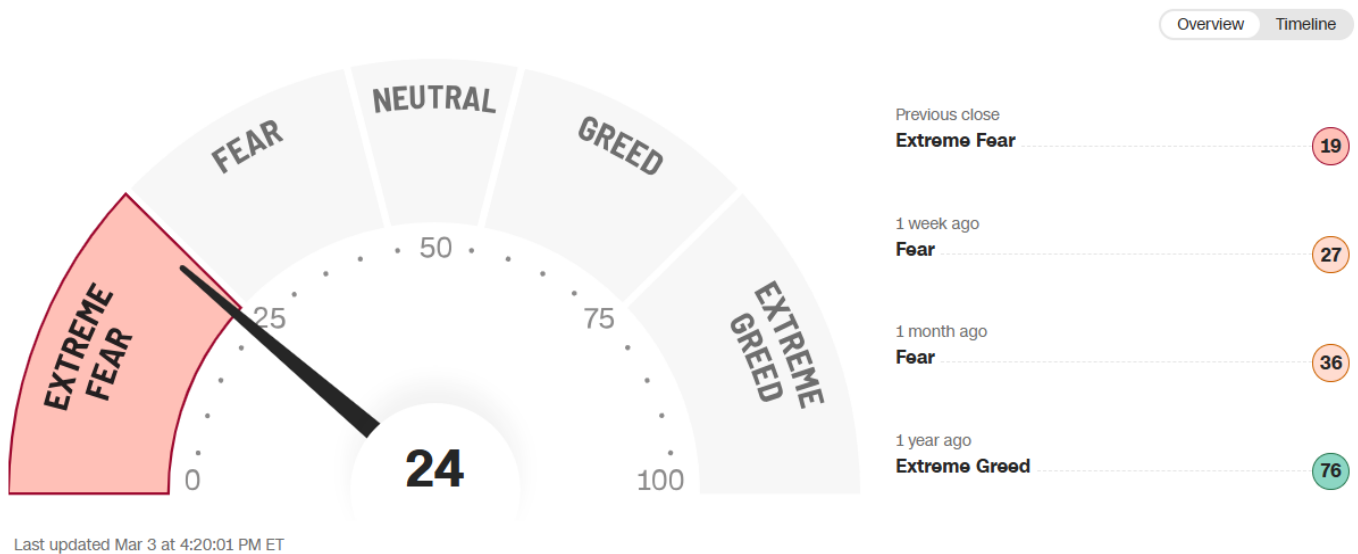
TRADINGANALYSIS.COM

March Madness is not only for basketball but also for the stock market. Investor's sentiment is moving further negative as Trump tariffs are set to go into effect for Canada and Mexico. On Monday, the SPX closed down 1.76% and the tech-heavy DNX settled 2.20% lower. To measure "investor sentiment" CNN developed the "Fear & Greed Index". Let's analyze the seven components that are combined to make this indicator:

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



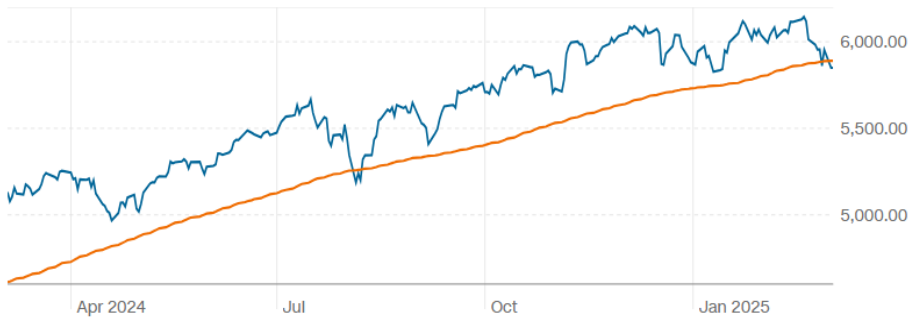
Source: <https://www.cnn.com/markets/fear-and-greed>

MARKET MOMENTUM

S&P 500 and its 125-day moving average

● S&P 500 ● 125-day moving average

EXTREME FEAR



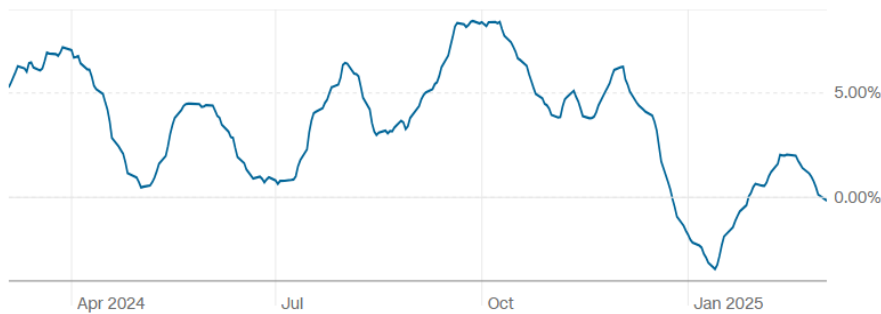
Last updated Mar 3 at 4:20:01 PM EST

It's useful to look at stock market levels compared to where they've been over the past few months. When the S&P 500 is above its moving or rolling average of the prior 125 trading days, that's a sign of positive momentum. But if the index is below this average, it shows investors are getting skittish. The Fear & Greed Index uses slowing momentum as a signal for Fear and a growing momentum for Greed.

STOCK PRICE STRENGTH

Net new 52-week highs and lows on the NYSE

EXTREME FEAR



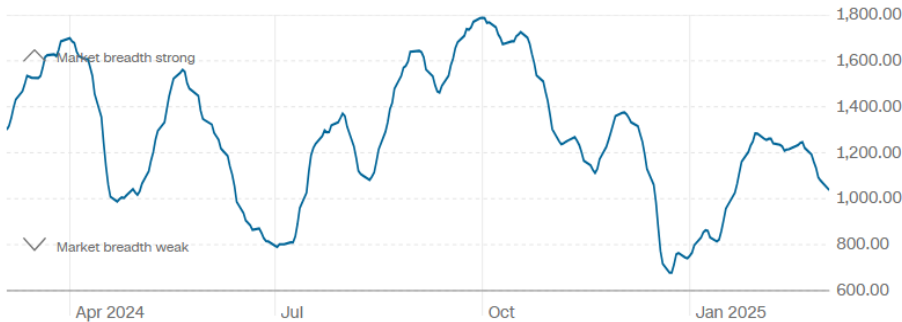
Last updated Mar 3 at 4:18:57 PM EST

A few big stocks can skew returns for the market. It's important to also know how many stocks are doing well versus those that are struggling. This shows the number of stocks on the NYSE at 52-week highs compared to those at 52-week lows. When there are many more highs than lows, that's a bullish sign and signals Greed.

STOCK PRICE BREADTH

McClellan Volume Summation Index

EXTREME FEAR



Last updated Mar 3 at 4:18:44 PM EST

The market is made up of thousands of stocks. And on any given day, investors are actively buying and selling them. This measure looks at the amount, or volume, of shares on the NYSE that are rising compared to the number of shares that are falling. A low (or even negative) number is a bearish sign. The Fear & Greed Index uses decreasing trading volume as a signal for Fear.

PUT AND CALL OPTIONS

5-day average put/call ratio



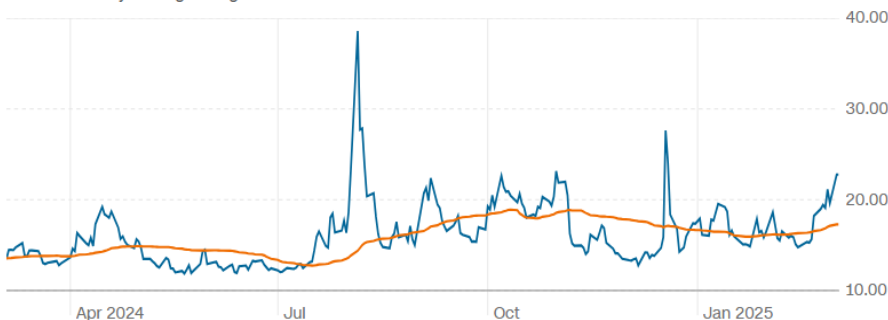
Last updated Mar 3 at 4:18:46 PM EST

Options are contracts that give investors the right to buy or sell stocks, indexes or other financial securities at an agreed upon price and date. Puts are the option to sell while calls are the option to buy. When the ratio of puts to calls is rising, it is usually a sign investors are growing more nervous. A ratio above 1 is considered bearish. The Fear & Greed Index uses a bearish options ratio as a signal for Fear.

MARKET VOLATILITY

VIX and its 50-day moving average

● VIX ● 50-day moving average



Last updated Mar 3 at 4:15:01 PM EST

The most well-known measure of market sentiment is the CBOE Volatility Index, or VIX. The VIX measures expected price fluctuations or volatility in the S&P 500 Index options over the next 30 days. The VIX often drops on days when the broader market rallies and soars when stocks plunge. But the key is to look at the VIX over time. It tends to be lower in bull markets and higher when the bears are in control. The Fear & Greed Index uses increasing market volatility as a signal for Fear.

SAFE HAVEN DEMAND

Difference in 20-day stock and bond returns



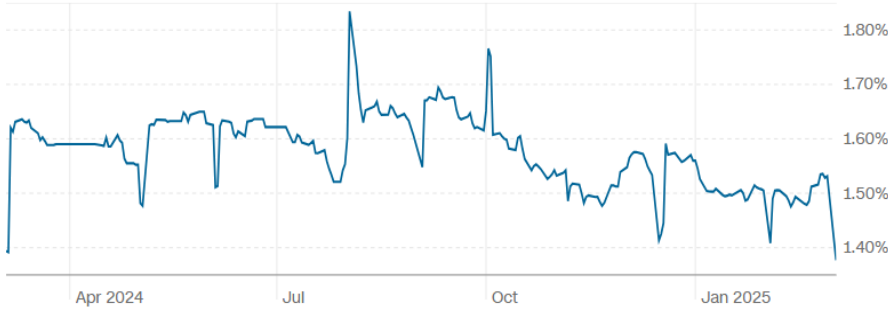
Last updated Mar 3 at 3:59:59 PM EST

Stocks are riskier than bonds. But the reward for investing in stocks over the long haul is greater. Still, bonds can outperform stocks over short periods. Safe Haven Demand shows the difference between Treasury bond and stock returns over the past 20 trading days. Bonds do better when investors are scared. The Fear & Greed Index uses increasing safe haven demand as a signal for Fear.

JUNK BOND DEMAND

Yield spread: junk bonds vs. investment grade

EXTREME GREED



Note: The frequent drops of the yield spread on the Junk Bond Demand chart usually appear on the ex-dividend date. The spread typically bounces back after the dividend is paid and normalizes over time.

Last updated Mar 3 at 4:10:00 PM EST

Junk bonds carry a higher risk of default compared to other bonds. Bond yields – or the return you get on investing in a bond – dip when prices go up. If investors crave junk bonds, the yields drop. Likewise, yields rise when people are selling. So a smaller difference (or spread) between yields for junk bonds and safer government bonds is a sign investors are taking on more risk. A wider spread shows more caution. The Fear & Greed Index uses junk bond demand as a signal for Greed.

Only 1 of the 7 indicators didn't show "Fear" but rather "Extreme Greed"; that was the Junk Bond Demand Indicator.

Times of "Extreme Fear" may cascade into a market correction but more often than not, this extreme sentiment indicator is a "contrarian" indicator signaling a market reversal close at hand.

Economic Calendar - Key events reporting this week

Wednesday - ADP Nonfarm Employment Change (Feb)

Thursday - Continuing Jobless Claims and Trade Balance (Jan)

Friday - Nonfarm Payrolls (Feb)

Earnings Calendar Major Earnings reports this week

E EARNINGS WHISPERS

Most Anticipated Earnings Releases

for the week beginning
March 03, 2025

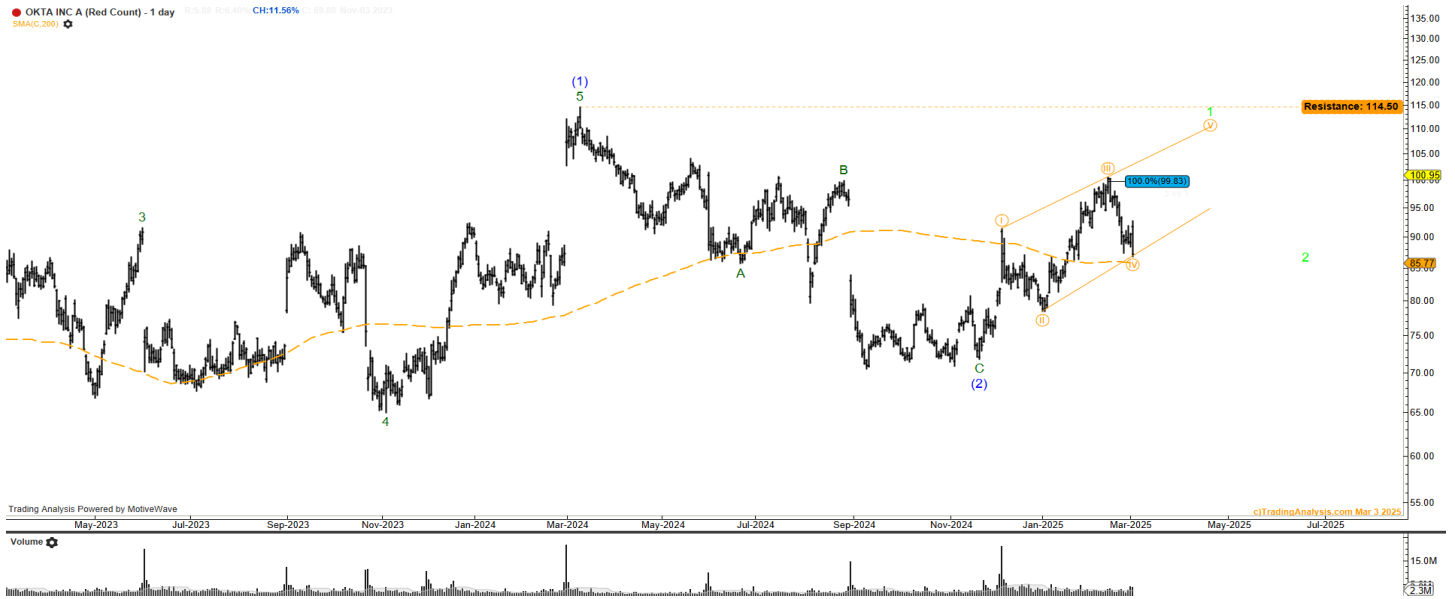
Monday		Tuesday		Wednesday		Thursday		Friday
Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open
NOVA Sunnova	SMR NUSCALE	TGT TARGET	CRWD CROWDSTRIKE	ANF Abercrombie & Fitch	MRVL MARVELL	JD JD.COM	AVGO BROADCOM	GENCO GENESCO
HUT HUT 8	OKTA okta	BBY BEST BUY	CRDO CREDO	FL Foot Locker	RGTI rigetti	CRBL Cracker Barrel	BBAI BIGBEAR.AI	AGN Algonquin
PLUG Plug	ASTS AST SpaceMobile	SE sea	STEM stem	OPFI OppFi	ZS zscaler	KR Kroger	COST COSTCO	WHF WHITEHORSE
TGTX TG Therapeutics	GTLB GitLab	AZO AutoZone	JWN NORDSTROM	THO THOR	MDB mongoDB	BJ BJ's	GAP Gap Inc.	YPF YPF
SPHR sphere	ADMA ADMA BIOLOGICS	PSFE Paysafe	ORNI ORION GROUP HOLDINGS	SSYS stratasys	VEEVA Veeva	DCTH Delcath Systems, Inc.	HPE Hewlett Packard Enterprise	INTT inTEST Corporation
AVDL Avadel	GCT SIGACLoud TECHNOLOGY	EVGO EVgo	BOX box	RSKD riskified	VSCO VICTORIA'S SECRET	BTSO BRIGHTSPRING	SERV serve	ADV ADVANTAGE SOLUTIONS
BLFS BioLife Solutions	SENS Senseonics	ESPR ESPERION	ROST ROSS DRESS FOR LESS	EDIT editas	TREE lendingtree	NINE Nine ENERGY SERVICES	IOT samsara	ONCY ONCOLYTICS BIOTECH INC
EUR Burford	MRC MRC Global	GENI Genius SPORTS	KIDS OrthoPediatrics	BFBI BROWN-FORMAN	IKGS KODIAK GAS SERVICES	BLSKY BLACK SKY	COO CooperCompanies	
RC READY CAPITAL	TDUP THREDUP	ONON an	CHPT -chargepoint+	YMM 满帮 Full Truck Alliance	LB LANDBRIDGE	HIPO Hippo	CTSO CytoSorbents	
SGRY SURGERY PARTNERS	GSI QUANTUM SI	NYAX Nayax	NPCE NEUROPACE	REVG RSV Vehicles for life	FSM FORTUNA	M macy's	VEL velocity	

http://eps.sh/cal © 2025 Earnings Whispers

Source: <https://earningswhispers.com/calendar>

Monday - OKTA

● OKTA INC A (Red Count) - 1 day R:5.88 R:5.87 CH:11.56% C:95.88 Nov-03 2023 SMA(5,200)



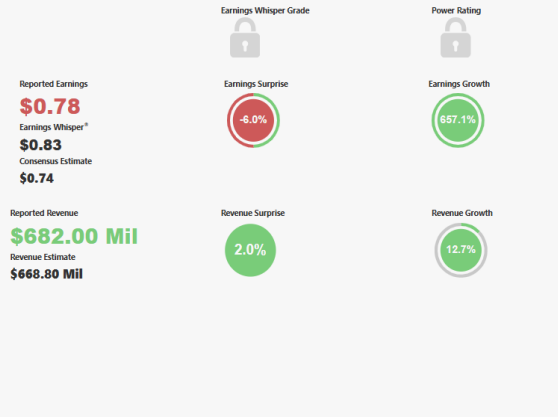
Okta Missed Expectations

Monday, March 3, 2025 at 4:01 PM ET

Okta (OKTA) reported earnings of \$0.78 per share on revenue of \$682.00 million for the fiscal fourth quarter ended January 2025. The consensus earnings estimate was \$0.74 per share on revenue of \$668.80 million. The Earnings Whisper number was \$0.83 per share. The company missed expectations by 6.02% while revenue grew 12.73% on a year-over-year basis.

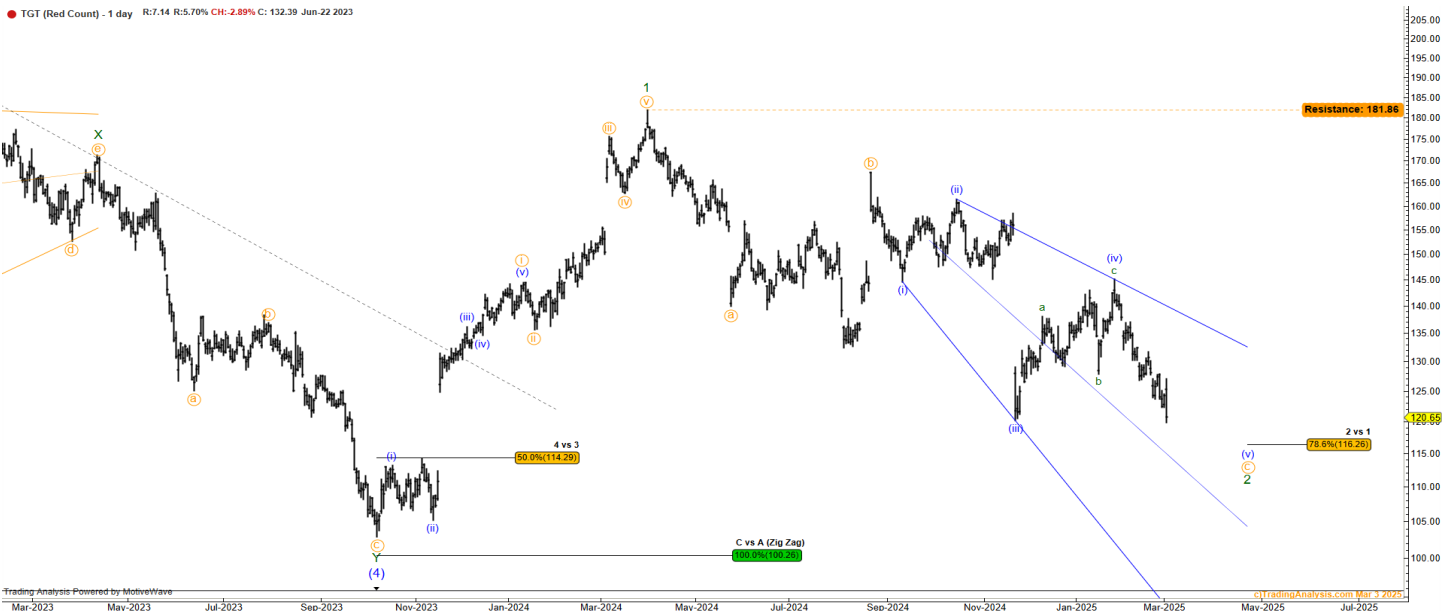
The company said it expects first quarter non-GAAP earnings of \$0.76 to \$0.77 per share on revenue of \$678.0 million to \$680.0 million. The current consensus earnings estimate is \$0.75 per share on revenue of \$670.37 million for the quarter ending April 30, 2025. The company said it expects fiscal 2026 non-GAAP earnings of \$3.15 to \$3.20 per share on revenue of \$2.85 billion to \$2.86 billion. The current consensus earnings estimate is \$3.02 per share on revenue of \$2.79 billion for the year ending January 31, 2026.

Okta is the leading independent provider of identity for the enterprise. The Okta Identity Cloud enables organizations to securely connect the right people to the right technologies at the right time. With over 6,500 pre-built integrations to applications and infrastructure providers, Okta customers can easily and securely use the best technologies for their business. Over 9,400 organizations, including Engie, JetBlue, Nordstrom, Takeda Pharmaceutical, Teach for America, T-Mobile and Twilio, trust Okta to help protect the identities of their workforces and customers.



Tuesday - TGT, BBY, AZO, CRWD

● TGT (Red Count) - 1 day R:7.14 R:5.70% CH:-2.89% C:132.39 Jun-22 2023



Target Beat Expectations

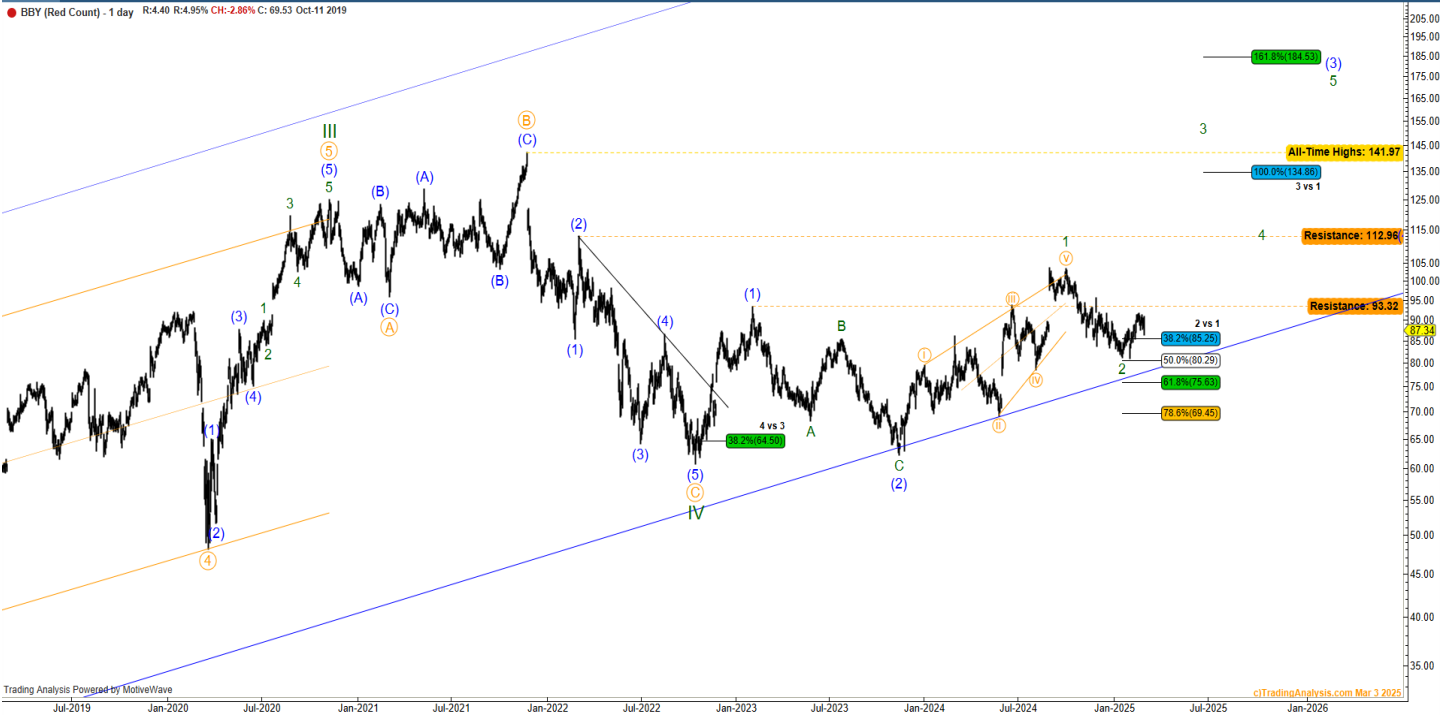
Tuesday, March 4, 2025 at 6:30 AM ET

Target (TGT) reported earnings of \$2.41 per share on revenue of \$30.92 billion for the fiscal fourth quarter ended January 2025. The consensus earnings estimate was \$2.25 per share on revenue of \$30.73 billion. The Earnings Whisper number was \$2.20 per share. The company beat expectations by 9.55% while revenue fell 1.75% compared to the same quarter a year ago.

The company said it expects fiscal 2026 earnings of \$8.80 to \$8.90 per share on revenue of approximately \$107.63 billion. The current consensus earnings estimate is \$9.32 per share on revenue of \$109.09 billion for the year ending January 31, 2026.

Target Corp is engaged in operating general merchandise discount stores in the United States.

Reported Earnings \$2.41 Earnings Whisper* \$2.20 Consensus Estimate \$2.25	Earnings Whisper Grade 🔒	Power Rating 🔒
Reported Revenue \$30.91 Bil Revenue Estimate \$30.73 Bil	Earnings Surprise 9.5%	Earnings Growth -19.1%
	Revenue Surprise 0.6%	Revenue Growth -1.8%



Best Buy Co. Beat Expectations

Tuesday, March 4, 2025 at 7:00 AM ET

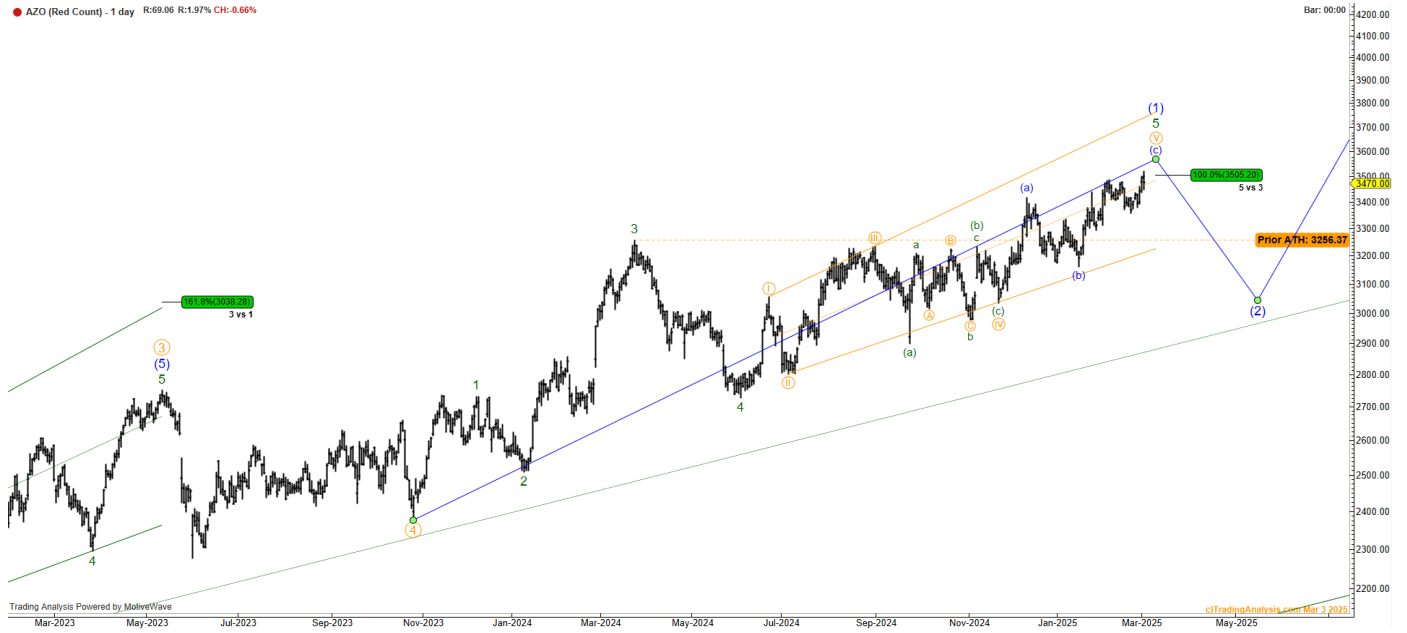
Best Buy Co. (BBY) reported earnings of \$2.58 per share on revenue of \$13.95 billion for the fiscal fourth quarter ended January 2025. The consensus earnings estimate was \$2.40 per share on revenue of \$13.65 billion. The Earnings Whisper number was \$2.46 per share. The company beat expectations by 4.88% while revenue fell 4.77% compared to the same quarter a year ago.

The company said it expects fiscal 2026 earnings of \$6.20 to \$6.60 per share on revenue of \$41.40 billion to \$42.20 billion. The current consensus earnings estimate is \$6.63 per share on revenue of \$41.76 billion for the year ending January 31, 2026.

Best Buy Co Inc Best Buy Co Inc is a retailer of technology products, including tablets and computers, televisions, mobile phones, large and small appliances, entertainment products, digital imaging and related accessories.

Reported Earnings \$2.58 Earnings Whisper* \$2.46 Consensus Estimate \$2.40	Earnings Whisper Grade 🔒	Power Rating 🔒
Reported Revenue \$13.95 Bil Revenue Estimate \$13.65 Bil	Earnings Surprise 4.9%	Earnings Growth -5.1%
	Revenue Surprise 2.2%	Revenue Growth -4.8%

● AZO (Red Count) - 1 day R:69.06 R:1.97% CH:0.66%



Tuesday, March 4, 2025 at 6:55 AM ET

AutoZone (AZO) reported earnings of \$28.29 per share on revenue of \$3.95 billion for the fiscal second quarter ended February 2025. The consensus earnings estimate was \$29.16 per share on revenue of \$3.98 billion. The Earnings Whisper number was \$29.97 per share. The company missed expectations by 5.61% while revenue grew 2.41% on a year-over-year basis.

AutoZone Inc is a retailer and distributor of automotive replacement parts and accessories in the United States. The Company operates stores which carries an extensive product line for cars, sport utility vehicles, vans and light trucks and among others.

Reported Earnings
\$28.29
 Earnings Whisper[™]
\$29.97
 Consensus Estimate
\$29.16

Earnings Surprise
-5.6%

Earnings Growth
-2.1%

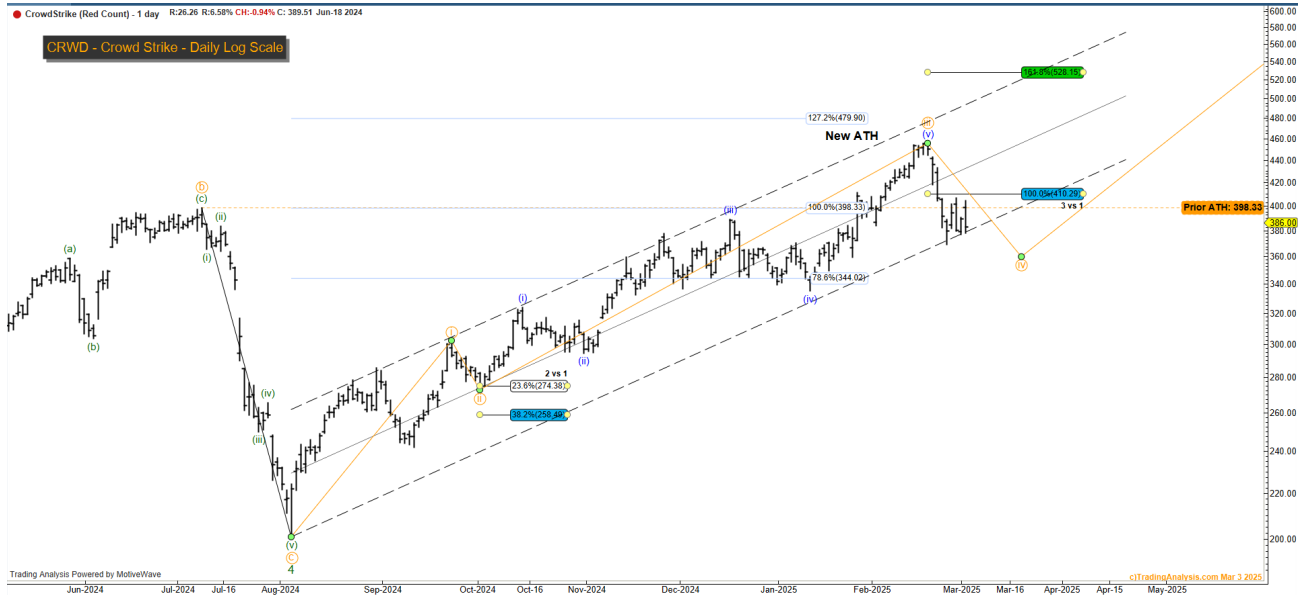
Reported Revenue
\$3.95 Bil
 Revenue Estimate
\$3.98 Bil

Revenue Surprise
-0.7%

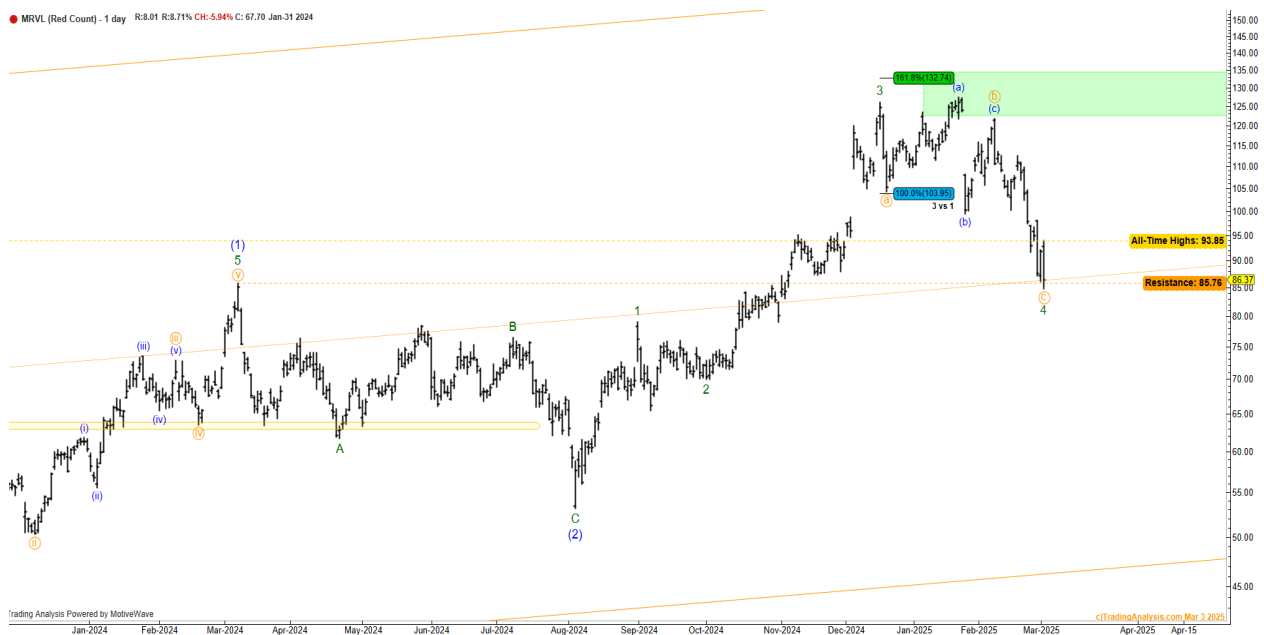
Revenue Growth
2.4%

● CrowdStrike (Red Count) - 1 day R:26.26 R:6.58% CH:0.94% C:309.51 Jun-18 2024

CRWD - Crowd Strike - Daily Log Scale



Wednesday - ANF, MRVL, RGTI, ZS, MDB



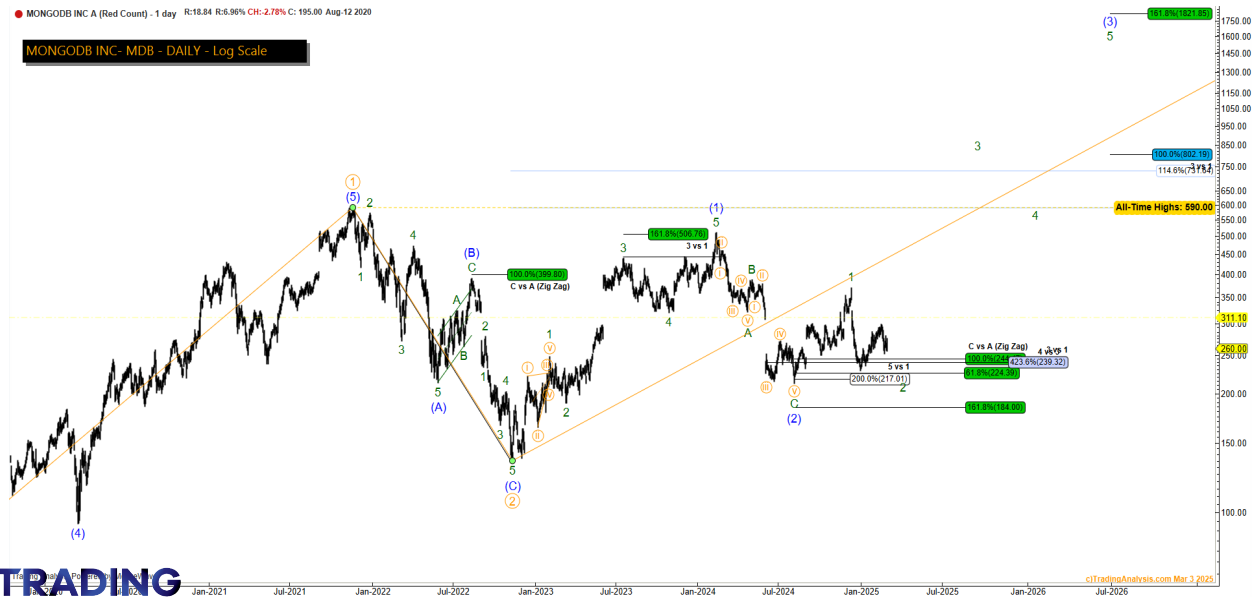
● RIGETTI COMPUTING IN (Red Count) - 1 day R:1.22 R:14.29% CH:8.51% C: 0.98 Dec-29 2023



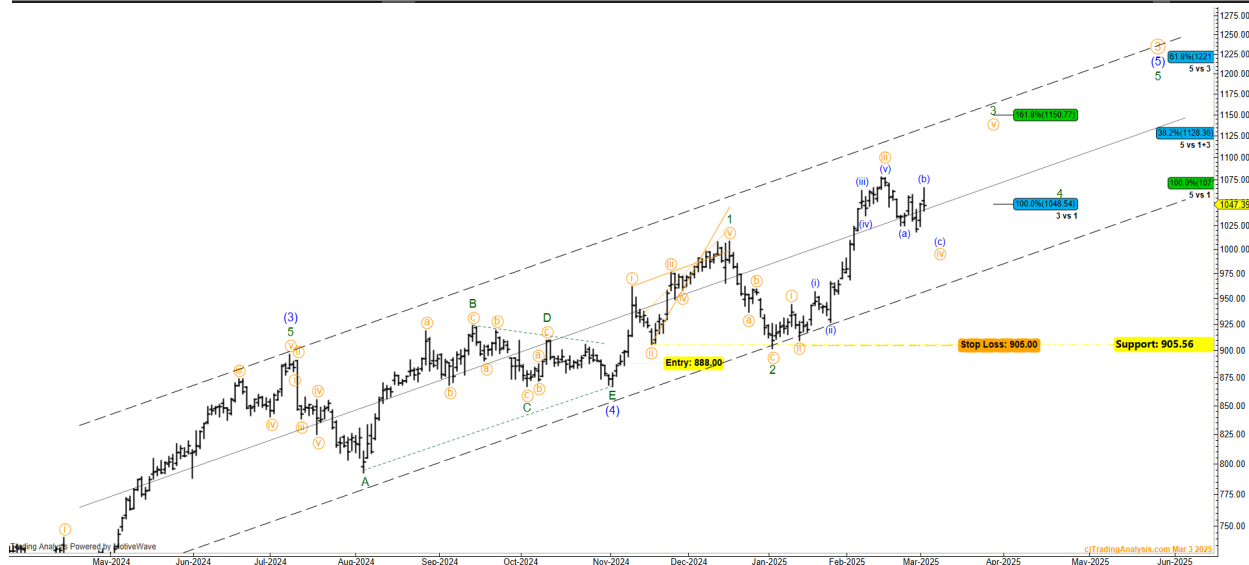
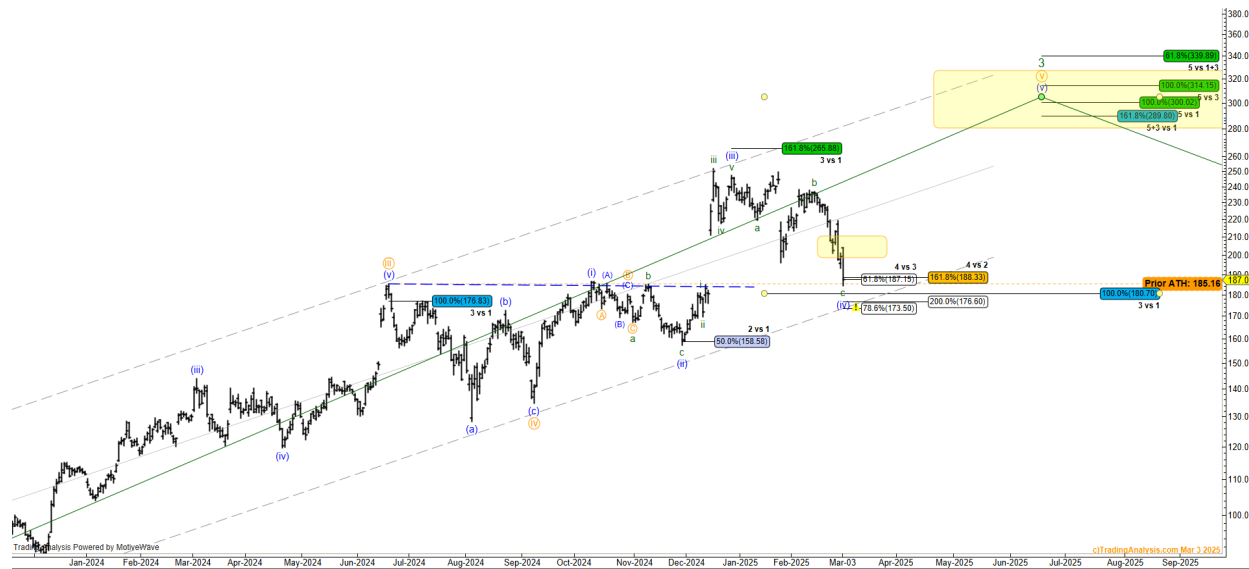
● ZSCALER INC (Red Count) - 1 day R:12.30 R:6.20% CH:3.18% C: 193.48 Jan-05 2021



● MONGODB INC A (Red Count) - 1 day R:18.84 R:6.96% CH:2.78% C: 195.00 Aug-12 2020



Thursday - JD, AVGO, COST



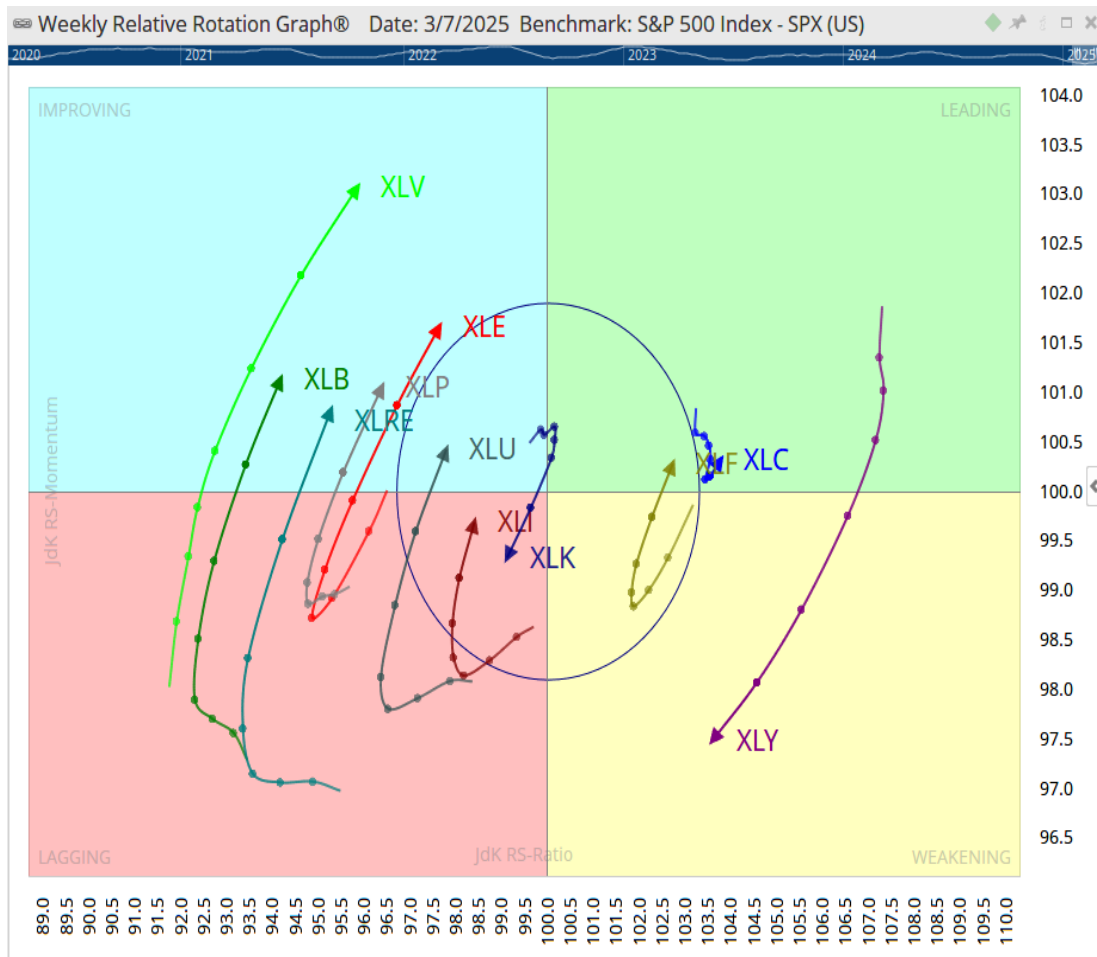
Sector Rotation

Code	Last	%Chg
SPX	5,849.72	-1.76%
NDY	20,425.58	-2.20%
IWM	208.78	-2.73%

Markets moved lower Monday following President Donald Trump's decision to proceed with tariffs on Canada and Mexico and impose an additional 10% levy on China.

Code	Last	%Chg
XLRE	43.52	0.86%
XLP	83.52	0.53%
XLV	149.58	0.44%
XLU	79.33	0.14%
XLF	51.74	-0.84%
XLC	100.98	-1.00%
XLI	134.39	-1.42%
XLY	211.98	-1.84%
XLB	86.98	-2.01%
XLK	218.67	-3.04%
XLE	87.82	-3.49%

Four Sectors closed higher, **XLRE, XLP, XLV, and XLU** while the other seven sectors closed lower, with **Technology** and **Energy** declining more than 3% each



Updating from last week, the **Communications Sector, XLC**, reversed a momentum decline and remains inside the Leading Quadrant in our Weekly RRG. The Financial **Sector, XLF**, has re-emerged into the Leading Quadrant after a brief foray into the Weakening Quadrant.

The **Technology Sector, XLK** failed to complete a move into the Leading Quadrant and as we noted, its hesitation and loss of Relative Momentum has turned into a sharp decline back down into the Lagging Quadrant. **Consumer Discretionary's, XLY**, decline is steadily moving that sector out of favor as well.

Most other sectors have seen rising Relative Momentum, and, with the exception of **Industrials, XLI**, they are now positioned inside the Improving Quadrant. This is an odd situation, and we'll soon see the **Technology Sector** as the only sector inside the Lagging Quadrant.

The Farmer's Almanac says that March comes in like a Lion and goes out like a Lamb. Let's hope the markets follow a similar pattern. We may see more volatility ahead before we get to calmer seas.

Have a great week!

Terry Long

Research Director, TradingAnalysis.com