



August 18, 2025

LEADERS & LAGGARDS

THE SECTOR EDGE

Sector Ranks plus XLC, XLK, XLF, XLI, and XLY vs. XLP

Sector rankings tilt toward Growth and away from Defensives/Cyclicals

Top Five Tactical Ranks: Technology (XLK), Communication Services (XLC), Discretionary (XLY), Industrials (XLI), and Utilities (XLU). All but Utilities also have Top Five 52-week Ranks. Communication Services achieved a 52-week closing basis high. Discretionary hit a 13-week high. **Bottom Five Tactical Ranks:** Energy (XLE), Real Estate (XLRE), Healthcare (XLV), Staples (XLP), and Materials (XLB). All of these sectors are also in the bottom five for the 52-week Rank. Energy, Staples, and Real Estate posted multi-year lows vs. the S&P 500 (SPX) last week.

XLC: Bullish breakout targets 126-128; big support vs. SPX bent but did not break

The February-June bullish consolidation breakout for Communications Services (XLC) remains firmly intact above 105, favoring upside to pattern counts at 126 (2025 consolidation) and 128 (late-2021 to late-2024 big base). Rising 13-, 26-, and 40-week moving averages (WMAs) near 100-105 underpin this bullish backdrop. XLC's relative leadership trend vs. the SPX from late 2022 bent but did not break, as the sector defended its major uptrend and rising 40-WMA support. Last week's close above the 13-, 26-, and 40-WMAs vs. the SPX provides a bullish signal.

XLK: Late June breakout projects to 312, but we want to see a new high vs. SPX

Technology (XLK) stalled last week but remains bullish overall. The late June breakout above 243 completed a bullish consolidation pattern dating back to late 2024 that projects upside to 312. Tactical support rises to 255.78. Rising 13-, 26-, and 40-WMAs from 250 down to 231 reinforce a bullish backdrop for XLK. On a relative basis, Technology has provided solid leadership since early April, but we would like to see new relative price highs above the June 2024 peak vs. the SPX to confirm the higher absolute price highs.

XLF: Late June breakout projects to 61, but we want to see support hold vs. SPX

Financials (XLF) broke out from a five-month bullish consolidation in late June, projecting upside to 61. Defending support at 51.66-49.57 (chart levels and rising 13-, 26-, and 40-WMAs) would maintain a constructive setup. The loss of leadership that XLF has experienced since the SPX bottomed in April is a risk. Financials enter this week testing important relative price support at the breakout point for the double bottom from the 2023-2024 lows vs. the SPX.

XLI: Breakouts project to 162 and 176, but XLI must reclaim its WMAs vs. SPX

Industrials (XLI) broke out in May and June, confirming a late-2024 to mid-2025 bullish consolidation with upside targets at 162 and 176. Maintaining support at 144.51 and the mid-May gap at 138.98-137.35 would keep the setup constructive. The main risk is relative performance, which has struggled of late. XLI must reclaim its WMAs vs. SPX to increase our confidence in a potential mid-2023 to late-2025 relative bottom.

Risk-on: Discretionary bullish vs. Staples - both cap-weighted and equal-weighted

The ratio of Discretionary relative to Staples is rising and sending a risk-on message on both a market cap-weighted (XLY/XLP) and equal-weighted basis (RSPD/RSPS). Both ratios are rising from April lows, which also held weekly Ichimoku cloud support. The trend is your friend until proven otherwise. Staying above cloud support would keep the trend bullish and favor higher highs for Discretionary (XLY and RSPD) relative to Staples (XLP and RSPS).

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Sector Ranks and Scores

S&P 500 GICS Level 1 Sector ETF Ranks and Scores

We evaluate the relative strength and momentum of S&P 500 GICS Level 1 sector ETFs using a multi-dimensional ranking approach. This analysis incorporates both short-term and long-term performance metrics to identify sector leadership and underperformance. Key inputs include Tactical Rank, 52-week Rank, Trend Scores, Long-term Trend Scores, and Composite Trend Scores. Trend Scores are evaluated on both an absolute price basis and relative to the S&P 500 benchmark. Combined, these indicators provide a comprehensive view of each sector's technical condition and trend durability across multiple timeframes.

Key Indicators

- **Tactical Rank:** Uses three short- to intermediate-term weekly simple moving averages (WMAs) to determine the rank: The 13-, 26-, and 40-WMAs. Longer WMAs carry greater weight in the ranking.
- **52-week Rank:** Calculated using the 52-week rate of change to assess longer-term strength.
- **Trend Score:** Ranges from -10 to +10 and incorporates the 13-, 26-, and 40-WMAs. Higher scores indicate stronger trends with prices above rising WMAs. Lower scores indicate weaker trends with price below declining WMAs. Longer WMAs are more heavily weighted.
- **Trend Score vs. SPX:** Applies the same methodology as the Trend Score but uses the ratio of the ETF versus to the S&P 500 Index to determine relative performance.
- **Long-term Trend Score:** Ranges from -20 to +20 and includes the 13-, 26-, 40-, and 200-WMAs. Higher scores reflect stronger long-term uptrends, while lower scores indicate long-term downtrends. Longer WMAs carry more weight.
- **Long-term Trend Score vs. SPX:** Applies the Trend Score LT methodology to the relative price ratio of the ETF compared to the S&P 500.

Narrow sector leadership over last three months but some broadening last week

Sector breadth has been strong over the last three months with nine of the 11 GICS Level 1 ETFs higher over the period. Breadth was slightly narrower over the last week with seven sectors up on the week. However, sector leadership has been narrow based on 3-month price returns, with just Technology and Communication Services beating the SPY. Five sectors outperformed the SPY last week, which is a broadening of sector leadership.

Chart 1: 1-week and 3-month percentage change for GICS 1 Sector ETFs and S&P 500 (SPY) as of 8/15/2025



Source: Optuma



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S&P 500 GICS Level 1 Sector ETF Summary

Top ranked sectors: XLK, XLC, XLY, XLI, and XLU

Top Five Tactical Ranks: Technology (XLK), Communication Services (XLC), Discretionary (XLY), Industrials (XLI), and Utilities (XLU). All but Utilities also have Top Five 52-week Ranks. Technology, Communication Services, and Industrials have positive absolute and relative Trend Scores and Long-term Trend Scores, but Industrials have lost some relative momentum. Discretionary and Utilities have positive absolute scores but have struggled with negative relative scores. Comm Services achieved a 52-week closing basis high. Discretionary hit a 13-week high.

Bottom ranked sectors: XLE, XLRE, XLV, XLP, and XLB

Bottom Five Tactical Ranks: Energy (XLE), Real Estate (XLRE), Healthcare (XLV), Staples (XLP), and Materials (XLB). All of these sectors are also in the bottom five for the 52-week Rank. Healthcare, Energy, and Real Estate have negative Trend Scores and Trend Scores vs. the SPX. Healthcare and Real Estate also have negative absolute and relative Long-term Trend Scores. Staples and Materials have positive absolute scores and negative relative trend scores. Energy, Staples, and Real Estate posted multi-year lows vs. the SPX last week.

Tactical Ranks

- **Top Five:** Technology, Communication Services, Discretionary, Industrials, and Utilities
- **Bottom Five:** Energy, Real Estate, Healthcare, Staples, and Materials

52-week Ranks

- **Top Five:** Communication Services, Discretionary, Technology, Financials, and Industrials
- **Bottom Five:** Healthcare, Energy, Real Estate, Materials, and Staples

Trend Scores

- **Bullish absolute and vs. SPX:** Technology, Communication Services, and Industrials
- **Bearish absolute and vs. SPX:** Energy, Real Estate, and Healthcare
- **Bullish absolute but negative relative scores:** XLY, XLU, XLF, XLB, and XLP

Long-term Trend Scores (LT Trend Score)

- **Bullish absolute and vs. SPX:** Technology, Communication Services, and Industrials
- **Bearish absolute and vs. SPX:** Real Estate and Healthcare
- **Bullish absolute but negative relative scores:** XLY, XLU, XLF, XLB, XLP, and XLE

Table 1: S&P 500 GICS Level 1 Sector ETF Trend Ranks and Scores: Sorted by Tactical Rank

Sector	Ticker	Last	Tactical Trend		Trend Score	Trend Score vs SPX	LT Trend Score	LT Trend Score vs SPX
			Rank	52-week Rank				
Technology	XLK	265.7	1	3	10	10	20	20
Communication Services	XLC	111.48	2	1	10	8	20	6
Consumer Discretionary	XLY	229.04	3	2	6	-2	16	-12
Industrials	XLI	150.44	4	5	10	2	20	4
Utilities	XLU	85.62	5	6	10	-6	20	-16
Financials	XLF	52.46	6	4	10	-4	20	-14
Materials	XLB	90.03	7	8	4	-10	14	-20
Consumer Staples	XLP	82.02	8	7	4	-10	14	-20
Healthcare	XLV	136.21	9	11	-8	-10	-6	-20
Real Estate	XLRE	41.33	10	9	-4	-10	-6	-20
Energy	XLE	85.56	11	10	-8	-10	2	-8

Source: Optuma



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Sector ETF Trend Score bullish and bearish shifts for the last 10 weeks

- Strongest: XLC, XLF, XLI, XLK, and XLU followed by XLY
- Weakest: XLE and XLV followed by XLRE
- Positive over last 10 weeks: XLC, XLF, XLI, and XLU (XLK for last eight weeks)
- Negative over the last 10 weeks: XLV

Table 2: Sector ETF Trend Scores for the last 10 weeks

Sector	Ticker	8/15/2025	8/8/2025	8/1/2025	7/25/2025	7/18/2025	7/11/2025	7/4/2025	6/27/2025	6/20/2025	6/13/2025
Communication Services	XLC	10	10	10	10	10	10	10	10	10	10
Consumer Discretionary	XLY	6	6	6	6	6	6	6	6	0	4
Consumer Staples	XLP	4	2	-6	4	2	8	10	4	8	6
Energy	XLE	-8	-8	-6	-4	-6	0	-6	-8	-2	-2
Financials	XLF	10	10	8	10	10	10	10	10	10	10
Healthcare	XLV	-8	-10	-10	-8	-10	-8	-8	-10	-10	-10
Industrials	XLI	10	10	10	10	10	10	10	10	10	6
Materials	XLB	4	2	-2	4	4	0	0	-4	-6	-6
Real Estate	XLRE	-4	-4	-4	4	-4	-4	-4	-8	-6	-6
Technology	XLK	10	10	10	10	10	10	10	6	0	0
Utilities	XLU	10	10	10	10	10	10	10	10	10	10

Source: Optuma

Sector ETF Trend Scores vs the S&P 500 for the last 10 weeks

- Strongest: XLK followed by XLC
- Weakest: XLP, XLE, XLV, XLB and XLRE followed by XLU
- Positive over last 10 weeks: XLI
- Negative over the last 10 weeks: XLY, XLP, XLE, XLV, XLB, and XLRE

Table 3: Sector ETF Trend Scores relative to the S&P 500 for the last 10 weeks

Sector	Ticker	8/15/2025	8/8/2025	8/1/2025	7/25/2025	7/18/2025	7/11/2025	7/4/2025	6/27/2025	6/20/2025	6/13/2025
Communication Services	XLC	8	0	4	0	6	6	10	10	8	10
Consumer Discretionary	XLY	-2	-4	-4	-4	-4	-4	-2	-2	-2	-2
Consumer Staples	XLP	-10	-10	-10	-10	-10	-6	-6	-6	-6	-6
Energy	XLE	-10	-10	-10	-10	-10	-10	-10	-10	-8	-10
Financials	XLF	-4	0	0	0	0	0	4	0	4	0
Healthcare	XLV	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
Industrials	XLI	2	6	8	10	10	10	8	8	10	10
Materials	XLB	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
Real Estate	XLRE	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
Technology	XLK	10	10	10	10	10	10	4	4	0	0
Utilities	XLU	-6	-6	2	-6	-6	0	0	0	0	8

Source: Optuma



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Sector ETF Long-term Trend Score green and red shifts for the last 10 weeks

- Strongest: XLC, XLF, XLI, XLK and XLU followed by XLY, XLP, and XLB
- Weakest: XLV and XLRE
- Positive over last 10 weeks: XLC, XLY, XLP, XLE, XLF, XLI, XLB, XLK, and XLU
- Negative over the last 10 weeks: XLV

Table 4: Sector ETF Long-term Trend Scores for the last 10 weeks

Sector	Ticker	8/15/2025	8/8/2025	8/1/2025	7/25/2025	7/18/2025	7/11/2025	7/4/2025	6/27/2025	6/20/2025	6/13/2025
Communication Services	XLC	20	20	20	20	20	20	20	20	20	20
Consumer Discretionary	XLY	16	16	16	16	16	16	16	16	10	14
Consumer Staples	XLP	14	12	4	14	12	18	20	14	18	16
Energy	XLE	2	2	4	6	4	10	4	2	8	8
Financials	XLF	20	20	18	20	20	20	20	20	20	20
Healthcare	XLV	-6	-8	-8	-6	-8	-6	-6	-8	-8	-8
Industrials	XLI	20	20	20	20	20	20	20	20	20	16
Materials	XLB	14	12	8	14	14	10	10	6	4	4
Real Estate	XLRE	-6	-6	-6	2	-6	-6	-6	-10	-8	-8
Technology	XLK	20	20	20	20	20	20	20	16	10	10
Utilities	XLU	20	20	20	20	20	20	20	20	20	20

Source: Optuma

Sector ETF Trend Long-term Scores vs the S&P 500 for the last 10 weeks

- Strongest: XLK followed by XLC
- Weakest: XLP, XLV, XLB, and XLRE followed by XLU, XLF, XLY, and XLE
- Positive over the last 10 weeks: XLI and XLK
- Negative over the last 10 weeks: XLY, XLP, XLE, XLV, XLB, XLRE, and XLU

Table 5: Sector ETF Long-term Trend Scores relative to the S&P 500 for the last 10 weeks

Sector	Ticker	8/15/2025	8/8/2025	8/1/2025	7/25/2025	7/18/2025	7/11/2025	7/4/2025	6/27/2025	6/20/2025	6/13/2025
Communication Services	XLC	6	-2	2	-2	4	4	8	8	6	8
Consumer Discretionary	XLY	-12	-14	-14	-14	-14	-14	-12	-12	-12	-12
Consumer Staples	XLP	-20	-20	-20	-20	-20	-16	-16	-16	-16	-16
Energy	XLE	-8	-8	-8	-8	-8	-8	-8	-8	-6	-8
Financials	XLF	-14	-10	-10	10	10	10	14	10	14	10
Healthcare	XLV	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Industrials	XLI	4	16	18	20	20	20	18	18	20	8
Materials	XLB	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Real Estate	XLRE	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Technology	XLK	20	20	20	20	20	20	14	14	10	10
Utilities	XLU	-16	-16	-8	-16	-16	-10	-10	-10	-10	-2

Source: Optuma



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Communication Services (XLC)

XLC: Bullish breakout intact above 105 with potential to 126-128

The February-June bullish consolidation breakout for Communications Services (XLC) remains firmly intact above 105, favoring upside to pattern counts at 126 (2025 consolidation) and 128 (late-2021 to late-2024 big base). Rising 13-, 26-, and 40-week moving averages (WMAs) near 100-105 underpin this bullish backdrop.

XLC defends relative support and generates a bullish signal vs. the SPX

XLC's relative leadership trend vs. the SPX from late 2022 bent but did not break, as the sector defended its major uptrend and rising 40-WMA support. Last week's close above the 13-, 26-, and 40-WMAs vs. the SPX provides a bullish signal. An important next step: new relative highs within XLC's leadership trend from late 2022.

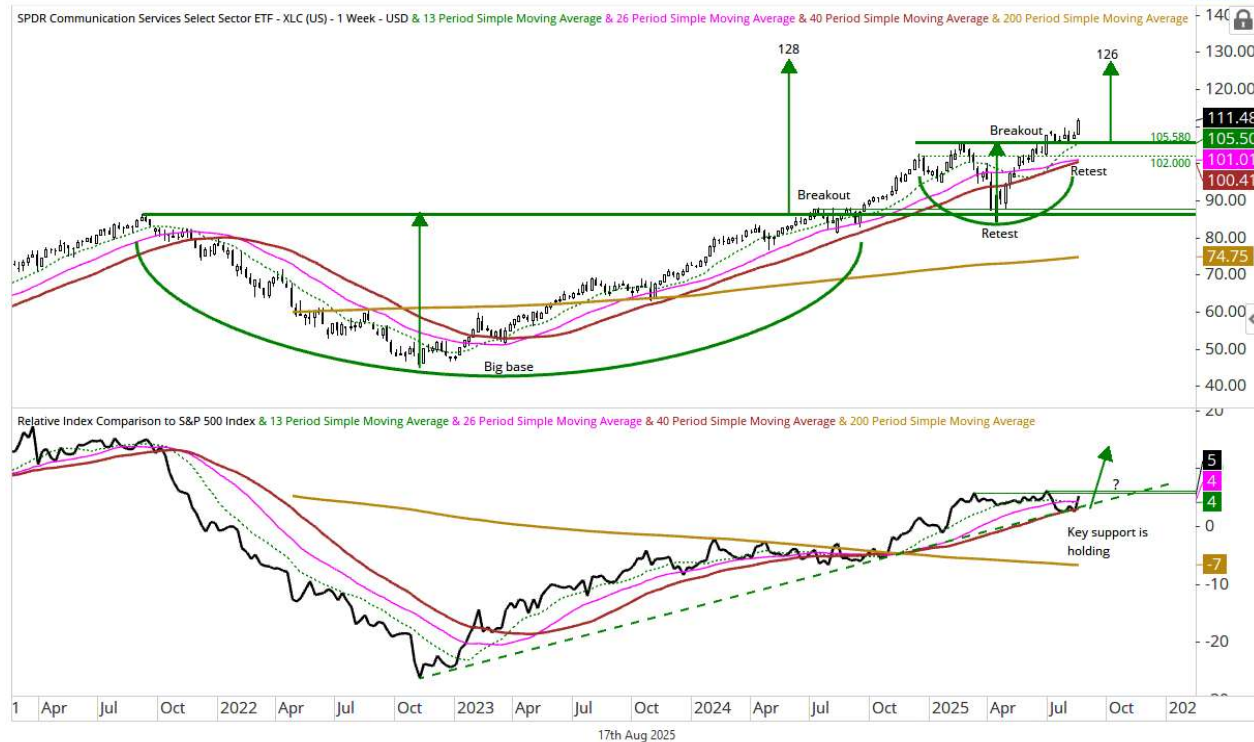
Chart 2: Communication Services (XLC) (top) and relative to the S&P 500 (bottom)

SPDR Communication Services Select Sector ETF - XLC:US - Weekly - USD

SPDR Communication Services Select Sector ETF Ticker: XLC

Weekly

Date: 8/15/2025



Source: Optuma



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Technology (XLK)

XLK: Late June breakout projects to 312, but we want to see a new high vs. SPX

Technology (XLK) stalled last week but remains bullish overall. The late June breakout above 243 completed a bullish consolidation pattern dating back to late 2024 that projects upside to 312. Tactical support rises to 255.78. Rising 13-, 26-, and 40-WMAs from 250 down to 231 reinforce a bullish backdrop for XLK. On a relative basis, Technology has provided solid leadership since early April, but we would like to see new relative price highs above the June 2024 peak vs. the SPX to confirm the higher absolute price highs.

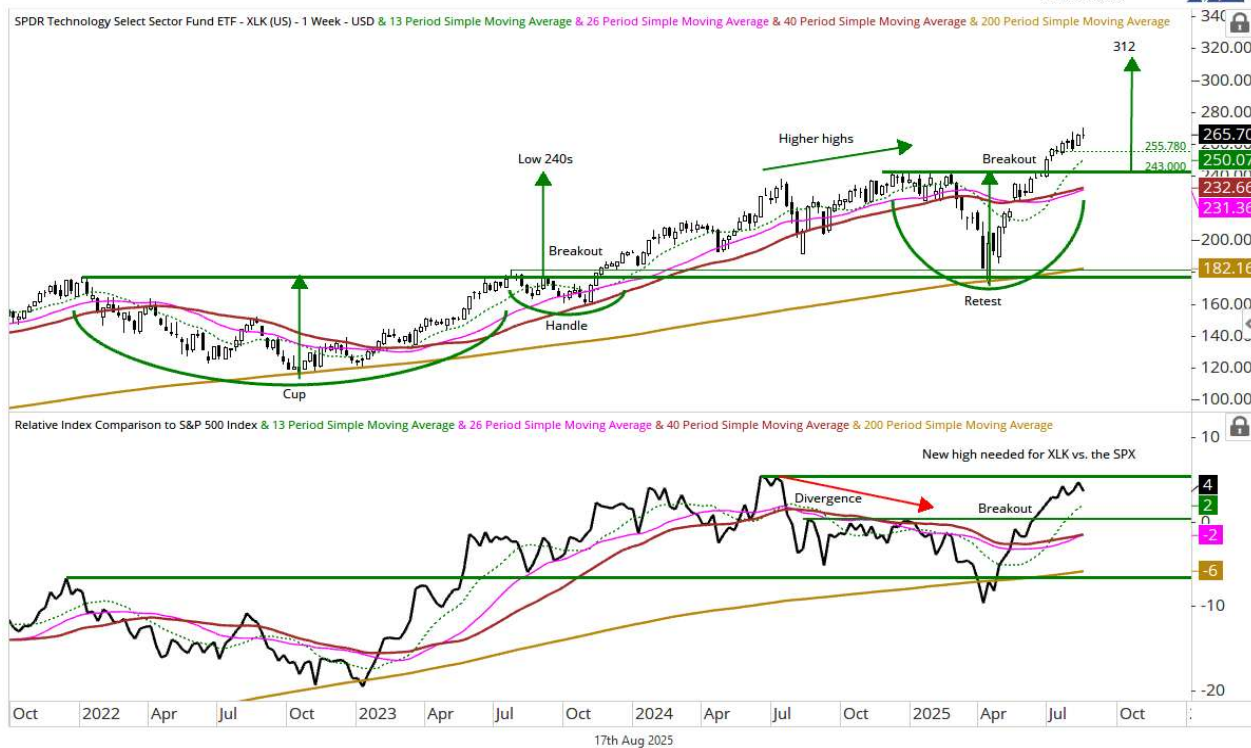
Chart 3: Technology (XLK) (top) and relative to the S&P 500 (bottom)

SPDR Technology Select Sector Fund ETF - XLK:US - Weekly - USD

SPDR Technology Select Sector Fund ETF Ticker: XLK

Weekly

Date: 8/15/2025



Source: Optuma



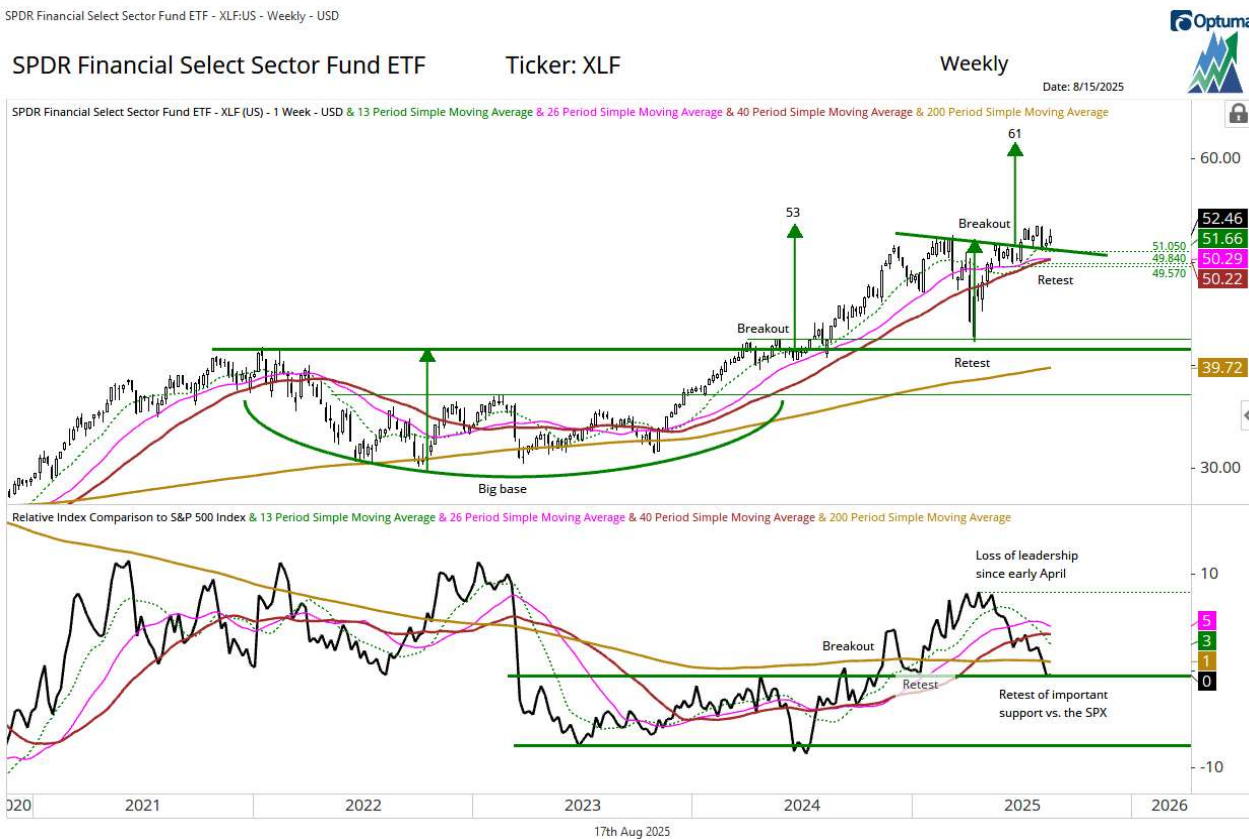
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Financials (XLF)

XLF: Late June breakout projects to 61, but we want to see support hold vs. SPX
Financials (XLF) broke out from a five-month bullish consolidation in late June, projecting upside to 61. Defending support at 51.66-49.57 (chart levels and rising 13-, 26-, and 40-WMAs) would maintain a constructive setup. The loss of leadership that XLF has experienced since the SPX bottomed in April is a risk. Financials enter this week testing important relative price support at the breakout point for the double bottom from the 2023-2024 lows vs. the SPX.

Chart 4: Financials (XLF) (top) and relative to the S&P 500 (bottom)

SPDR Financial Select Sector Fund ETF - XLF:US - Weekly - USD



Source: Optuma



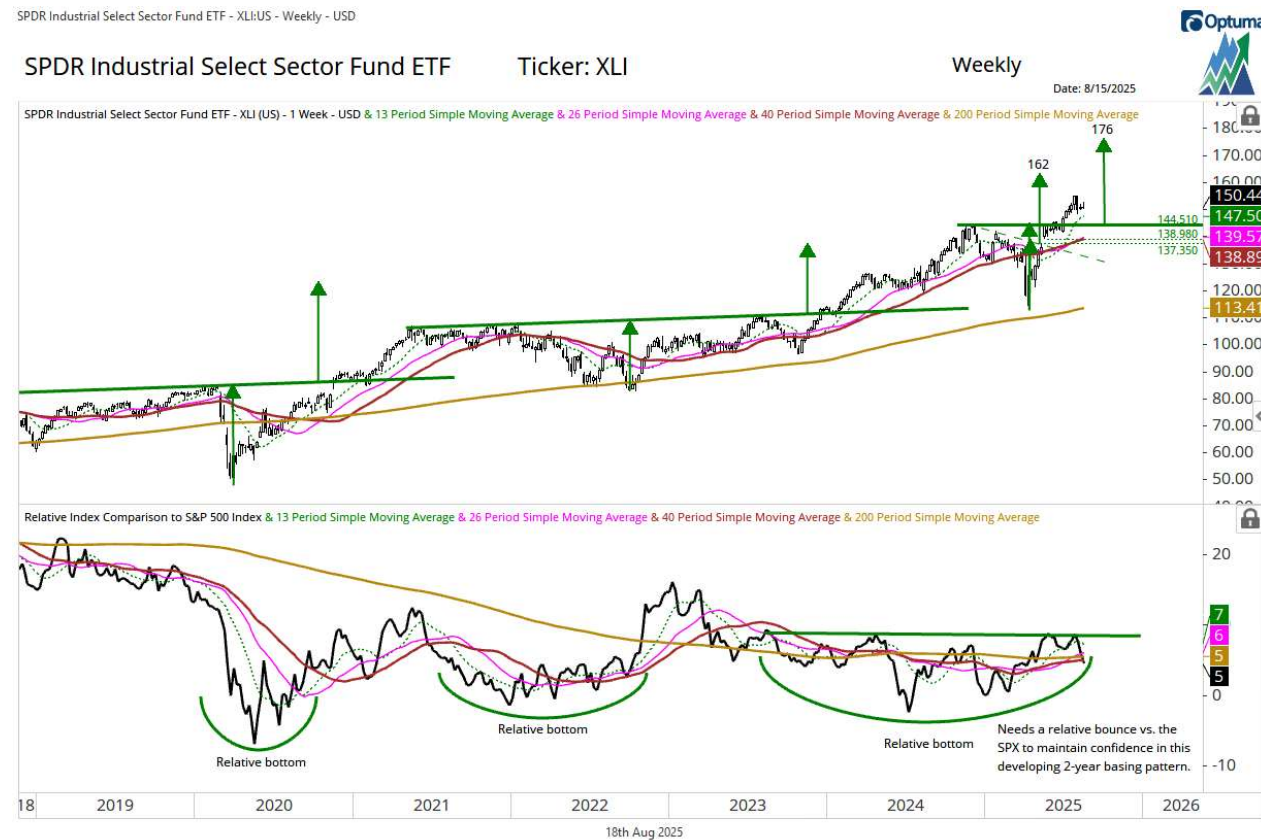
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Industrials (XLI)

XLI: Breakouts project to 162 and 176, but XLI must reclaim its WMAs vs. SPX

Industrials (XLI) broke out in May and June, confirming a late-2024 to mid-2025 bullish consolidation with upside targets at 162 and 176. Maintaining support at 144.51 and the mid-May gap at 138.98-137.35 would keep the setup constructive. Rising 26- and 40-WMAs at 139.57-138.89 reflect a bullish trading cycle and reinforce this support. The main risk is relative performance, which has struggled of late. XLI must reclaim its WMAs vs. SPX to increase our confidence in a potential mid-2023 to late-2025 relative bottom.

Chart 5: Industrials (XLI) (top) and relative to the S&P 500 (bottom)



Source: Optuma



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Discretionary vs. Staples

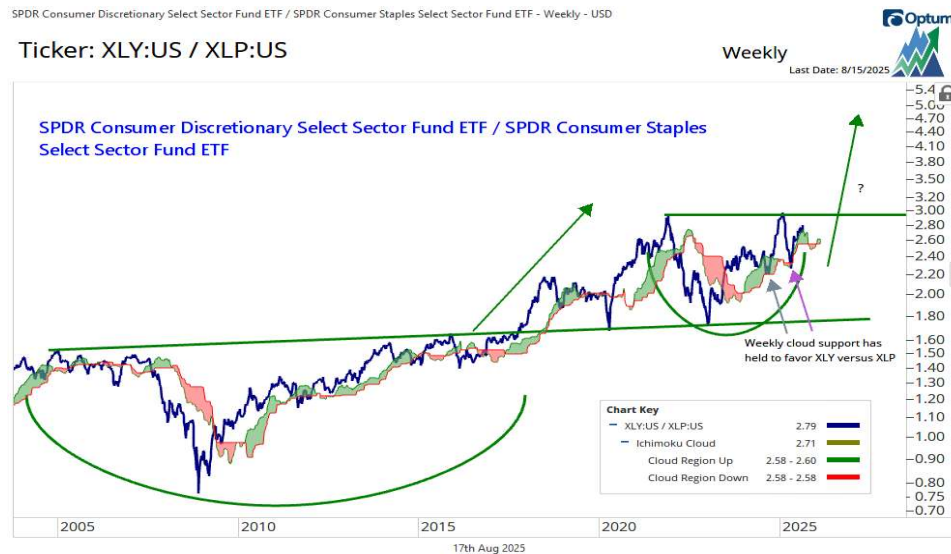
Risk-on: Discretionary bullish vs. Staples - both cap-weighted and equal-weighted

The ratio of Discretionary relative to Staples is rising and sending a risk-on message on both a market cap-weighted (XLY/XLP) and equal-weighted basis (RSPD/RSPS). Both ratios are rising from April lows, which also held weekly Ichimoku cloud support. The trend is your friend until proven otherwise. Staying above cloud support would keep the trend bullish and favor higher highs for Discretionary (XLY and RSPD) relative to Staples (XLP and RSPS). It would take a move below the cloud to prove otherwise.

Chart 6: Market cap-weighted Discretionary relative to Staples (XLY/XLP)

SPDR Consumer Discretionary Select Sector Fund ETF / SPDR Consumer Staples Select Sector Fund ETF - Weekly - USD

Ticker: XLY:US / XLP:US

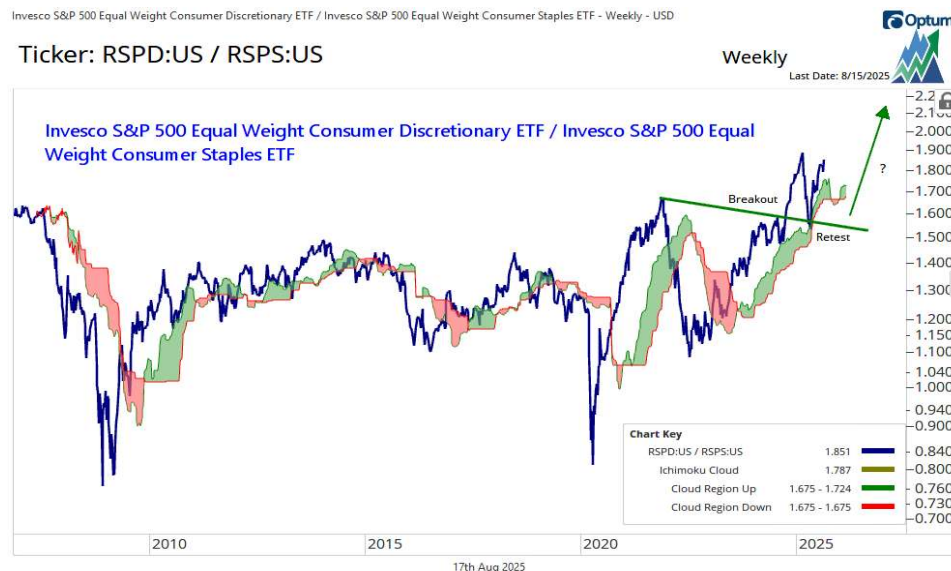


Source: Optuma

Chart 7: Equal-weighted Discretionary relative to Staples (RSPD/RSPS)

Invesco S&P 500 Equal Weight Consumer Discretionary ETF / Invesco S&P 500 Equal Weight Consumer Staples ETF - Weekly - USD

Ticker: RSPD:US / RSPS:US



Source: Optuma



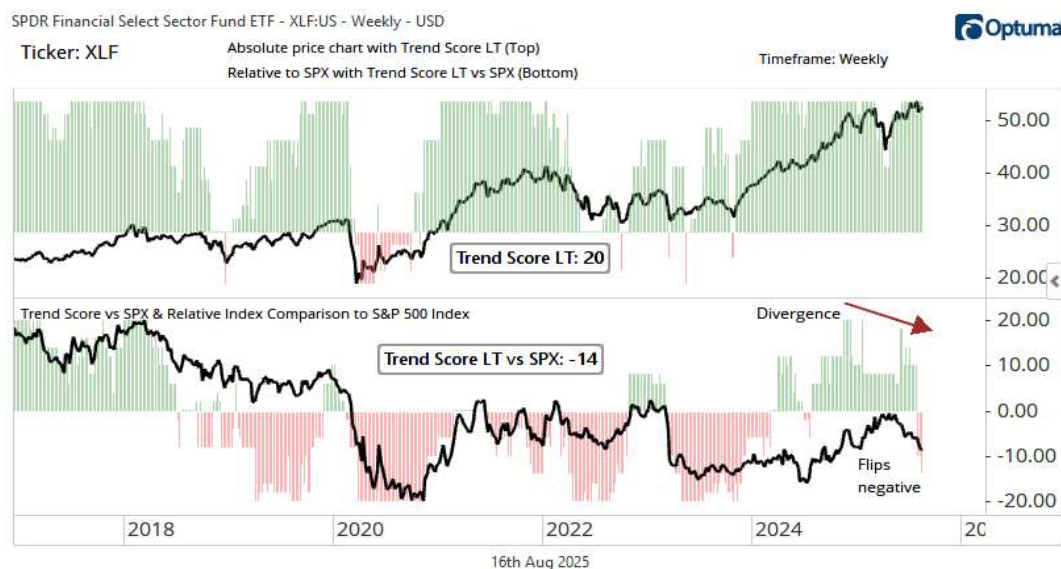
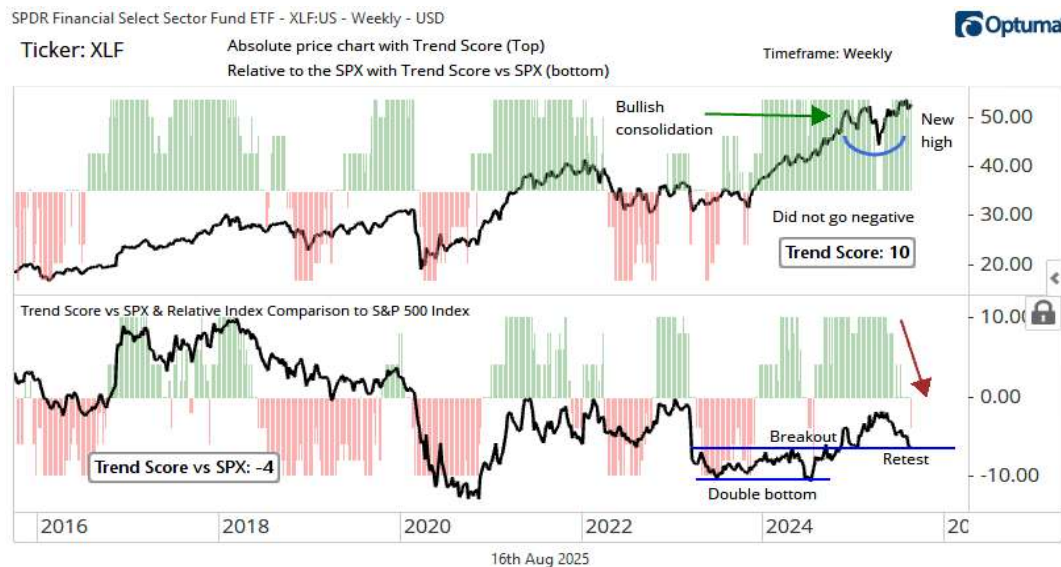
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S&P 500 GICs 1 “cyclical” sector ETF charts

Financials: Recent breakout from bullish consolidation but a lack of leadership

Absolute price trend scores for Financials (XLF) are maximum bullish. The late-June breakout from a bullish consolidation supports absolute price upside. However, the sector’s trend scores vs. the SPX shifted to negative, especially with XLF moving below its declining 200-WMA. The key is regaining this long-term WMA, as a failure to do so would suggest greater challenges for the late 2024 into early 2025 shift to leadership. XLF also retests the breakout from the double bottom off the 2023 and 2024 lows vs. the SPX, which needs to hold.

Charts 8 and 9: Financials (XLF) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

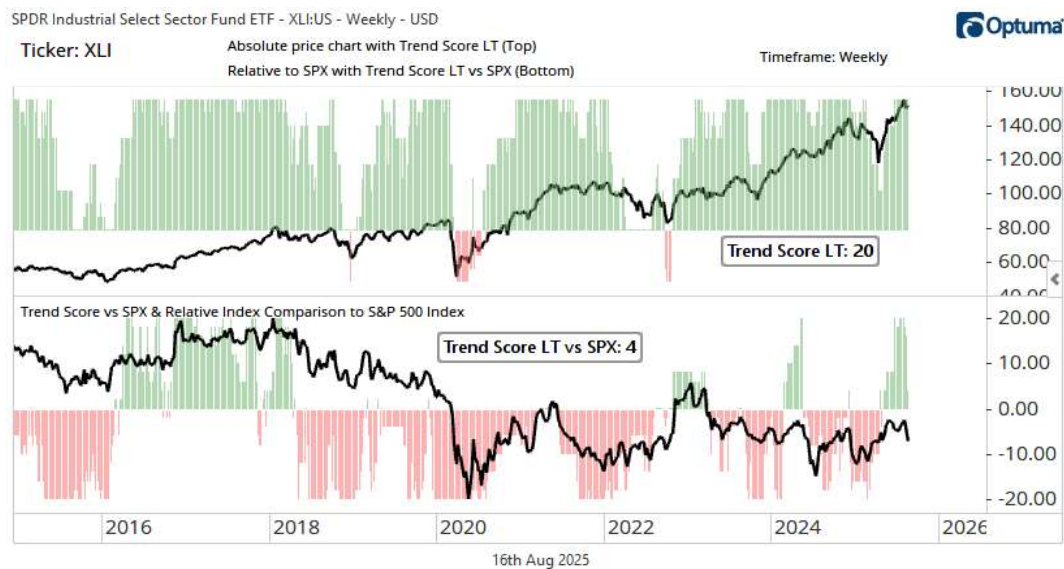
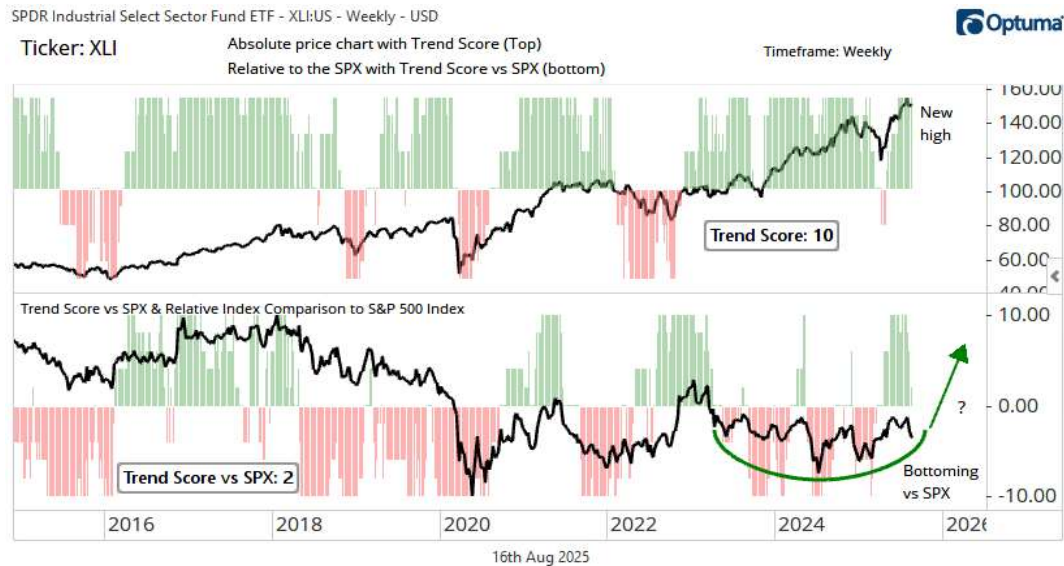


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Industrials: Maximum bullish absolute scores but scores vs. SPX have dropped

The Industrials sector (XLI) holds maximum bullish absolute trend scores, though relative scores have slipped while staying positive. The setup remains constructive, with May-June breakouts supporting further upside and a potential mid-2023 to late-2025 bottoming pattern vs. the SPX. A decisive relative breakout is a key next step for Industrials, and regaining rising relative WMAs would give us more confidence.

Charts 10 and 11: Industrials (XLI) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

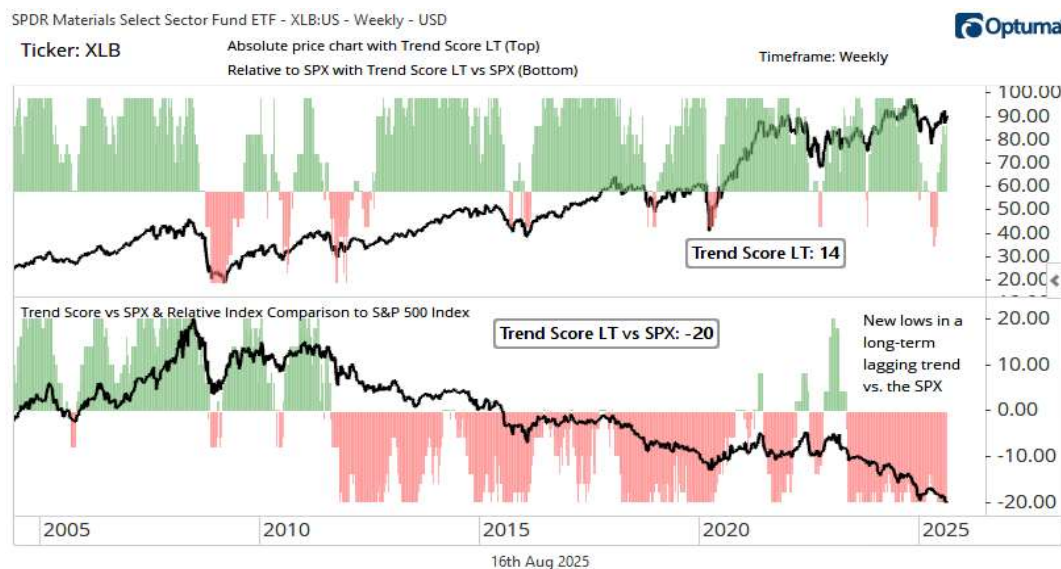
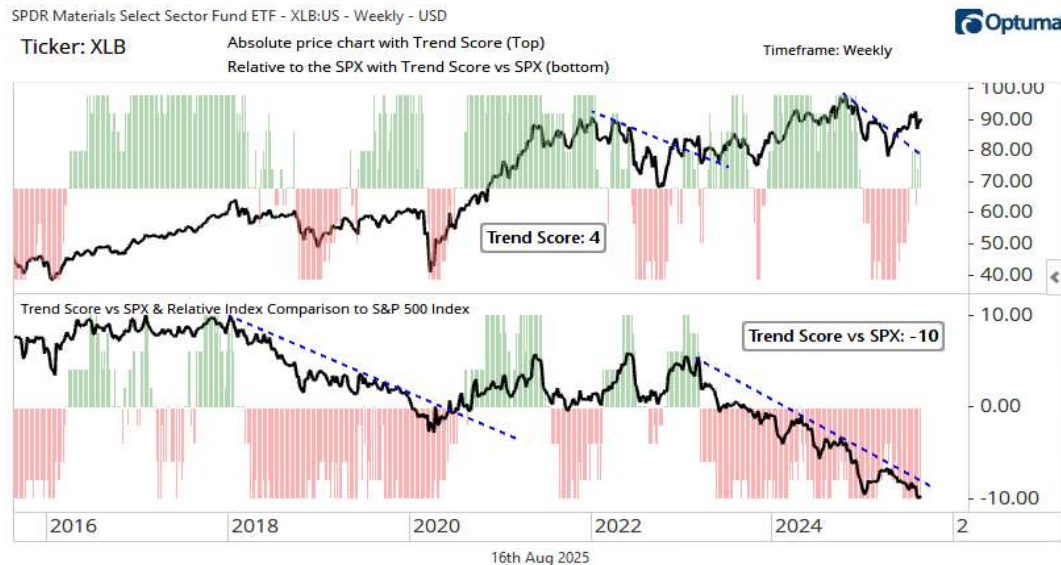


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Materials: Tactical rebound struggles given a long-term lagging trend vs. SPX

The Materials sector (XLB) has rebounded from its April 2025 low but remains well below its October 2024 peak. While absolute trend scores have improved into positive territory, relative trend scores remain at maximum negative levels, with XLB hitting another multi-year relative low before last week's modest uptick vs. the SPX. This persistent relative weakness remains a key risk for the sector.

Charts 12 and 13: Materials (XLB) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

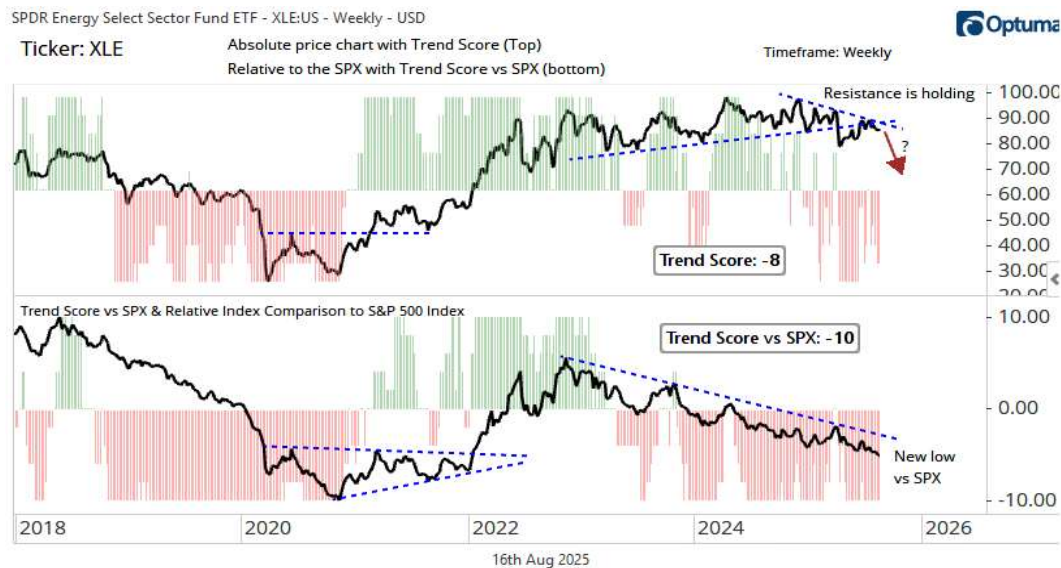


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Energy stalls at resistance as sector breaks to new lows vs. the SPX

Although Energy (XLE) has recovered from its April low, challenges for the sector remain. XLE dropped to another multi-year low relative to the SPX last week as the sector has struggled at important absolute price resistance. In addition, XLE's Trend Score deteriorated after failing to regain the zero level in mid July, which increases the risk of failure at absolute price resistance.

Charts 14 and 15: Energy (XLE) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma



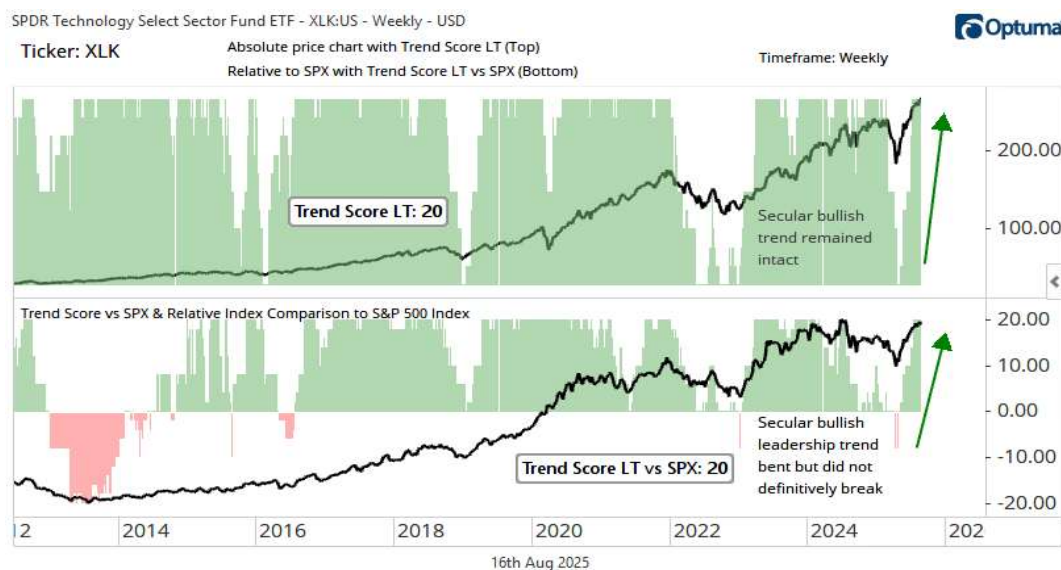
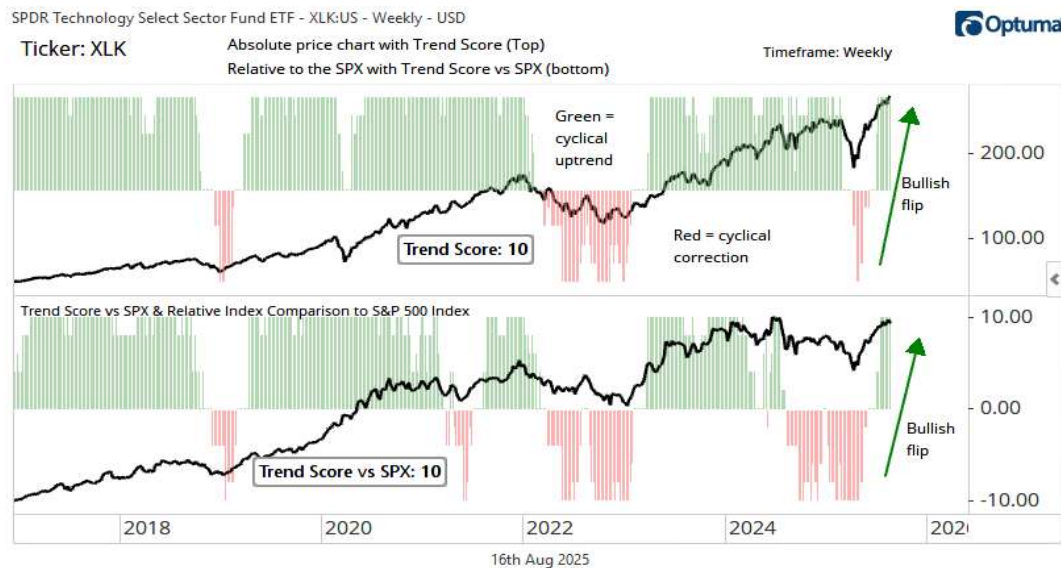
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S&P 500 GICs 1 “growth” sector ETF charts

Technology: Recent bullish flip and strong trend scores across the board

Technology (XLK) has maximum bullish absolute and relative trend scores of +10 and maximum bullish long-term absolute and relative trend scores of +20. Relative price scores have confirmed the absolute price scores. The recent bullish flip in trend scores reflects a shift from a cyclical correction into a new cyclical uptrend. Long-term Trend Scores show that a secular bull market remains in place for Technology. The next step: New relative highs to confirm the new absolute highs for this sector.

Charts 16 and 17: Technology (XLK) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

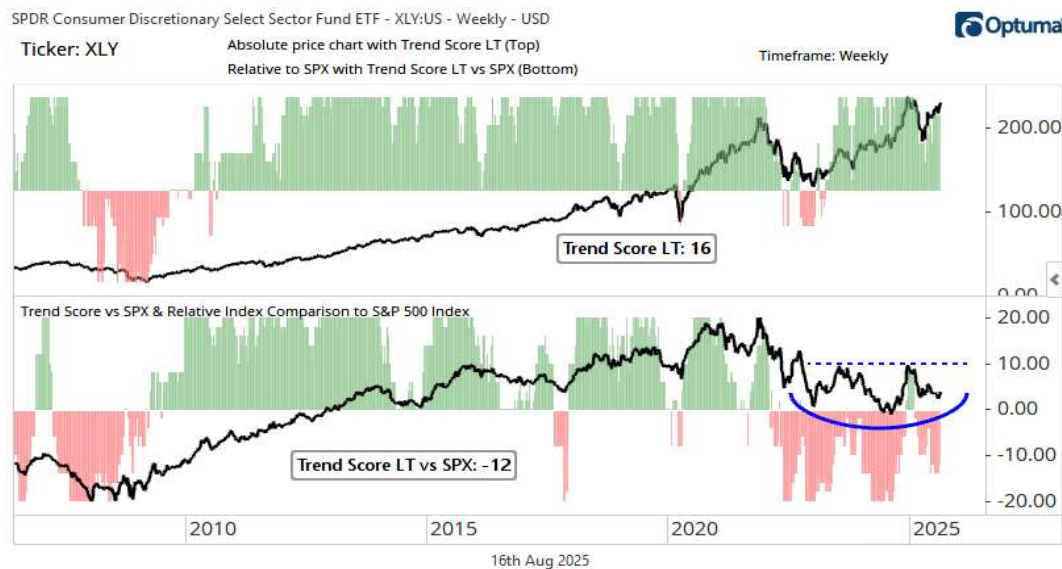
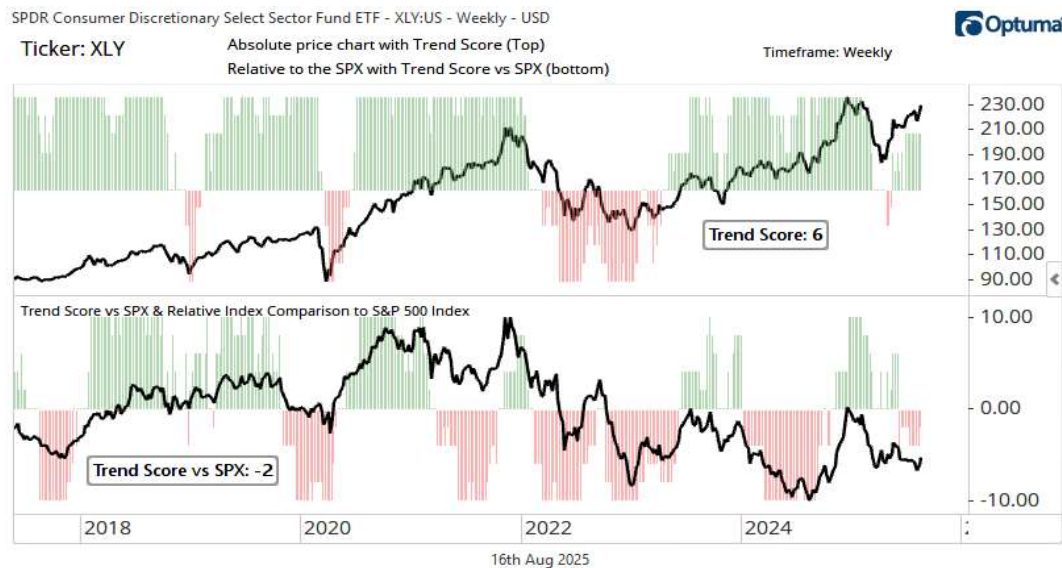


August 18, 2025

Discretionary: Bullish absolute shift not confirmed by relative strength

Discretionary (XLY) turned bullish on an absolute basis in mid-May but remains weak vs. SPX, hitting a new YTD relative low entering August. This lack of leadership is a headwind, though we still allow for a late-2022 to mid-2025 bottoming process vs. SPX. XLY must clear its 2023 and 2024 relative highs to confirm the pattern and signal sustained leadership. Until then, the weaker pattern vs. the SPX remains a challenge for XLY.

Charts 18 and 19: Discretionary (XLY) with Trend Scores (top) and Long-term Trend Scores (bottom)



Source: Optuma

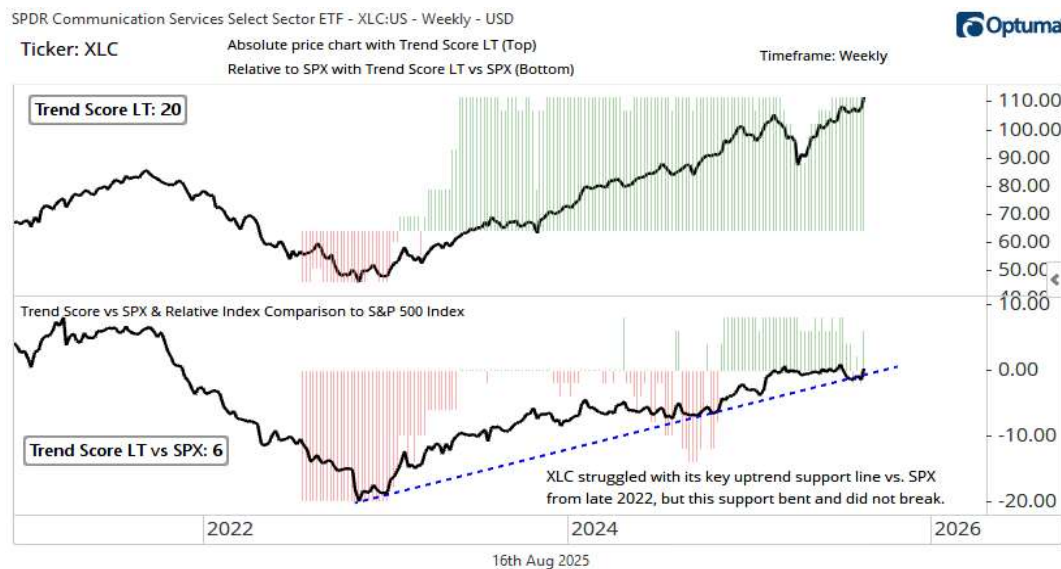
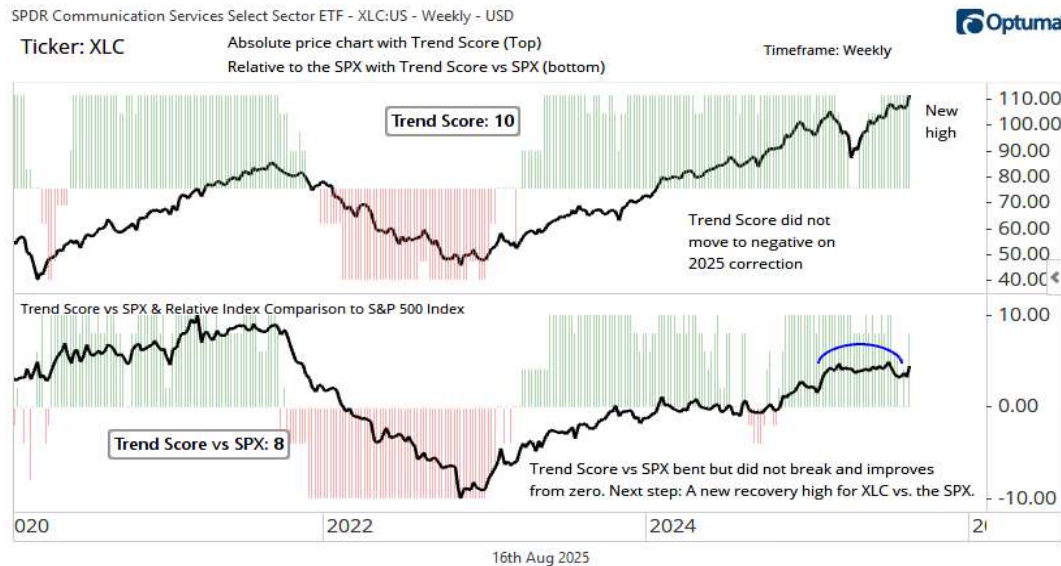


August 18, 2025

Comm Services: Improves as big support vs. SPX bent but did not break

The Communication Services (XLC) sector has maximum bullish Trend Scores and improved relative to the SPX after key support at the uptrend line from late 2022 and the 40-WMA bent but did not break. The next step is relative strength above the June and March highs vs. the SPX that would confirm last week's new absolute price high and completely invalidate the possibility of a double top for XLC vs. SPX.

Charts 20 and 21: Communication Services (XLC) with Trend Scores (top) and Long-term Trend Scores (bottom)



Source: Optuma



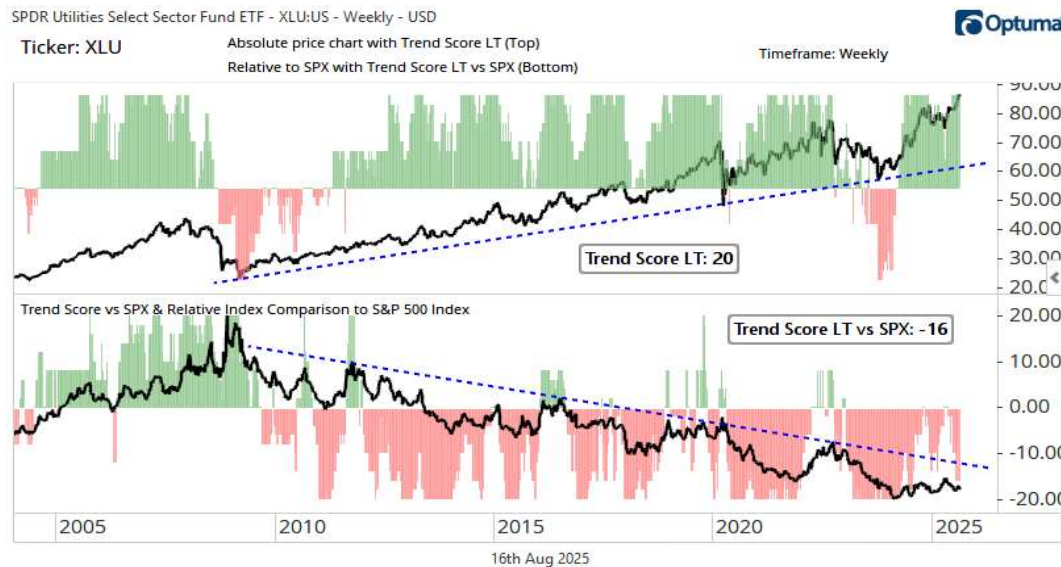
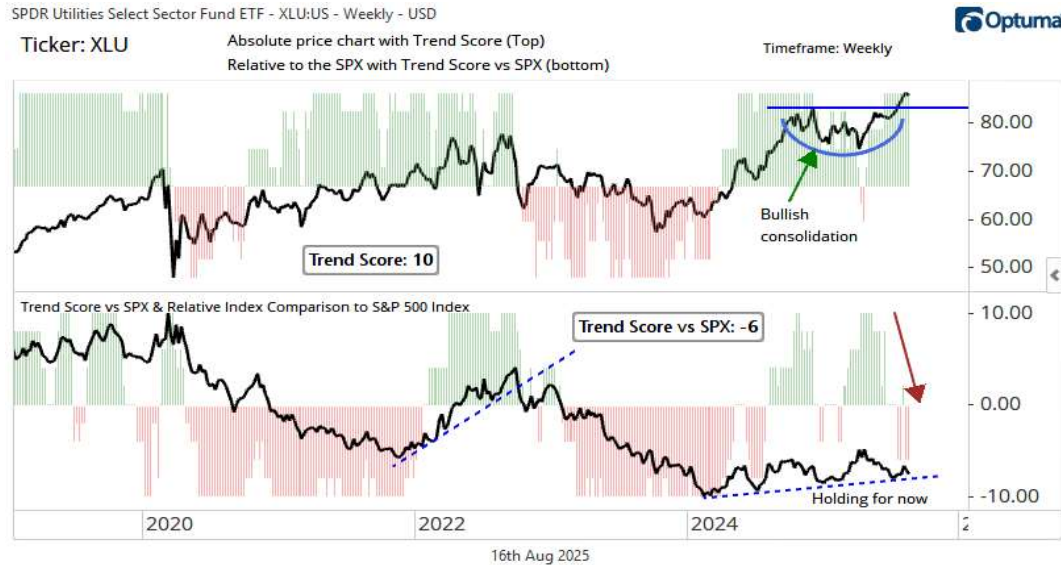
August 18, 2025

S&P 500 GICs 1 “defensive” sector ETF charts

Utilities: Bullish breakout as sector holds relative uptrend support

The Utilities (XLU) sector has maximum bullish absolute price scores and negative trend scores vs the SPX, which makes sense given the defensive qualities of this sector. XLU broke out from a November 2024 into July 2025 bullish cup and handle as the sector held its relative uptrend support from early 2024. However, XLU’s relative trend scores vs. the SPX must improve for this uptrend line to continue to hold as support.

Charts 22 and 23: Utilities (XLU) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

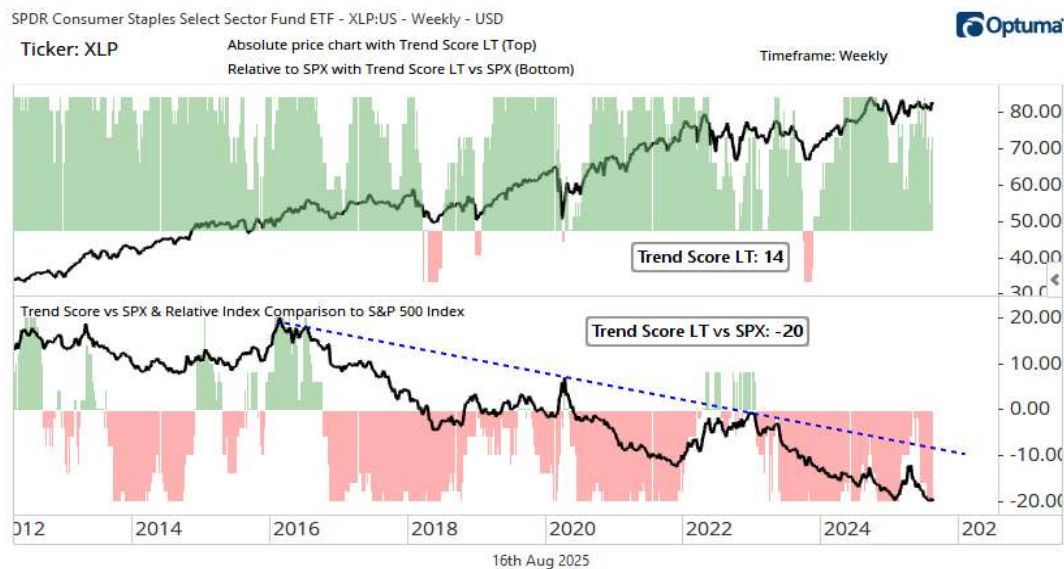
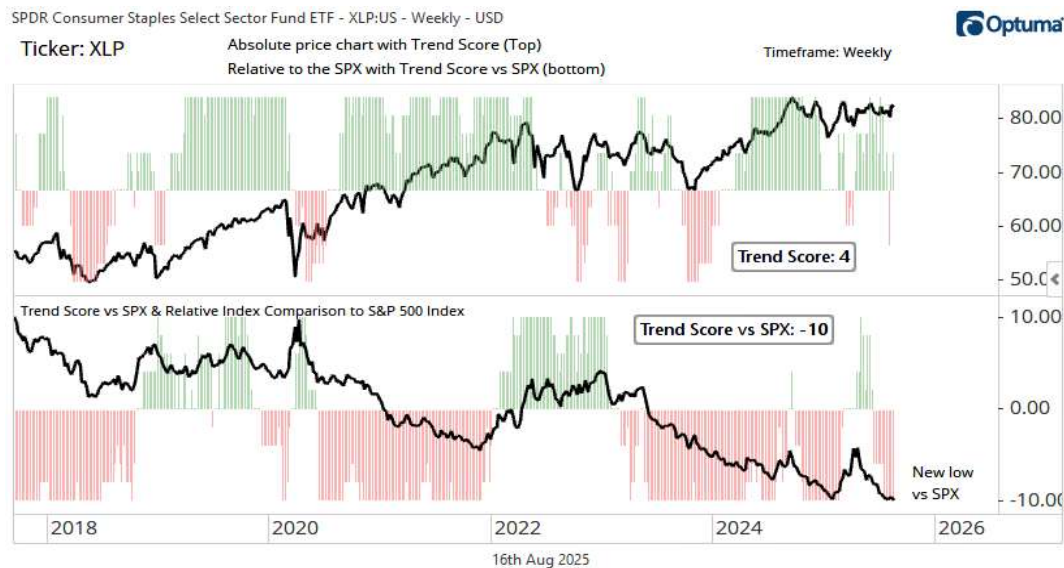


August 18, 2025

Staples: Absolute price consolidates as relative price hits multi-year low

The setup for Staples (XLP) remains challenging. This defensive sector consolidates within a longer-term uptrend on an absolute price basis, but XLP reached another new relative low within its long-term downtrend vs. the SPX last week. The makes sense given the defensive qualities of this sector, but unlike Utilities, the Staples sector has maximum bearish relative trend scores vs. the SPX.

Charts 24 and 25: Staples (XLP) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

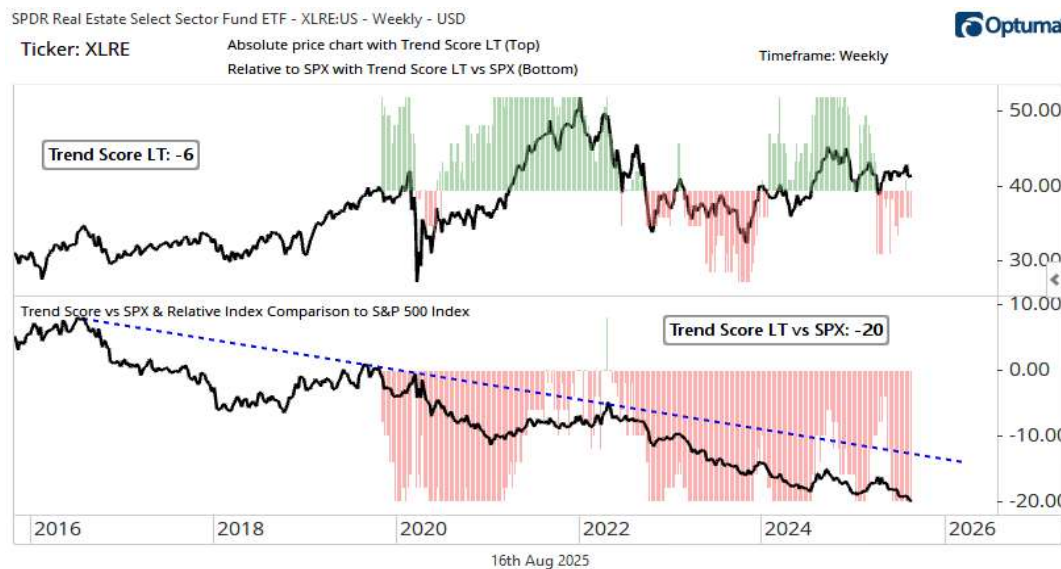
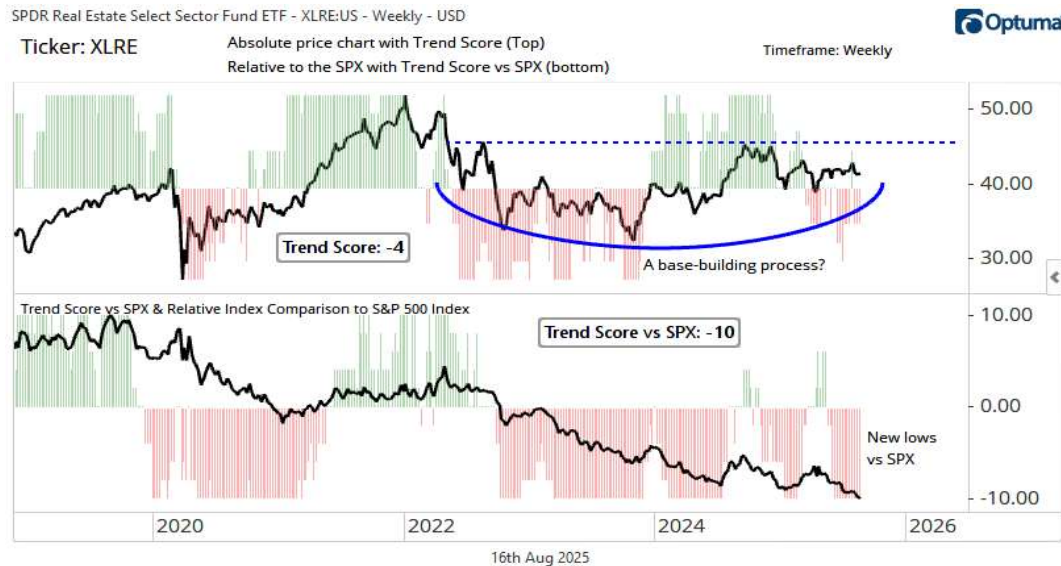


August 18, 2025

Real Estate: Bearish absolute and relative scores as XLRE hits new low vs. the SPX

Real Estate (XLRE) has negative absolute price trend scores and maximum bearish trend scores relative to the SPX. This sector also reached another new multi-year low last week within its long-term lagging trend relative to the SPX. We continue to monitor a potential base-building process for XLRE from mid 2022, but a sustained improvement in absolute and relative trend scores is needed for any confidence in this pattern.

Charts 26 and 27: Real Estate (XLRE) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma

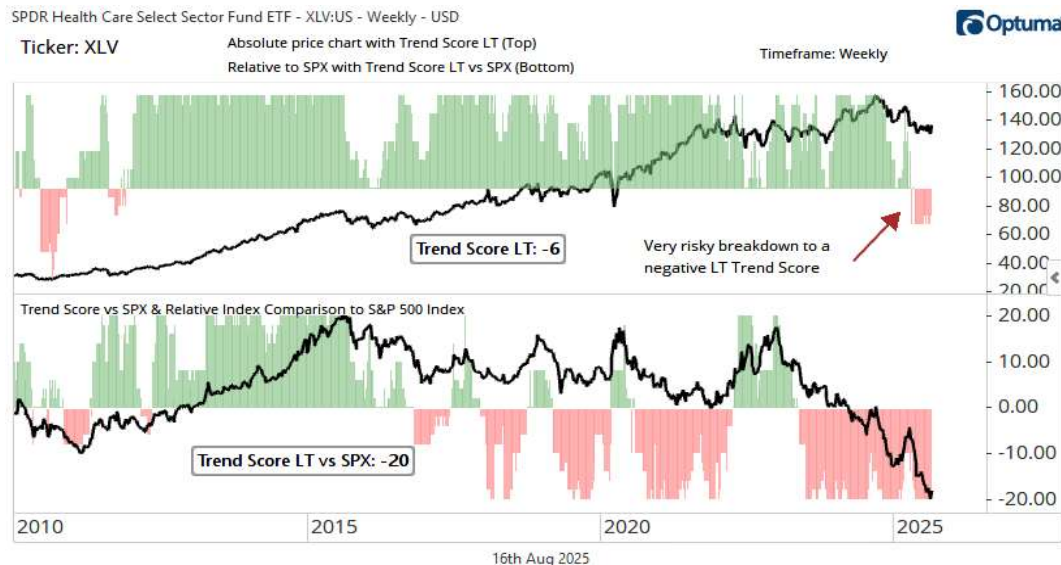
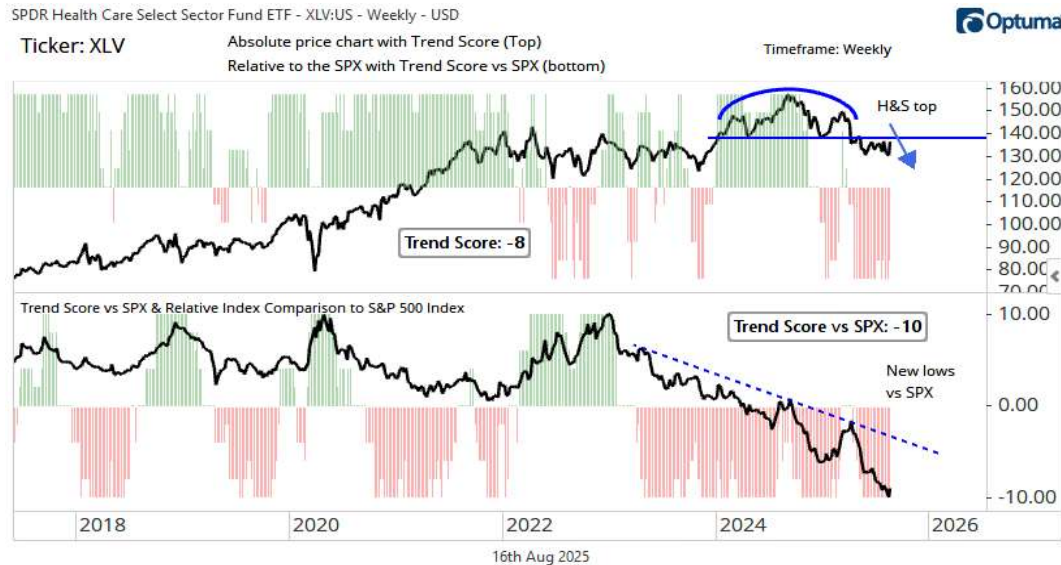


August 18, 2025

Healthcare: Negative trend scores across the board plus a H&S top breakdown

Healthcare (XLV) had a big rally and was the strongest sector last week, but this occurred within the context of negative absolute trend scores and maximum bearish relative trend scores vs the SPX. This defensive sector remains within a lagging trend from late 2022. The recently completed head and shoulders (H&S) top, which was confirmed by a shift to a negative Long-term Trend Score, provides an overhang that suggests more downside risk for XLV's absolute price chart.

Charts 28 and 29: Healthcare (XLV) with Trend Scores (top chart) and Long-term Trend Scores (bottom chart)



Source: Optuma