

RAISING MY 2026 SPX TARGET TO 8,000 FROM 7,300, JOINING TOM LEE



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Key Takeaways

- I'm raising my 2026 \$SPX target to 8,000 from 7,300 to mirror Tom Lee, as improved price structure, breadth, and momentum off the March lows now have equal-weight \$SPX and the \$DJIA all within striking distance of new all-time highs alongside \$SPX and \$QQQ.
- This week's pullback looks buyable rather than the start of anything worse, with mega-cap Technology under near-term pressure but its intermediate-term trend still intact, and the broadening into Financials, Healthcare, Industrials, and Consumer Discretionary keeping the indices buoyant even on Mag-7 underperformance.
- Falling Crude along with better inflationary data has begun to weigh on yields, and eventually the Dollar should follow suit even as the consensus expects the inflationary picture to pick up in the months to come.



Near-term US Equity trends remain bullish, and this week's minor weakness in \$SPX looks like a normal consolidation rather than the start of anything more serious. While parts of Technology continue to be under pressure, the broader market has strengthened materially to pick up the slack in a way that makes this seem like normal rotation. Crude has been tracking lower for most of this week and Treasury yields have begun to pull back given some of the weaker economic data on PCE inflation. Beneath the surface the recovery in many of the downtrodden sectors continues to pick up steam in a way that's been helpful toward improving breadth momentum and technical structure despite the weakness in parts of Large-cap Technology. Sentiment has improved in the last week, but isn't yet frothy, with the AAll poll barely showing more Bulls than Bears as of Thursday. Overall, as we near the end of the first half of 2026, the improvement in structure, breadth, and momentum, alongside a mega-cap Technology group that is consolidating rather than breaking down, is why I'm raising my 2026 \$SPX target to 8,000 from 7,300 to mirror Tom Lee, and it's right to use this week's dip to add exposure.

This week's \$SPX pullback looks like consolidation within an uptrend and should lead to an eventual breakout that heads to 8,000

Unfortunately, despite the robust results out of \$MU, the Tech sector looks to be showing increasingly more evidence of consolidation, which has prohibited an immediate push back to new all-time highs.

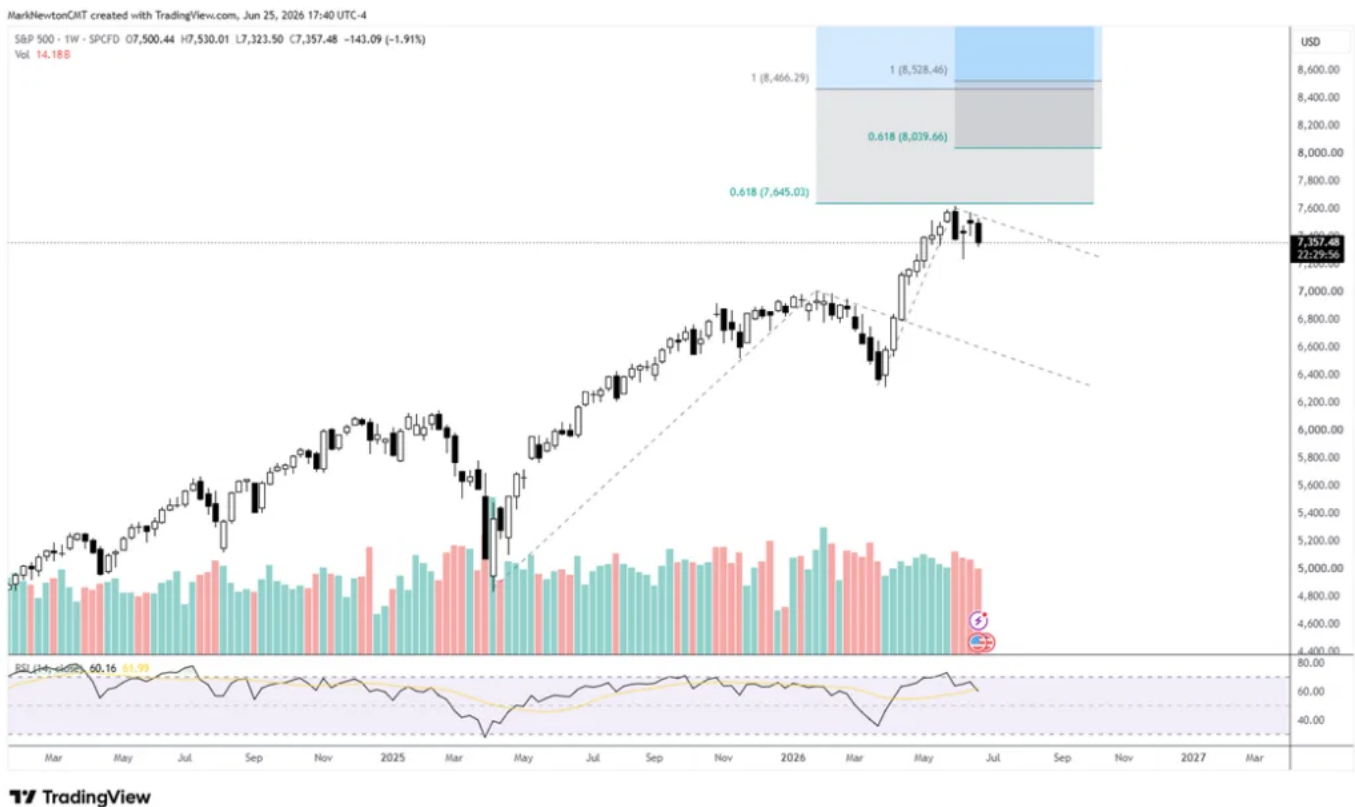
Fortunately, the minor trend breakouts on both an absolute and relative basis in Consumer Discretionary, Healthcare, Industrials, and Financials all look to be important and bullish toward leading a broader recovery in market breadth and momentum that had suffered heading into March.

While I fully suspect that Technology does need to be watched carefully for evidence of giving way, I'm very encouraged at the ability of the market to hold up despite a 14% decline in \$MAGS (Roundhill Magnificent 7 ETF) since mid-May.

As mentioned, given the robust recovery in market breadth, momentum, and technical structure as we near the end of 1H 2026, it's right to raise my 7,300 \$SPX target up to 8,000 and join Fundstrat's founder and Head of Research Tom Lee.

My own methodology of why 8,000 is important is different than Tom's of course given our different methodologies, but mine involves projecting a Fibonacci-based alternative extension of the most recent March–June advance, which arrives near 8,000. (Note that the most recent June peak also proved to be a similar 0.618 Fibonacci projection of the prior runup since last year's Liberation Day low.)

S&P 500 Index (\$SPX, weekly) - Fibonacci alternate projections focus on 8,039 then 8,466



Source: TradingView

Overall, while a plethora of targets lie near 8,500, my expectation is that this likely is a 2027 area which might be tested. For now, following some consolidation in Technology, I see \$SPX pushing back to new highs and likely making its way to 8,000. Dips, when and if they begin in the next couple of months, will be addressed, but ultimately, looking to buy dips in a mid-term Election year makes sense and should drive prices up to 8,000 by end of year, at a minimum.

Industrials' relative line has just broken out of a minor downtrend, joining Discretionary, Healthcare, and Financials

Industrials continue to strengthen, and the relative chart of equal-weight Industrials versus equal-weight S&P (\$RSPN/\$RSP) has just broken out after the minor downtrend of the last few months. That breakout lets Industrials join the better near-term momentum and improving trend shown recently by Consumer Discretionary, Healthcare, and Financials, with weekly MACD curling back higher to confirm.

While not shown below, on an absolute basis equal-weight Industrials has joined \$XLI in pushing back to new all-time highs, so the sector now appeals on both an absolute and a relative basis, technically.

Equal-Weight Industrials vs. Equal-Weight S&P 500 (\$RSPN/\$RSP, weekly) - Breakout above the minor downtrend of recent months



Source: Symbolik

Mag-7 stays under near-term pressure, yet the market's resilience through it is the bullish tell

\$MAGS has weakened more than expected heading into this week, and the past week's declines in \$MSFT, \$NVDA, \$AAPL, and \$GOOGL keep this group within Technology under near-term pressure.

Minor support has been broken on the hourly chart and \$MAGS has now lost roughly 14% since mid-May, though the intermediate-term trend remains intact and a number of fundamental analysts are citing the group as attractive on valuation given their earnings and these lower prices.

What stands out most is that the broader market has held up so well through a decline of this size in names of this cap-weight; that resilience is genuinely impressive and is itself a bullish argument for the market. I'd look for stabilization as

\$MAGS nears its intermediate-term uptrend line, which given \$MSFT's breakdown today, still appears premature.

Roundhill Magnificent Seven ETF (\$MAGS, daily) - Down ~14% since mid-May, but intermediate-term trend still intact



Source: TradingView

Technology has begun to waver a bit versus \$SPX, but no meaningful relative damage yet

The equal-weight Technology-to-equal-weight S&P ratio (\$RSPT/\$RSP) has begun to waver a bit on a relative basis to \$SPX after its run to new highs, with this week's pullback the first real pause in the trend.

While I've discussed the attempted stabilization in Software stocks, that looks to have proven short-term only given some of the recent weakening in \$MSFT, \$ORCL, and \$PLTR in the last week.

Large-cap Technology outside of Semiconductors and Memory have also begun to show some weakness, and stocks like \$AAPL, \$NVDA, \$META, \$NFLX, \$AMZN, and \$TSLA have all been under pressure, despite S&P 500 and Equal-weighted S&P 500 being right near all-time high territory.

For now, though, the uptrend is intact and weekly MACD stays positive, and the Mag-7 weakness has not resulted in any meaningful damage to the sector on a relative basis. Note, failure to rally back sharply tomorrow (Friday 6/26/26, the final day of this week) might result in weekly DeMark-related TD Sequential and TD Combo signals confirming the weekly "13 Countdown" signals which were registered in recent weeks.

At present, despite the bifurcation within Technology, Semiconductors and Memory/Optical names have not wavered from recent uptrends despite being quite overbought with momentum showing negative divergence on several timeframes. This will continue to be a sector to watch carefully, as weakness in the next week could allow for a period of underperformance in "Tech" that would gel with the bearish Technology cycle composite I shared earlier in the week.

Overall in the bigger scheme of things, weakness in Technology should prove temporary and buyable into 3Q, and should not derail the larger uptrend in the stock market given the improvement in participation in many different sectors. So this rotation ultimately will make Technology attractive again for likely 4Q outperformance. Stay tuned.

Equal-Weight Technology vs. Equal-Weight S&P 500 (\$RSPT/\$RSP, weekly) - Beginning to waver a bit, though the relative uptrend remains intact



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Source: Symbolik

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