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Daily Technical Strategy

November 2, 2026

CRUDE BREAKS DOWN AND BREADTH IMPROVES, BUT TECH STILL NEEDS TO STABILIZE



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HEAD OF TECHNICAL STRATEGY

Key Takeaways

- $SPX has neared September lows heading into Election Day given Tech weakness, but breadth has been lifting given broad-based market strength.
- Crude's November drop is underway, but until crude's summer uptrend gives way, this pullback looks short-term only.
- $AAPL's recent momentum weakness warns of a possible short-term pullback, but this is part of a strong intermediate-term uptrend.



US equities remain bifurcated between the strong outperformance in most sectors outside of Technology while Tech itself continues to struggle. Cross-asset volatility has waned lately, with WTI crude easing and the US dollar and Treasury yields pulling back, but this has largely not coincided with US index strength; rather, it has mainly helped sectors outside of Technology. While short-term wave structure seems to imply a near-term low happening this week (based on Friday's gap, failed rally, followed by a challenge/break of last Friday's lows), it's imperative to see Technology stabilize and turn higher to have confidence of a larger market rally getting underway. Overall, while I expect any further weakness should prove short-lived and bounce into mid-November, I suspect that further evidence of Technology stabilizing, coupled with interest rates pulling back along with the US dollar, might be necessary before growing too exuberant about what the next few weeks have in store. While the election might serve as a short-term catalyst, there remains lots of work to be done to help Technology start to turn back higher. This might happen post-November expiration, but I am still concerned about the possibility of choppy markets for most of this month. For those short-term

oriented, it does look right to buy any early weakness on Tuesday, expecting that short-term downtrends as part of neutral range-bound patterns should not break July lows but rather start to push higher this week.

$SPX's bounce attempt failed, but price could find strong support near September lows

The late-day failure in $SPX today, coupled with a less-than-exuberant earnings report from $AAPL, still leaves much to be desired with regard to near-term structure. The good news is that $SPX is now nearing September lows and is thought to find strong support between 7,500–7,540 this week. On the upside, $SPX resistance lies at 7,668 and then 7,738–7,758, and until the latter can be exceeded, it's still right to view this $SPX structure as a choppy sideways pattern which has shown weakness down to near support in the last few days.

As mentioned above, from a very short-term wave structure perspective, the late-day weakness looks encouraging toward possibly finding support into Tuesday/Wednesday, as I expect any weakness into Tuesday's Election Day should prove very short-lived and represent a chance to buy dips.

Specifically, some of the strength being seen in Homebuilders, Financials, and Transportation stocks looks encouraging, and breadth numbers are continuing to hold up despite $SPX and $QQQ's weakness over the last week. The next couple of days should have some importance, and any evidence of early weakness giving way to late-day strength likely would be a very promising short-term signal for the US stock market.

S&P 500 Index ($SPX, daily) — Pullback should find strong support near September lows



Source: TradingView

Crude's drop is finally underway, but $93 support should hold ahead of a possible mid-November bounce

Crude oil is finally making the drop which most cycles and recent waning in RSI momentum said might be possible in crude during November on hopes that diplomacy could be gaining traction. Given the late timing of this move, I am skeptical that crude moves down too dramatically before bouncing on further possible attacks in mid-November, with a timetable specifically from November 13–20. However, for now this crude drop is coinciding with a temporary decline in the US dollar and US interest rates, and equities are bouncing to start the new week, outside of the Technology sector.

A strong area of support for WTI crude lies near $93 for the continuous contract over the next week, which has held price within an uptrend for four months. If/when October lows are broken, such a move would be far more encouraging regarding a larger pullback in Energy prices into year-end. At present, given the strength in recent weeks, I'm viewing this as a short-term pullback only. Given Energy's pullback vs. the equal-weighted S&P 500 (not

shown) in ratio form today, I suspect that Energy should prove weak into mid-month.

WTI Crude Oil Futures (CL1, daily) — Break of the steep October uptrend on a large high-to-low range is short-term negative for crude and for Energy; the four-month uptrend near $93 is important support



Source: TradingView

$AAPL's uptrend remains intact on daily and monthly charts, and dips toward $332–$326 look buyable ahead of earnings

$AAPL, at over 7% of $SPX and $QQQ, has maintained its intermediate-term uptrend from late June heading into earnings, though momentum has waned of late. After the failed breakout in early October above July and September peaks, price has gone sideways, turning MACD negative on daily charts and now on weekly charts. Monday's weakness ahead of its earnings report today brought the stock to near its lowest levels since 10/12. However, when putting the short-term trend within the larger trend, $AAPL's intermediate-term trends are resilient, and it has shown little to no true trend damage.

Given the recent momentum weakness of late and the Street's high bar regarding AI spending these days, I expect slight weakness post-earnings, but not enough to violate October lows. Support lies at $332, then $326, and I don't mind buying dips, as the stock has given no structural reason to doubt its uptrend. Above $351.73, October's intramonth peak, the next target is $368, which I anticipate is possible in early 2027, even if the next few weeks prove a bit choppy.

Apple Inc. ($AAPL, daily) — Uptrend from late June intact despite waning momentum; support at $332, then $326



Source: TradingView

Monthly charts give more reason for optimism. The uptrend from 2019, which turned more parabolic in 2025, remains intact, and monthly MACD is positive. There's also no monthly DeMark exhaustion like the signals that preceded minor weakness in 2021, 2023, 2024, and 2025. Generating one would take at least three more months of gains, possibly by early 2027. Thus, while the near-term chart has shown some

wobbling of late, this is non-existent on monthly charts. That's a good sign overall for $AAPL, and for those who are intermediate-term focused, any pullback post-earnings likely could prove short-lived, providing an attractive risk/reward for a push up into next year.

Apple Inc. ($AAPL, monthly) — Uptrend from 2019 intact with no monthly DeMark exhaustion; next upside target at $368



Source: Symbolik

Homebuilders have broken out of their downtrend from June after holding multi-month support

The SPDR S&P Homebuilders ETF ($XHB) has surged over the past week, breaking out of its downtrend from late-June peaks after successfully holding support near 92.50, which marked lows in May and again in October. Gains look to have specifically coincided with recent weakening in long-term interest rates, and I suspect more could be in store for Homebuilders on evidence of a bigger drop in long-term interest rates. I had discussed rates peaking sometime in November, so I suspect any bounce in rates between now and late November might provide an entry for those seeking to add duration to bond portfolios and might also offer an attractive risk/reward for buying dips in the Homebuilders.

As shown below, this act of having broken the trend from this past summer is a constructive development, and the next meaningful resistance lies near 110–111, the downtrend from February peaks. A move above that level would help confirm that Homebuilders are making a larger low and can start to show more meaningful strength. Overall, I suspect Homebuilders can work well technically between now and next spring. However, it's the next 2–3 weeks that give me the most worry before a more meaningful bounce can get underway.

SPDR S&P Homebuilders ETF ($XHB, daily) — Breakout above the downtrend from June; the downtrend from February near 110–111 is resistance



Source: TradingView

Sudden strength in many Emerging Markets is starting; India's rebound from October lows is approaching its downtrend from late 2025

What's interesting about the pullback in the US dollar and long-term interest rates in recent weeks concerns the degree to which many Emerging Markets have now started to show a small bounce.

Chinese equities, Mexican equities, and Indian equities have all recently stabilized and have shown some strength at a time when the dollar has begun to roll over.

As shown below, the iShares MSCI India ETF ($INDA) has rebounded from October lows near 45.50, which held just above March 2026 lows, and is now approaching the downtrend from late 2025 near 49.

While both China and India have shown weakness and have underperformed over the last year, a weekly close above 49 in $INDA would mark an important breakout (though the larger downtrend from the September 2024 peak near 51.50 would remain resistance).

While many of these markets outside the US have weakened substantially, I think India, China, and Mexico in particular are worth keeping a close eye on if/when the US dollar can start a larger pullback.

iShares MSCI India ETF ($INDA, weekly) — Rebound from October lows toward the downtrend from late 2025 near 49



Source: TradingView

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