fundstrat

Evidence-based research.
150 East 52nd St, 3rd Floor New York, NY 10022

Daily Technical Strategy

November 5, 2026

THURSDAY'S SEVERE SELLOFF HAS QQQ AND SOX AT TRENDLINE SUPPORT, AND A LOW LOOKS TO BE RIGHT AROUND THE CORNER



Mark L. Newton, CMT AC

HEAD OF TECHNICAL STRATEGY

Key Takeaways

- $QQQ has reached its uptrend from 2025 just above 635–640; further selling could be possible Friday, but it's likely this area represents attractive intermediate-term support.
- $SPY vs. $RSP has neared the bottom of its multi-month range, and being long $SPY looks right over the next six months.
- $SOXX has reached an important area of support near $134, though an overshoot to $123, or a maximum of $114, is possible before a turn higher.



US equities came under heavy pressure on Thursday, with $SPX's 4% high-to-low range breaking the range-bound pattern of recent months as Technology sold off sharply, led by Semiconductors. The equal-weighted S&P 500 has outperformed $SPY and Technology sharply in recent weeks, though several of these relative charts have now reached long-term support, suggesting this rotation might be getting stretched. $QQQ's fear-based decline has reached its larger uptrend from 2025 near former highs, and while additional selling looks possible on a 2–3 day basis, exhaustion by late Friday or Monday should lead to a sharp rebound rather than continued selling pressure. Overall, Technology remains Overweight, and this pullback does not look different from those seen this past spring and summer, though Semiconductors and Memory need to stabilize before indices can push meaningfully higher, while rates and the US dollar remain important to monitor into Thanksgiving.

Thursday's severe decline lines up with cyclical weakness in November, with $QQQ and $SOX now at trendline support

Today's 4% high-to-low $SPX range makes the next 2–3 days difficult to have much conviction in when prices have violated the range-bound pattern of the last couple of months. Thursday proved to be much more severe than had been the case in recent months, but it lines up with cyclical weakness in November, and $QQQ along with $SOX have pulled back to hit intermediate-term trendline support.

While I had suspected cyclical weakness might materialize after a bounce into mid-month, this immediate selling pressure likely means this is already underway and now should attempt to bottom out by mid-month.

Unfortunately, no meaningful evidence of capitulation was seen today to argue that indices should bottom right away. However, the fear looks to be growing while breadth has improved and cross-asset volatility has waned in recent weeks. Thus, it's thought that prices hitting trendline support on ^TNX along with $QQQ and $SOX should signal that a low is right around the corner.

For now, it can't be ruled out that $SPX tests June lows near 7,237, and $QQQ should have strong support near 634–635. Both of these areas would signal strong intermediate-term support in my view.

$QQQ's fear-based decline has reached trendline support near 635–640, which should lead to a sharp rebound upon exhaustion

If there's any bright spot for what might happen from here, it is important to put today's selling in the context of the larger trend from 2025, which in the case of $QQQ lies near 635–640, which also lines up with former highs made back in October 2025 and early January 2026. The fact that July lows have been broken doesn't mean much in this context, but my belief is that holding near the lows of today would result in a challenge of 635 and potentially a maximum at 624–625, which has additional importance as an area of downside projection. The combination of a fear-based decline into a larger area of trendline support which also lies near former highs of a given year normally can prove important.

DeMark indicators do not show much here intraday, unfortunately, outside of a minor 60-minute "buy" (13 Countdown), while 120-minute, 240-minute, and daily are all early. (For those who care about daily DeMark indicators, the TD Combo currently

sits at 10 out of a possible 13.) Thus, it might be necessary for these indicators to officially trigger exhaustion and for the market to demonstrate real capitulation before growing too bullish.

Near term, evidence of TRIN exceeding 2.5, or a sharp downside pullback which closes near the highs of its daily range, might signal that capitulation is here. VIX backwardation is always important to monitor as well.

Invesco QQQ Trust ($QQQ, weekly) — Decline into the uptrend from 2025 and former October 2025/January 2026 highs near 635–640



Source: TradingView

$SPY vs. $RSP has neared the bottom of its multi-month range, and favoring $SPY looks right over the next six months

$SPY/$RSP has now gotten to near the bottom of the ongoing multi-month trading range, and DeMark indicators suggest a possible period of exhaustion within 3–5 days. While this ratio looked clearly early two weeks ago, it now looks to have closed in on trendline support, while DeMark's TD Sequential and TD Combo indicators have gotten very close to where it makes sense to favor Technology vs. the equal-weighted S&P 500.

This likely could take another 1–2 weeks to completely stabilize and turn higher, but I sense it's right to be long $SPY between now and the next six months, regardless of whether this takes another week to officially be triggered and confirmed.

Sectors like Utilities and Staples, which have rallied over 8% in the last month, are not likely going to be able to continue showing outperformance, particularly if interest rates start to tick back higher.

$SPY / $RSP (daily) — Decline to the bottom of the multi-month range and trendline support



Source: Symbolik

$SOXX has reached an area of technical importance, though an overshoot down to $123–$114 remains possible before a turn higher

From a pure retracement perspective and trendline standpoint, one can also make the case that $SOXX (iShares Semiconductor ETF) has now reached an area of importance after pulling back to test its long-term trend while reaching a 100% alternative Fibonacci projection of the initial decline from this summer, along with having retraced 50% of the entire rally from April 2025 into June 2026.

However, nothing from an exhaustion signal standpoint is present (not that this needs to be the case), and it would be more convincing of a low to see prices close well up off their lows vs. near the bottom of today's range. Daily DeMark exhaustion could materialize within 2–3 trading days, but I suspect $SOXX potentially overshoots down to 123, or a maximum of 114, before turning back higher.

In general, I suspect possible weakness tomorrow if today finishes down on its lows for $SOXX on heavy volume, but I feel like a turn should be approaching soon, and this area has some technical importance, so the next couple of days will be important.

iShares Semiconductor ETF ($SOXX, daily) — Test of the long-term uptrend, a 100% projection, and a 50% retracement of the rally from April 2025



Source: TradingView

Technology vs. equal-weighted S&P 500 has reached trendline support, and Technology remains Overweight

Similar to $SPY/$RSP, the ratio of Technology to the equal-weighted S&P 500 has now also reached an area of intermediate-term trendline support, while momentum

indicators like MACD on monthly charts remain positive. Given that markets are now in November, when mean-reversion-type strategies start to take hold and investors look to overweight the laggards and underweight the leaders, my expectation is that it's right to own Tech between now and next year, and despite the volatility, I do not sense this is a time to abandon this sector.

As discussed yesterday, given $MSFT and $AAPL having pushed to new all-time highs and many parts of "Mag-7" working quite well, I believe it merely will depend on the Semiconductor and Memory stocks to stabilize before Technology starts to turn back higher.

Overall, I remain Overweight Technology, and while this decline has proven severe, I don't sense this pullback is different from what was seen this past summer or spring.

$RSPT / $RSP (weekly) — Pullback to intermediate-term trendline support



Source: Symbolik

Disclosures

This research is for the clients of Fundstrat Global Advisors only. For additional information, please contact your sales representative or Fundstrat Global Advisors at 150 East 52nd Street, New York, NY, 10022 USA.

Analyst Certification (Reg AC)

Mark L. Newton, CMT, the research analyst denoted by an "AC" on the cover of this report, hereby certifies that all of the views expressed in this report accurately reflect his personal views, which have not been influenced by considerations of the firm's business or client relationships. Neither I, nor a member of my household is an officer, director, or advisory board member of the issuer(s) or has another significant affiliation with the issuer(s) that is/are the subject of this research report. There is a possibility that we will from time to time have long or short positions in, and buy or sell, the securities or derivatives, if any, referred to in this research.

Conflicts of Interest

This research contains the views, opinions and recommendations of Fundstrat. At the time of publication of this report, Fundstrat does not know of, or have reason to know of any material conflicts of interest.

General Disclosures

Fundstrat Global Advisors is an independent research company and is not a registered investment advisor and is not acting as a broker-dealer under any federal or state securities laws.

Fundstrat Global Advisors is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of Fundstrat (i.e., Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel may receive commissions paid to or shared with IRC Securities for transactions placed by Fundstrat clients directly with IRC Securities or with securities firms that may share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of Fundstrat, which is available to select institutional clients that have engaged Fundstrat.

As registered representatives of IRC Securities, our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

Fundstrat does not have the same conflicts that traditional sell-side research organizations have because Fundstrat (1) does not conduct any investment banking activities, (2) does not manage any investment funds, and (3) our clients are only institutional investors.

This research is for the clients of Fundstrat Global Advisors only. Additional information is available upon request. Information has been obtained from sources believed to be reliable, but Fundstrat Global Advisors does not warrant its completeness or accuracy except with respect to any disclosures relative to Fundstrat and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies.

The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein.

Except in circumstances where Fundstrat expressly agrees otherwise in writing, Fundstrat is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, fundstrat.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.

Copyright 2026 Fundstrat Global Advisors LLC. All rights reserved. No part of this material may be reprinted, sold or redistributed without the prior written consent of Fundstrat Global Advisors LLC.