

Technical Chart Packet June 12, 2026

Everybody Wants to Rule the World

Smack-dab in the middle of the 1980s the English band **Tears for Fears** released their second album, **Songs From The Big Chair**. It contained two major hits – **Shout** and **Everybody Wants to Rule the World**. A market analogy for **Shout** will likely follow on another day, but one for **Everybody Wants to Rule the World** seems *apropos* at this time because while everybody wants to, only Tech can really do it. For example, Tech's market cap weight in the S&P is "officially" an Ally McBeal-like 38%. However, by adding in the market caps for AMZN, GOOGL and META the figure jumps to a more believable 51% of the S&P.

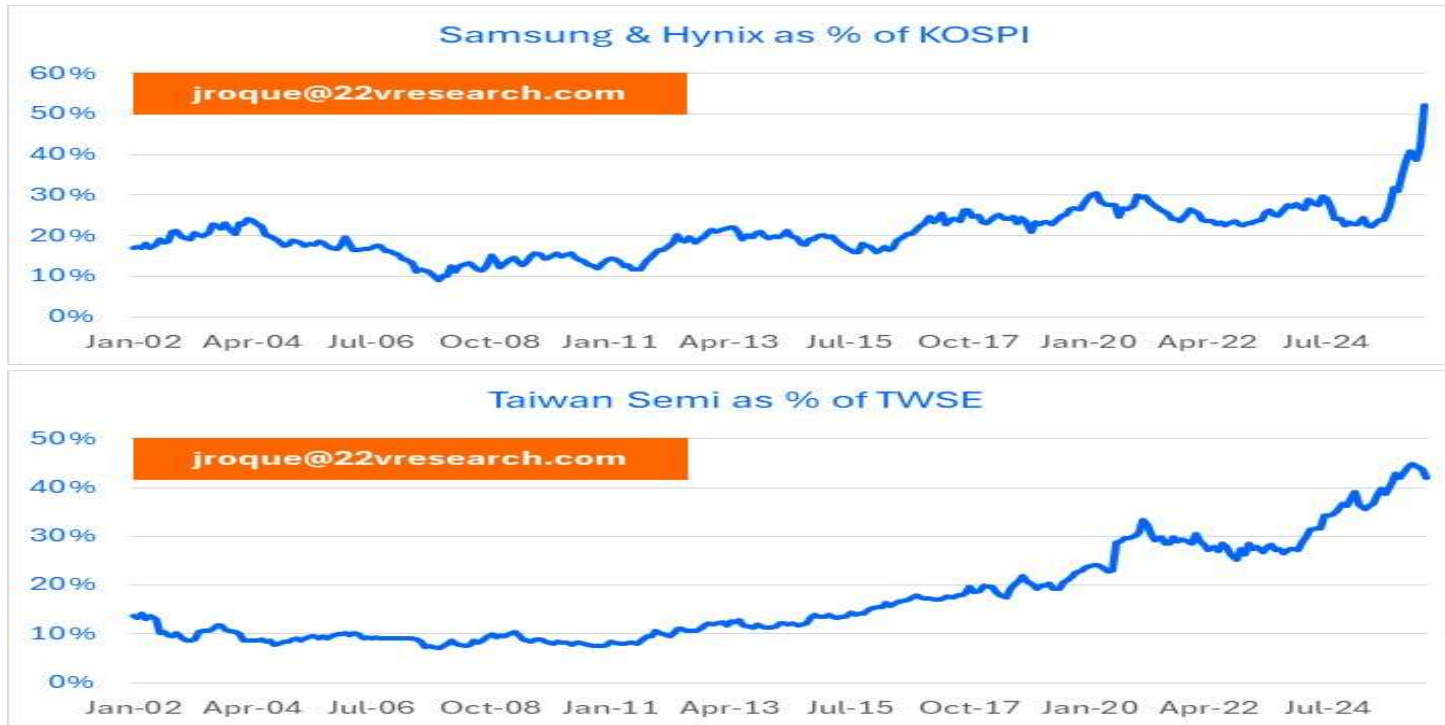


jroque@22VResearch.com

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Even more fantastical is that the combined market caps of two stocks – **Samsung and Hynix** – make up 52% of the KOSPI of Korea and only one stock – **TSMC** – is 42% of the TWSE.



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Hoops fans well know that “*the principle of verticality*” is a defensive rule which allows for a defensive player to contest a shot, legally and without committing a foul, by jumping straight up with arms extended. Market participants have employed the same “*principle of verticality*” with respect to the **Philadelphia Semiconductor Index (SOX)**, but in an offensive, not defensive, manner. And, while it is not exactly an apples-to-apples comparison, **the Phila. Semiconductor Index’s Market Cap as a % of the S&P** is displaying its own version of “*the principle of verticality*” with a 23% market cap weight relative to the S&P 500.



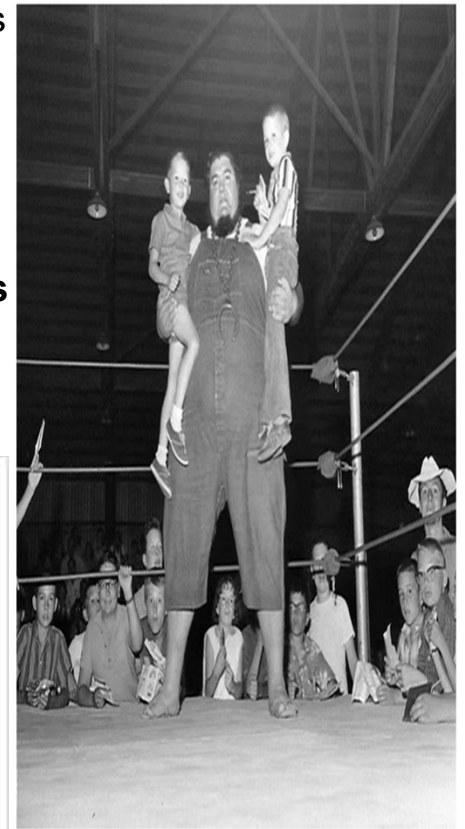
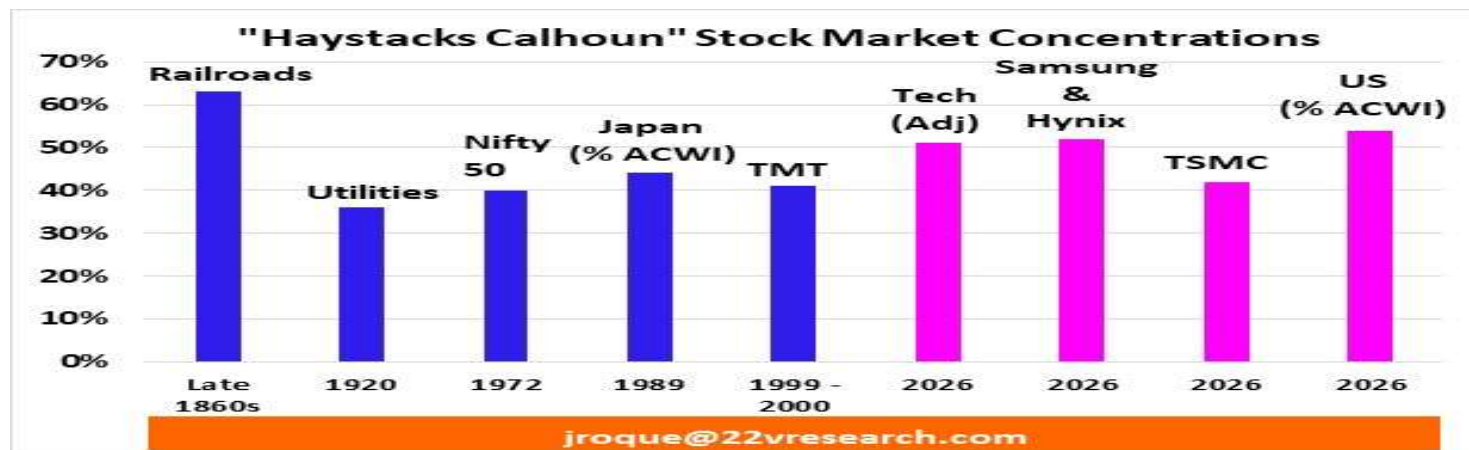
jroque@22VResearch.com

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The “**Haystacks Calhoun**” **Stock Market Concentrations** graph puts the prior versions into historical context. (**Haystacks Calhoun** was a professional wrestler from the 1960s – late 1970s and was 6’ 4” and weighed nearly 700lbs.)

Except for the late 1860s when **Railroads** peaked at more than **60%** of the total US market capitalization (railroads were the biggest component 1840s – early 20th century), **the adjusted weighting for Tech (Samsung & Hynix and TSMC, too) and for the US as a % of ACWI is the greatest concentration seen in more than 160 years. And this is before the more than \$3.5T of market cap estimated via the IPOs for SpaceX, Anthropic, and OpenAI. The railroads will be a historical footnote soon.**



jroque@22VResearch.com

Technical Chart Packet June 5, 2026

Escape from New York

Just as a reminder, these excessive overbought conditions have not been resolved.

I use a “**bubble alert**” gauge of 100% or more above the 200-Day Moving Average to help me identify momentum excesses. And, to be sure, within the Russell 3000 there are 8 stocks that are 200% or more above their 200-Day Moving Averages including Sandisk (SNDK), Rackspace (RXT), Vishay Technology (VSH), Marvell Technology (MRVL) and others and there are 17 stocks that are 150% or more above their 200-Day Moving Averages including, not only the above stocks, but Micron (MU), DigitalOcean (DOCN), and Dell (DELL) and others, too.

Based on my rudimentary math, the above stocks (as reviewed on page 1, 2% of the Russell 3000 would qualify) display tremendous momentum excesses and would qualify as **price bubbles**. Too, as of Wednesday's intra-day high **the Phila. Semiconductor Index was displaying its own momentum excesses as it was 76% above its 200-Day Moving Average** (greater than +3 Standard Deviations for all data back to 1998) and as of Tuesday's intra-day high **Korea's KOSPI was even more extended at 83% above its 200-Day Moving Average** (greater than +5 Standard Deviations for all data back to 1998).

Incidentally, the Phil. Semiconductor Index peaked in the year 2000 when it was 114% above its 200-Day Moving Average.



jroque@22VResearch.com

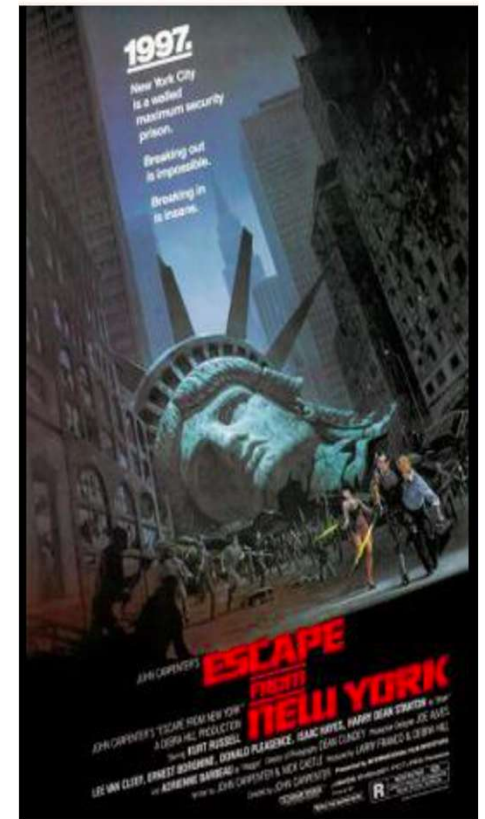
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To be clear, **there are pockets of price bubble activity**, but with the Dow Jones +7% in 2026, the S&P +11%, NASDAQ +15% these figures do not put the headline indexes in bubble territory. Plus, the DJIA is only 8% above its 200-Day Moving Average, the S&P is 11% above its 200-Day Moving Average, while NASDAQ is indeed overbought, but not in a price bubble, at 15% above its 200-Day Moving Average.

In addition, despite the AI, Semi and Tech **fever** I think it's important to remember that on a year-to-date basis the **Energy Sector** is the leader among the S&P's 11 Economic Sectors with a +30% gain and nobody ever says that Energy is in a bubble (it's not). I continue to believe the **Energy Sector** is consolidating, is in a good spot to add, and I'm looking for it to work higher.

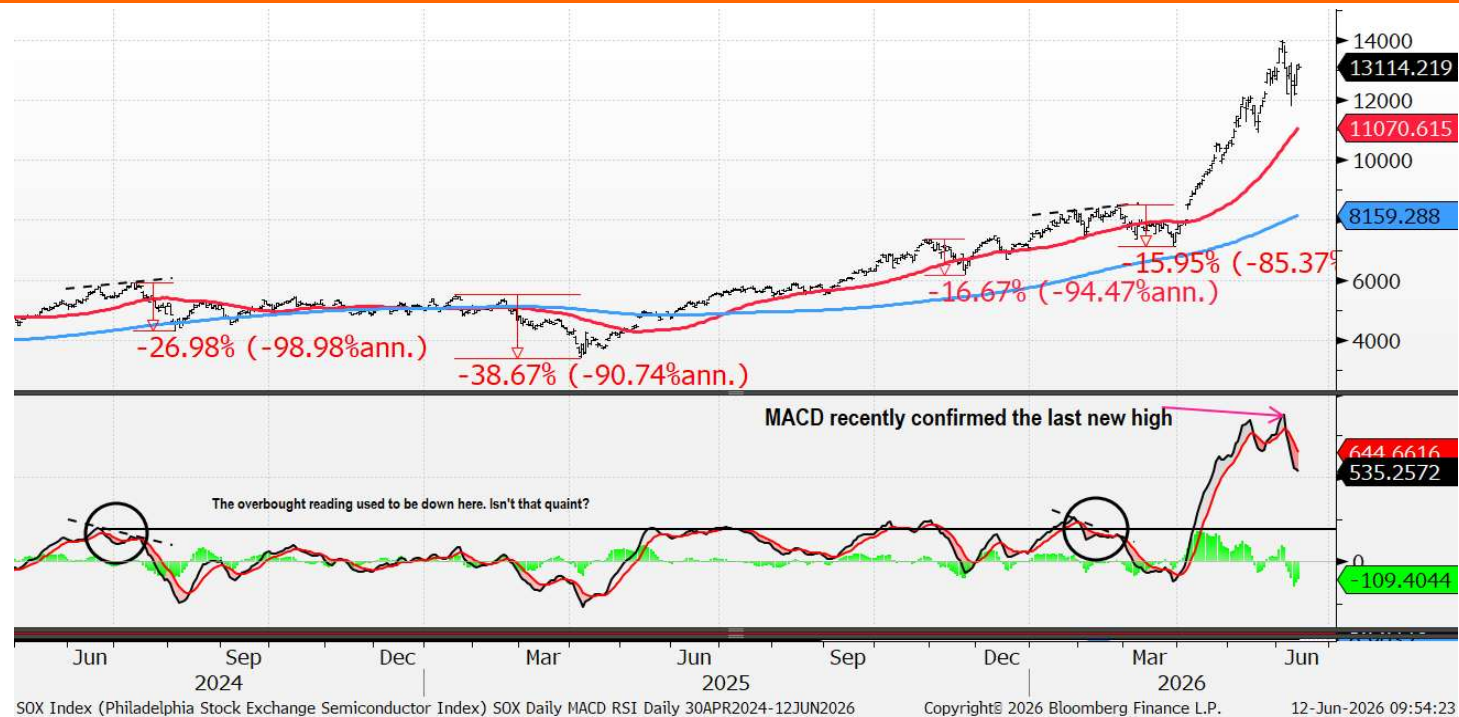
Lastly, I think it's important to know that the DJIA, S&P and NASDAQ are all underperformers to **The Giant Killer** – **the Russell 2000** – in 2026. **The Giant Killer** is +18% in 2026 and is 14% above its 200-Day Moving Average and it went sideways building a BASE from spring 2021 – late 2025 before it broke out in earnest to a new all-time high. The index is up a bit more than 20% since that breakout and is also not a bubble. I continue to look for **The Giant Killer** to get to a long-established target of 3200.



Philadelphia Semiconductor Index - SOX

Daily w/ 50- and 200-Day Mov Avgs and MACD

There was a 70% rally in 32 days (Mar 30 – May 14).
We said, “A 24% retracement would see a pullback to near 12000.” – that held. A New High? Would you be surprised?



jroque@22VResearch.com

Korea – KOSPI Weekly w/ 40-Wk MA & %-age MACD

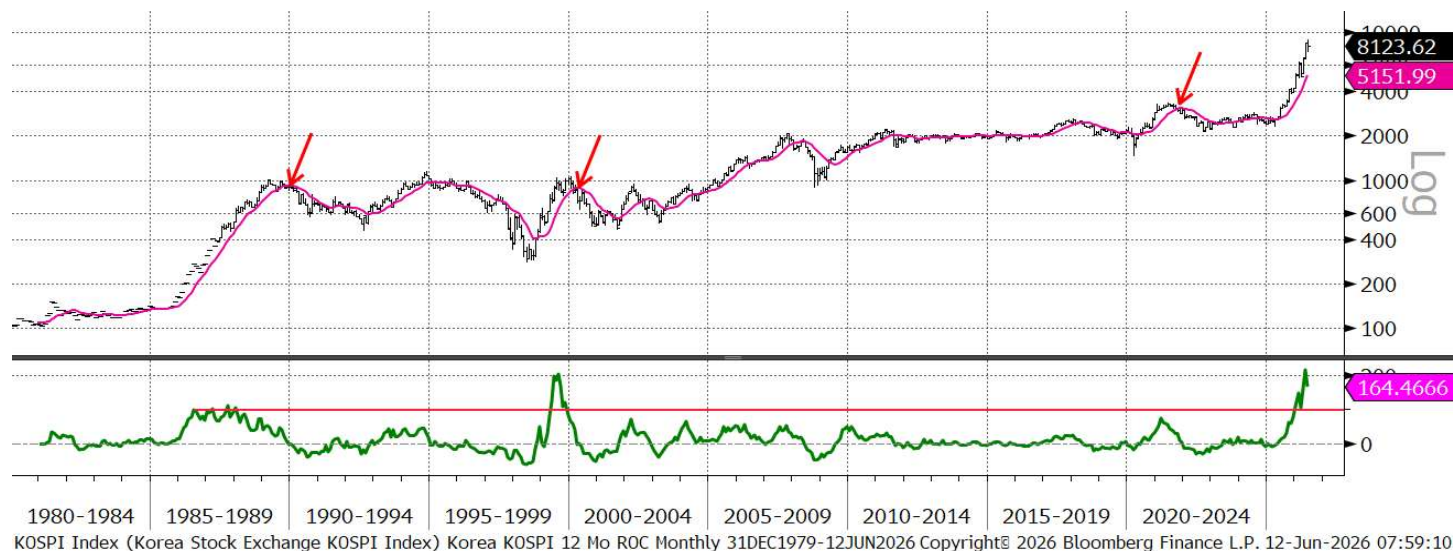
The %-age MACD is intended to “normalize” price advances to allow for easier comparisons – though that hardly worked here. (Robert Burns said, “The best laid schemes o’ mice an’ men often go awry.”) However, by ANY and ALL measures the KOSPI is a price bubble. Bob Farrell said, “Exponentially rapidly rising or falling markets usually go further than you think, but they do not correct by going sideways.”



Korea – KOSPI Monthly w/ 12-Mo MA & 12-Mo ROC

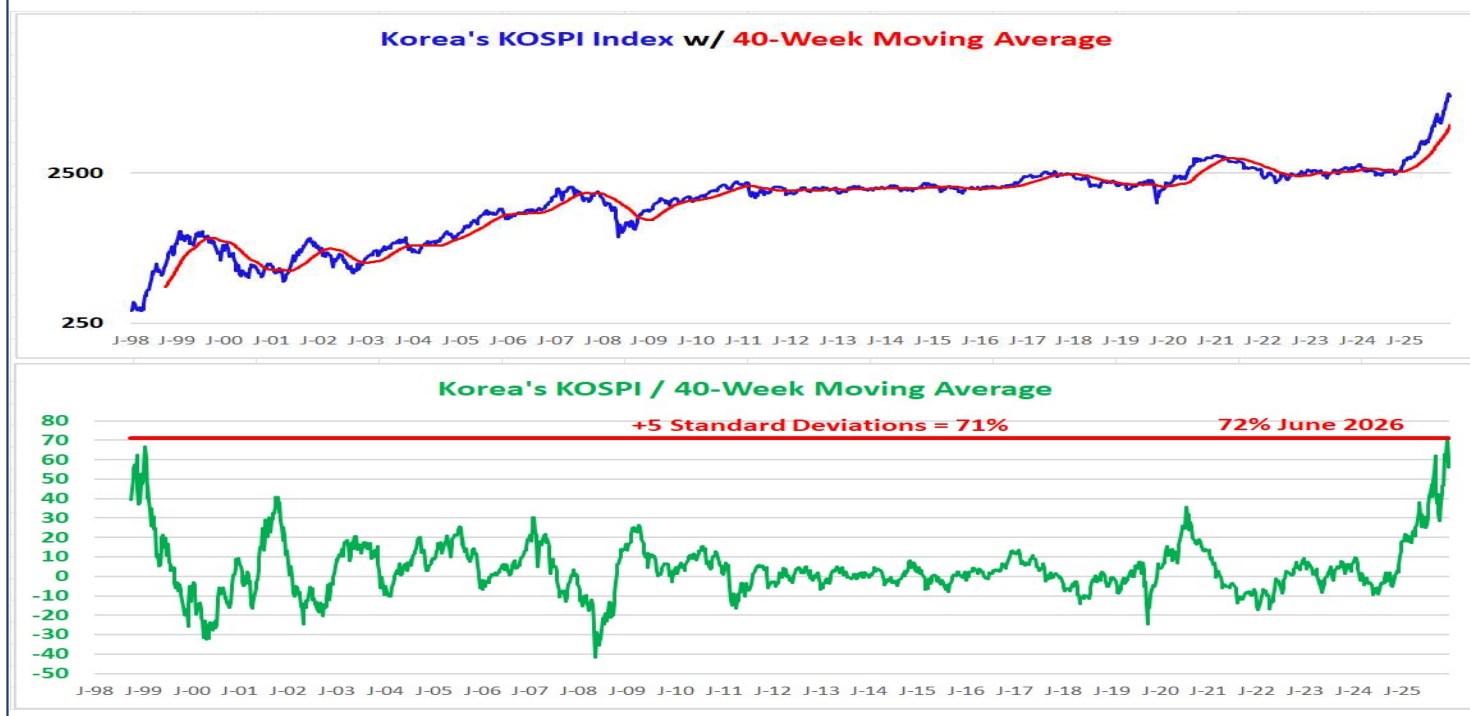
The red horizontal line represents a 100% gain over a 12-Month period. Irrespective of how “cheap” something is, a 100% gain over a 12-Month period is usually a good signpost for price excesses. That doesn’t mean, however, that an item can’t get more extended (see Bob Farrell’s quote on prior page): i.e., KOSPI in Aug 1999 was up > 200% over 12-Months.

In its prior 3 momentum excess episodes, the KOSPI had to move below its 12-Month MA to mark the cycle’s end. That’s not happening here.



Korea's KOSPI w/ 40-Week MA & KOSPI / 40-Week MA

As of last week's high, the KOSPI was 72% > its 40-Wk MA
That's a +5 Standard Deviation reading for all data back to
the late 1990s. This is a price bubble.



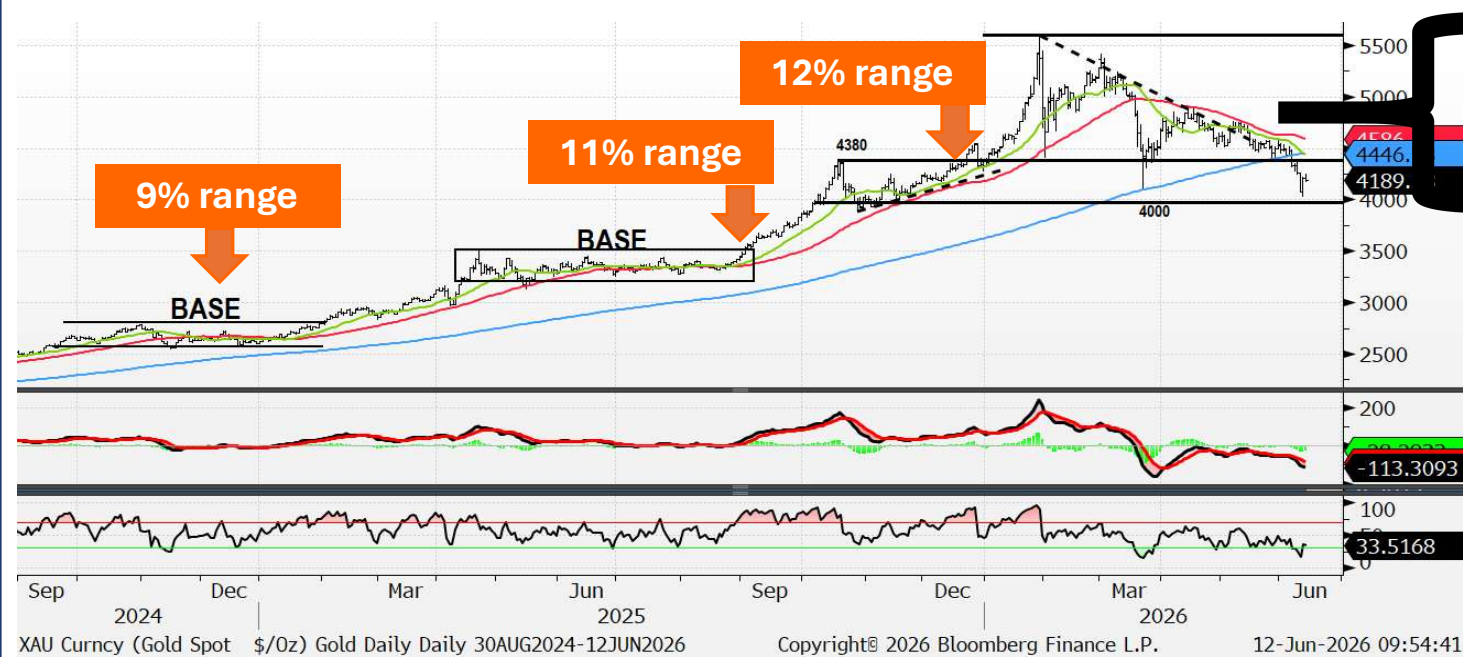
I get more questions now about buying gold than I did when gold was in a sustained uptrend in 2024 – 2025.

In Feb's webinar I guessed that a move to a new high would not be sustained.

Gold –

Daily w/ 21, 50, & 200-Day MAs, MACD, & 8-Day RSI

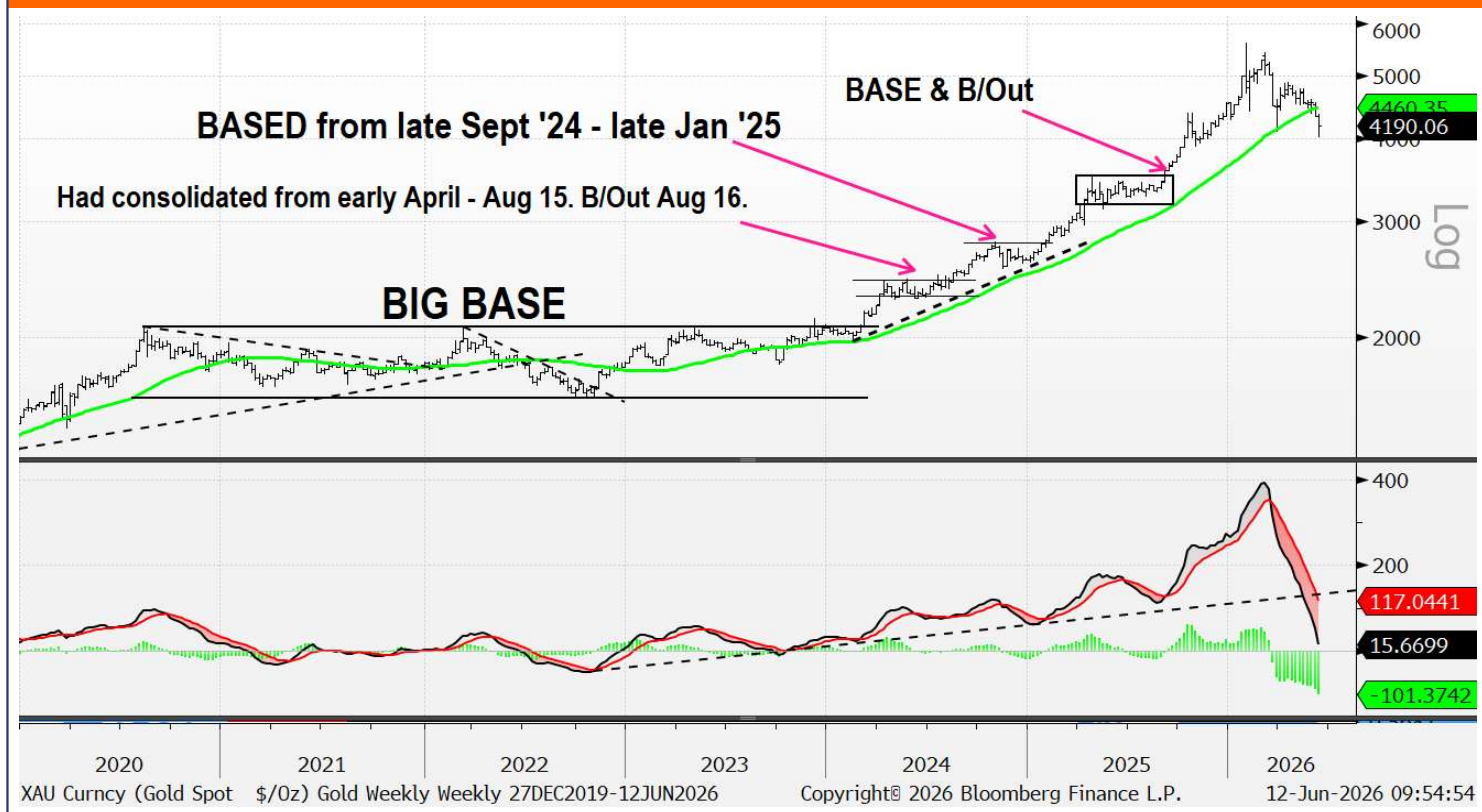
From the high on Jan 29 (5595.47) – low on Feb 2 (4402.95) gold lost \$1192.5 or -21% in 3 trading days! Since then, a half-hearted attempt to get back to its Jan high. We thought gold would likely get to 4000. Holding support now, but not longer-term oversold.



Gold is in a 40% range which is too wide (for me) and needs to tighten up.

Gold – Weekly w/ 40-Week MA & MACD

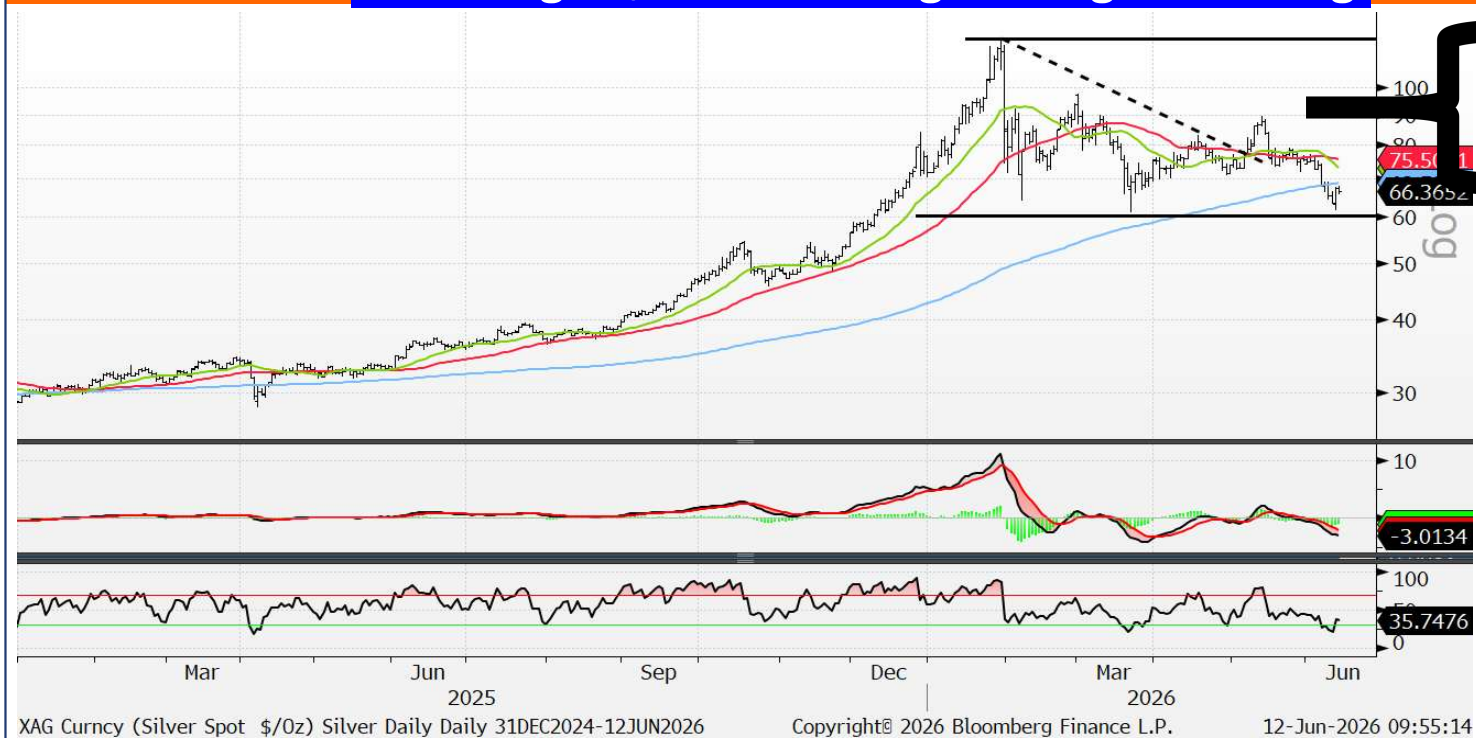
Support holding @ 4000,
but MACD hasn't yet bottomed or turned



I get more questions now about buying gold and silver than I did when it was going up in 2024 – 2025.

Silver –

Daily w/ 21, 50, & 200-Day MAs, MACD, & 8-Day RSI
At silver's peak in late Jan '26 it was 150% above its 200-Day Moving Average. It then fell \$57.5 or 47% in 6 days. Its range is too wide. **We thought \$60 was a magnet target. Holding.**



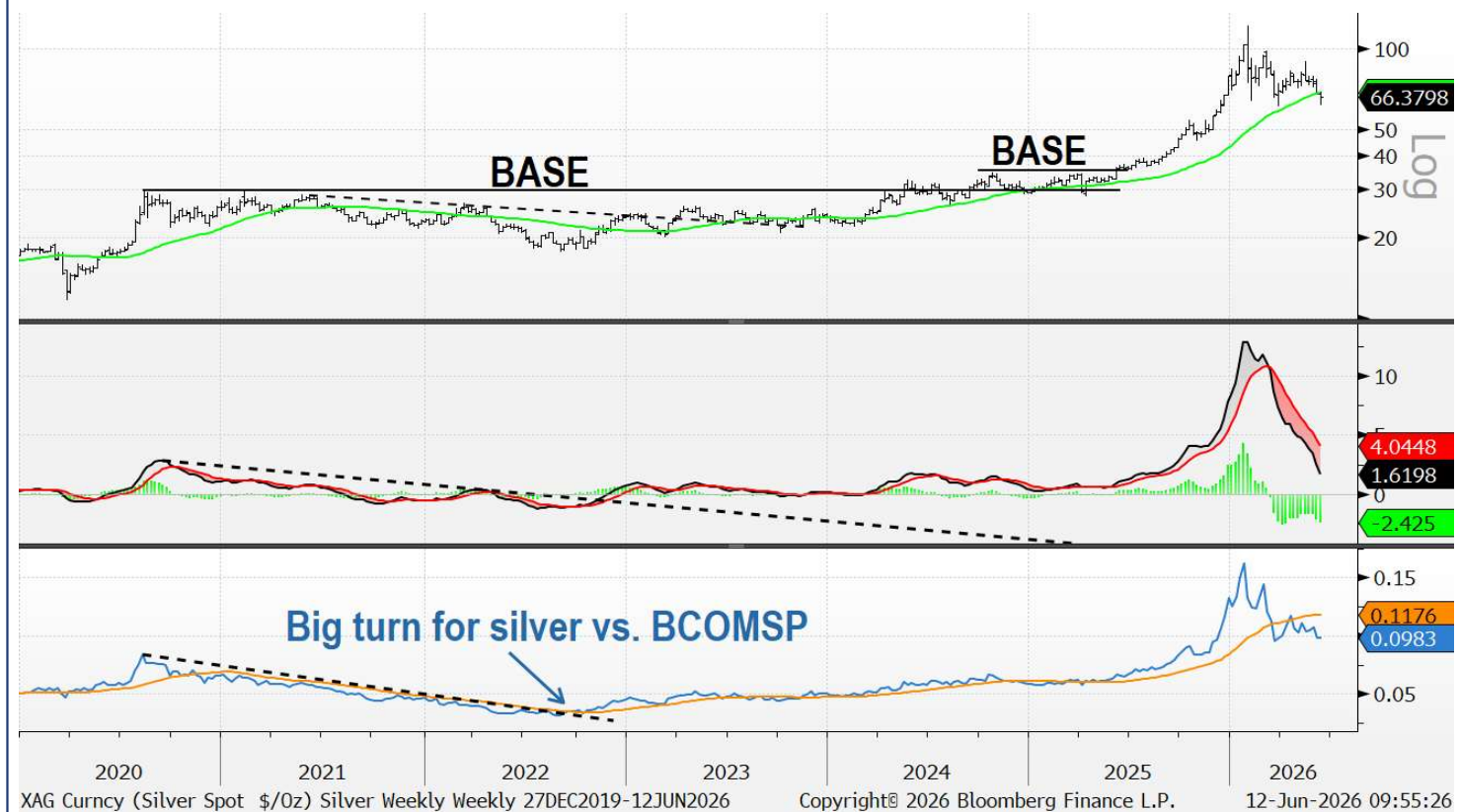
This range for silver is \$61 or 100% wide!

That is a ridiculously wide chasm. And with weekly mo still weakening I continue to believe silver moves lower.

Silver –

Weekly w/ 40-Week MA, MACD & Rel. to BCOMSP

Support holding @ 600, but MACD hasn't bottomed / turned



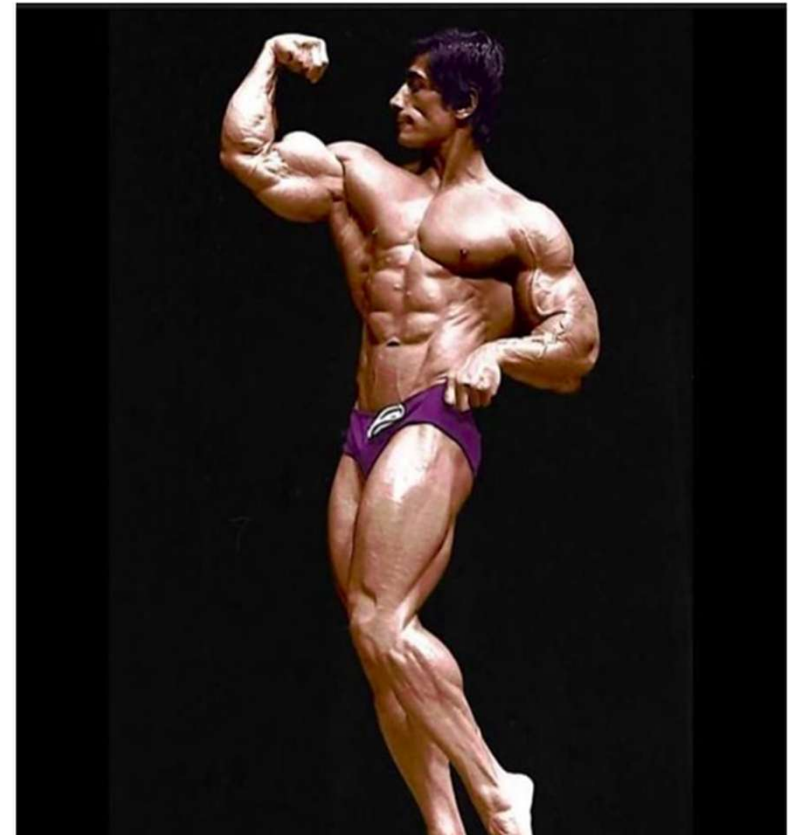
Technical Chart Packet January 20, 2026**The Giant Killer**

Golden Era bodybuilder **Danny Padilla** was known in the bodybuilding world as **“The Giant Killer.”** Standing just 5’2” and weighing around 170lbs, he won the 1975 IFBB (Int’l Federation of Bodybuilders) Mr. USA contest, despite being just 23 years old, by beating, among others, Arnold Schwarzenegger, Franco Columbu, and Robby Robinson. He then won the lightweight and overall titles at the 1977 Mr. America and later in that same year he won the lightweight title at the IFBB Mr. Universe. Notably, Padilla finished in the top 5 in the 1977 and 1981 Mr. Olympia contests. Over his career he had 24 top five placings and won 7 championships.

While some might think it early to crown the **Russell 2000 “The Giant Killer,”** but in 2026, the index is **+18%**, the S&P is +8% and NASDAQ is +11. (That’s > 2X the S&P and 700bps better than NASDAQ). **Since the tariff-induced low in April 2025 the “The Giant Killer” is +69%**, the S&P is +53% and NASDAQ is +75%. (That’s 1600bps > the S&P and 600bps < NASDAQ).

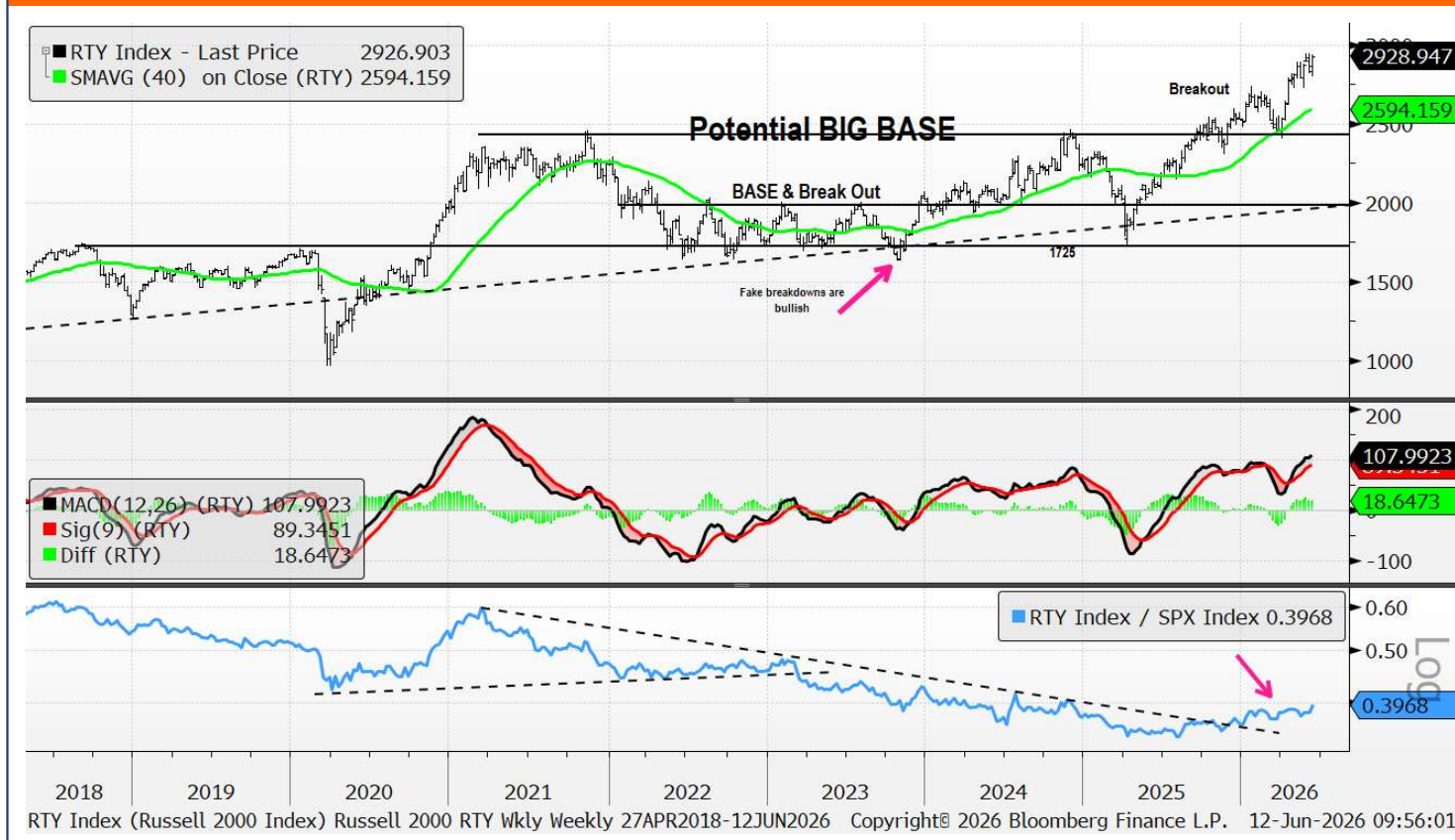
jroque@22VResearch.com

This was a slide we used in January to help make our bullish case for the Russell 2000. %’s updated below.



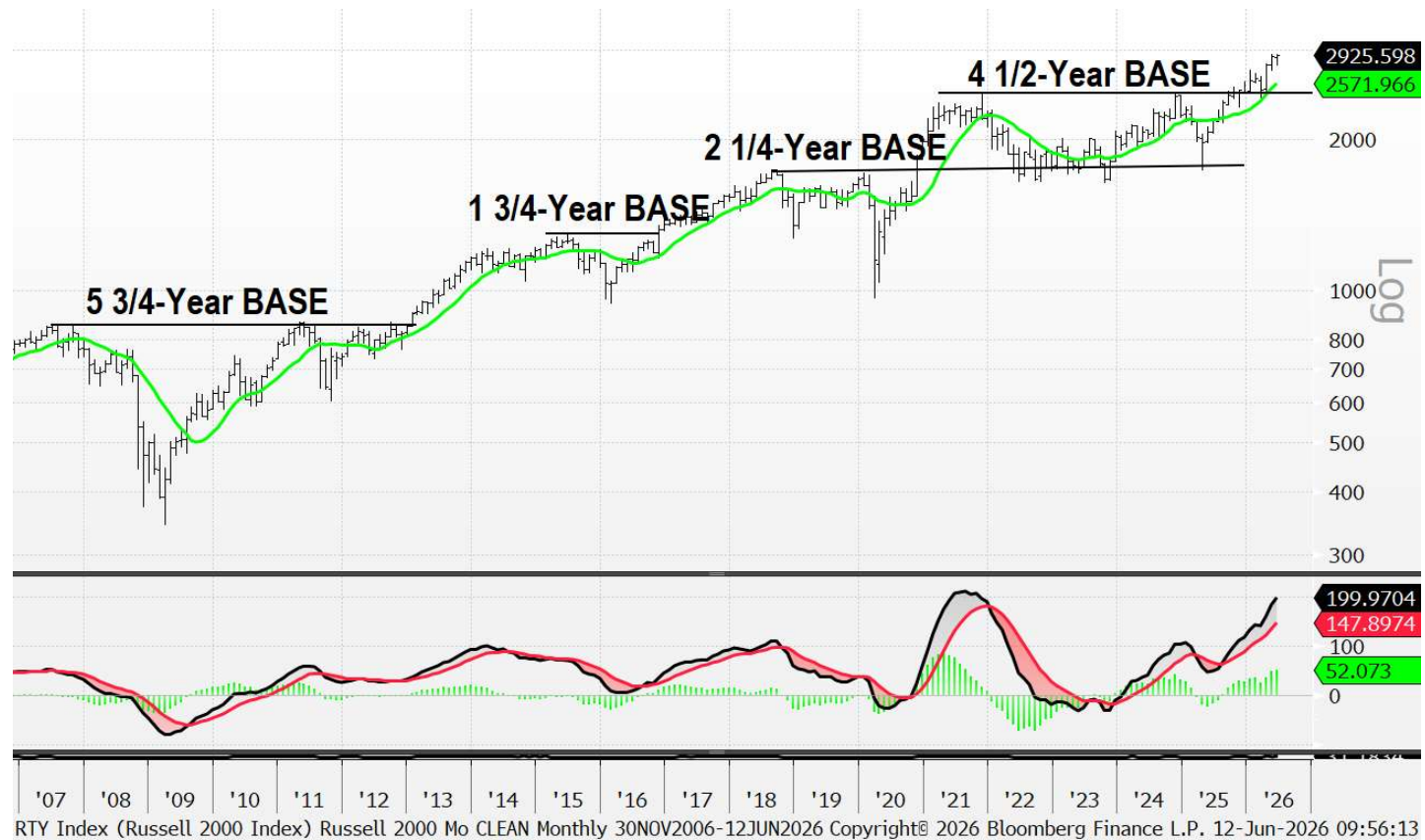
Russell 2000 – Weekly w/ 40-Wk MA, MACD & Rel to S&P

New high with a breakout in the MACD. Target still at 3200.
 “The Giant Killer” still ahead of the S&P and NASDAQ in 2026



Russell 2000 – Monthly w/ 12-Month MA and MACD

Still in very good shape here. Target 3200.



SPDR S&P Reg. Banking ETF (KRE) – Monthly w/ 12-Mo MA & MACD

Consolidating and looking for higher levels. MACD breakout.



jroque@22VResearch.com

US 2-Year T Price w/ 40-Week MA & MACD
Technical Score = 0. < cresting 40-Wk MA. MACD neg.
Remains a short. The bottom the range – which
continues to look likely – corresponds with a 5% yield



In 1983, Ed Yardeni coined the term “Bond Vigilantes.”

Ed believed the “bond vigilantes” were sellers of gov’t bonds to protest unsustainable, inflationary, or fiscally irresponsible policies.

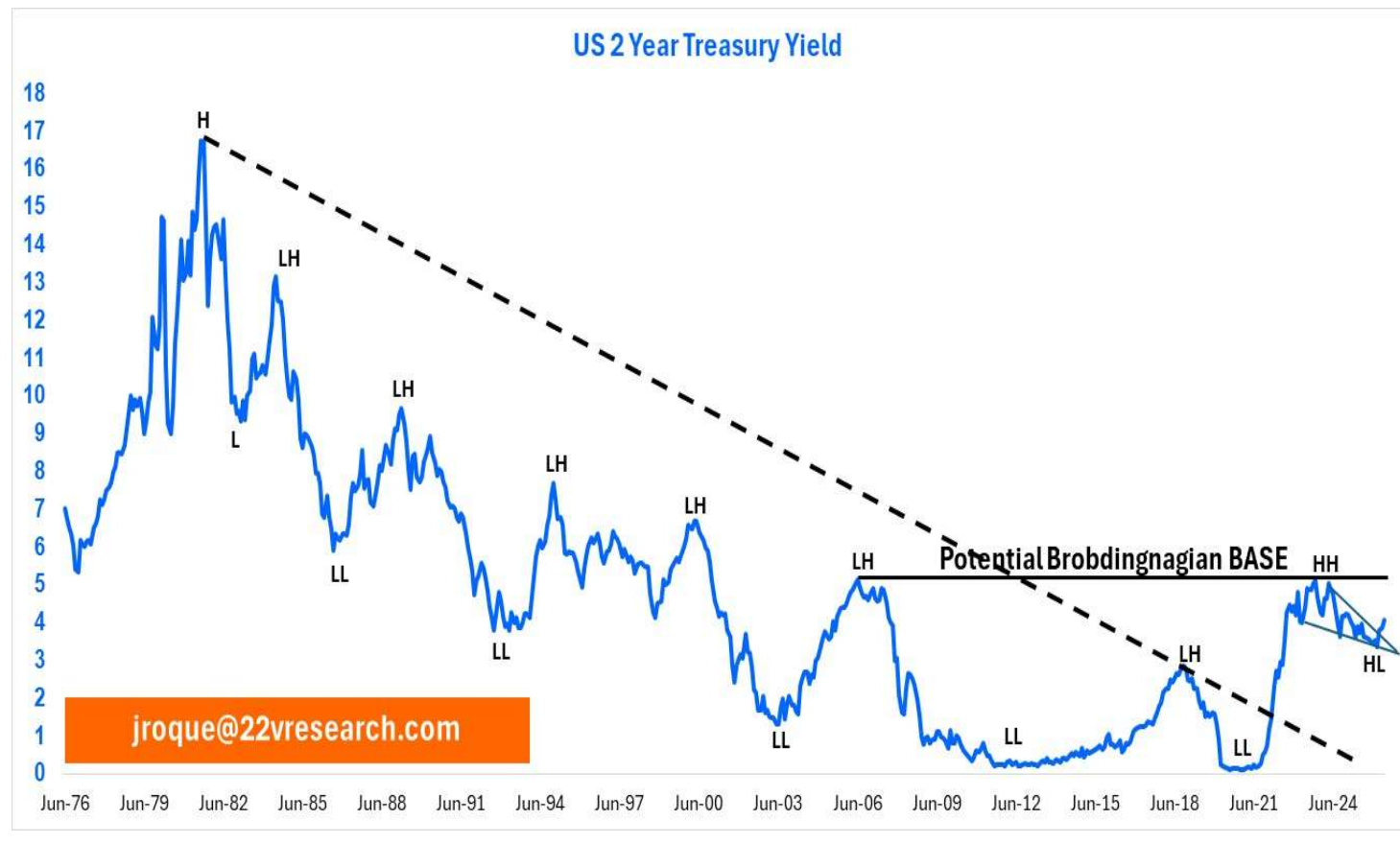
In 1985, the English band New Order released the song, “Love Vigilantes.”

The song is a far remove from the electronics that defined New Order’s style / sound.

US 2-Year T Yield w/ 10-& 40-Week MA & MACD
Technical Score = 4. Above upwardly-biased 10 & 40-
Week Mov Avgs. Weekly MACD in + territory. 5% Target.



US 2-Year T Yield Monthly June 1976 – to date 5% target



jroque@22VResearch.com

US 10-Year T Price w/ 12-Month MA & MACD
Technical Score = 0. Below flat cresting 12-Month MA.
Key support @ 110 has broken



jroque@22VResearch.com

US 10-Year T Yield w/ 12-Month MA & MACD 5% top of the range, 4% bottom of the range. MACD carving out a turn



US 10-Year T Yield Monthly Jan 1970 – to date

The Rocky Marciano of Indicators.

He's the only HW champ to retire undefeated.



jroque@22VResearch.com

“...the bond market never lies.” – Robert Soros

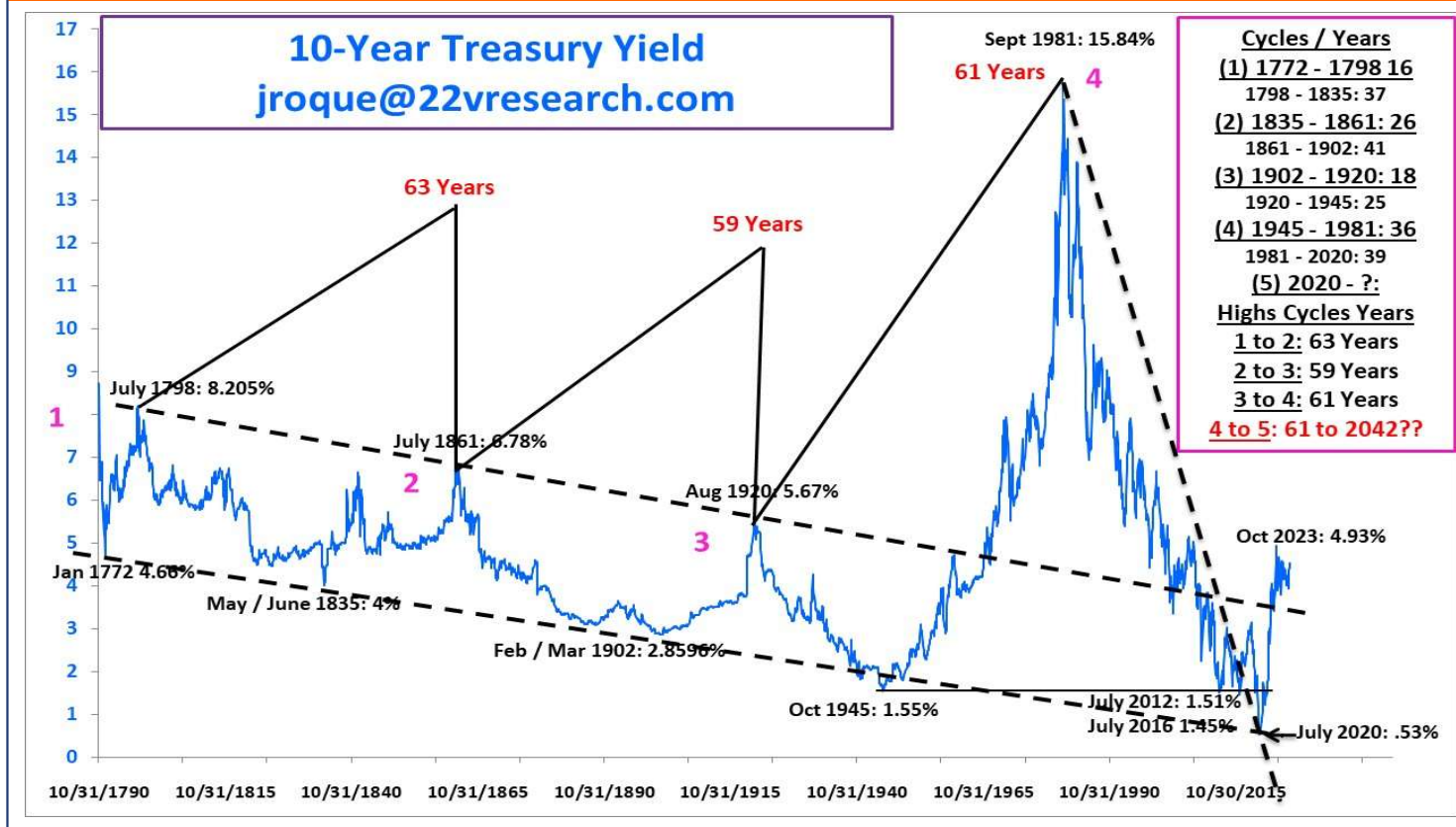
May 15, 2026

By now the following is likely to be familiar, but it was in 2012 when I was at Soros Fund Management (2012 – 2016) that Robert Soros said to me, “...**the bond market never lies.**” It was then, and still is, as good a line as I’ve ever heard over my career. Not only is “...**the bond market never lies**” succinctly quippy, but it is unambiguously true.

Breakouts are occurring for US yields (2s – 30s) after **BASING**, building, and consolidating over the last few months. The **BASING**, building, and consolidating was the focus of “**Bonnie and Clyde and the 2-Year Treasury Yield**” from March, **Frozen Ropes Episode 10** which covered the German 10 Year Bund Yield, and “**Public Enemy #1 – Bonnie and Clyde and the 2-Year Treasury Yield plus...**”

It's important to restate that we – collectively – are in a higher rates regime. And, quite obviously, almost nobody is still speculating in markets who has ever participated in a higher rates regime so it's going to be hard to lean on your experience to navigate what will come next. Yet, the trend action says it's still right to sell / short US Treasuries (prices). A sharp correction in the major indexes is also likely to follow as the shock of higher rates feeds into the acute near-term overbought conditions for the major indexes (i.e., the **Phila. Semiconductor Index** closed y'day @ 62% above its 200-Day Moving Average; don't forget, the **SOX** also recently had an unprecedented 18-Day winning streak from Mar 31 – Apr 24 which reinforces the overbought readings).

US 10-Year T Yield Monthly Oct 1790 – to date
Rising rate cycles avg = 24 years; 2020 + 24 = 2044
Cycle high to cycle high avg = 61 years; 1981 + 61 = 2042



Rising rate cycles:

16 years
 26 years
 18 years
 36 years
 Avg = 24 years

Cycle high to Cycle high:

63 years
 59 years
 61 years
 Avg = 61 years

US 30 Year Treasury Yield
Weekly w/ 40-Week MA and 26-Week ROC
2 ½-Year **BASE; > upward-sloping 40-Wk MA;**
Breakout will imply 6%



jroque@22VResearch.com

US 30 Year Treasury Yield

Monthly w/ 12-Month MA and MACD

2 ½-Year **BASE**; > upwardly-biased 12-Mo MA;
MACD carving out a turn; Target 6%



jroque@22VResearch.com

US 30 Year Treasury Price Monthly w/ 12-Month MA and MACD Price still biased lower.

After deep oversold in early 80s, price rebounded quickly.
After deep oversold in early 00s, price rebounded quickly.
After deep oversold in '23, price has NOT rebounded. Why?
“The bond market never lies.” – Robert Soros, 2012



jroque@22VResearch.com

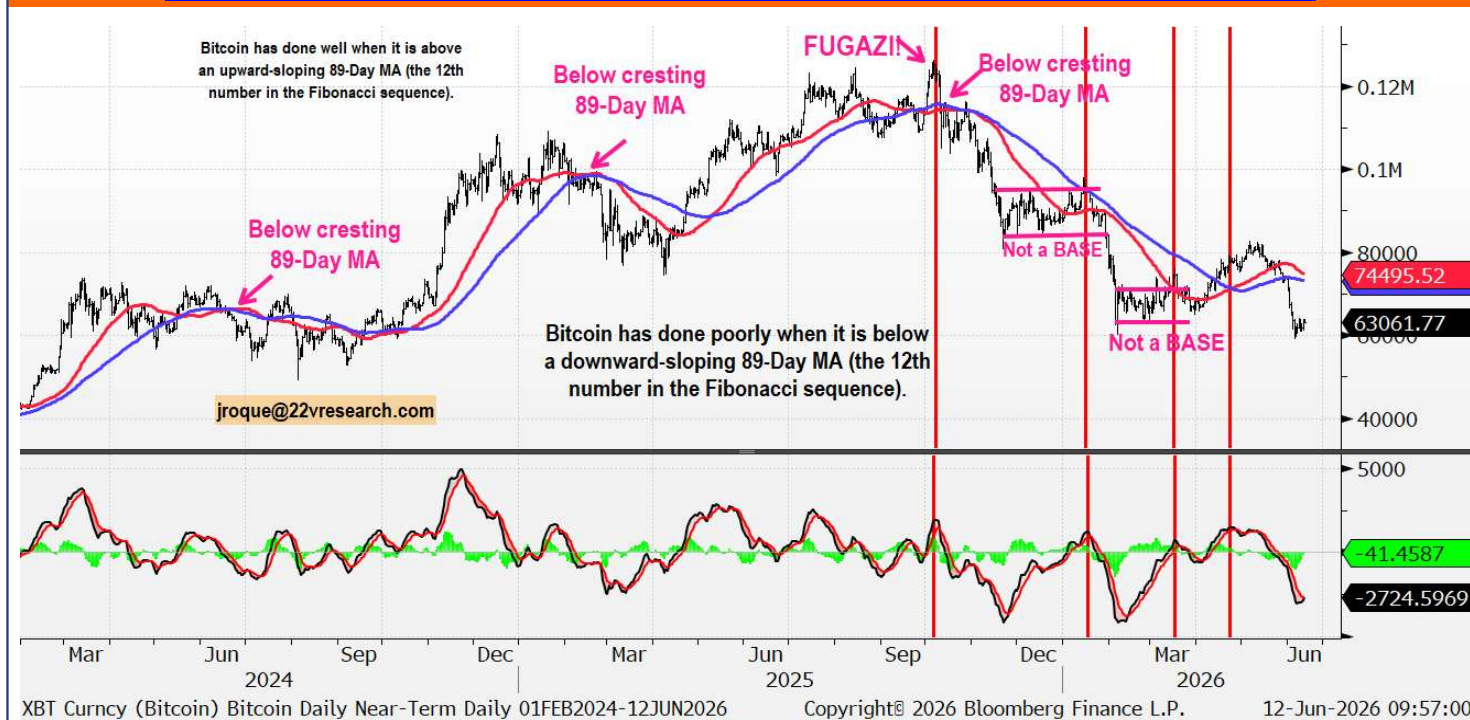
iShares 20+ Year Treasury Bond ETF Monthly w/ 12-Month MA and MACD Major support @ 80. Don't think it holds.



jroque@22VResearch.com

Bitcoin – Daily w/ 50 & 89-Day MA & MACD

Bitcoin does well when above an upward-sloping 89-Day MA (the 12th Fibonacci #) and poorly when below a downward-sloping 89-Day MA. Retesting 1st downside target of 60,000. A break would imply a 2nd downside target of 40,000.

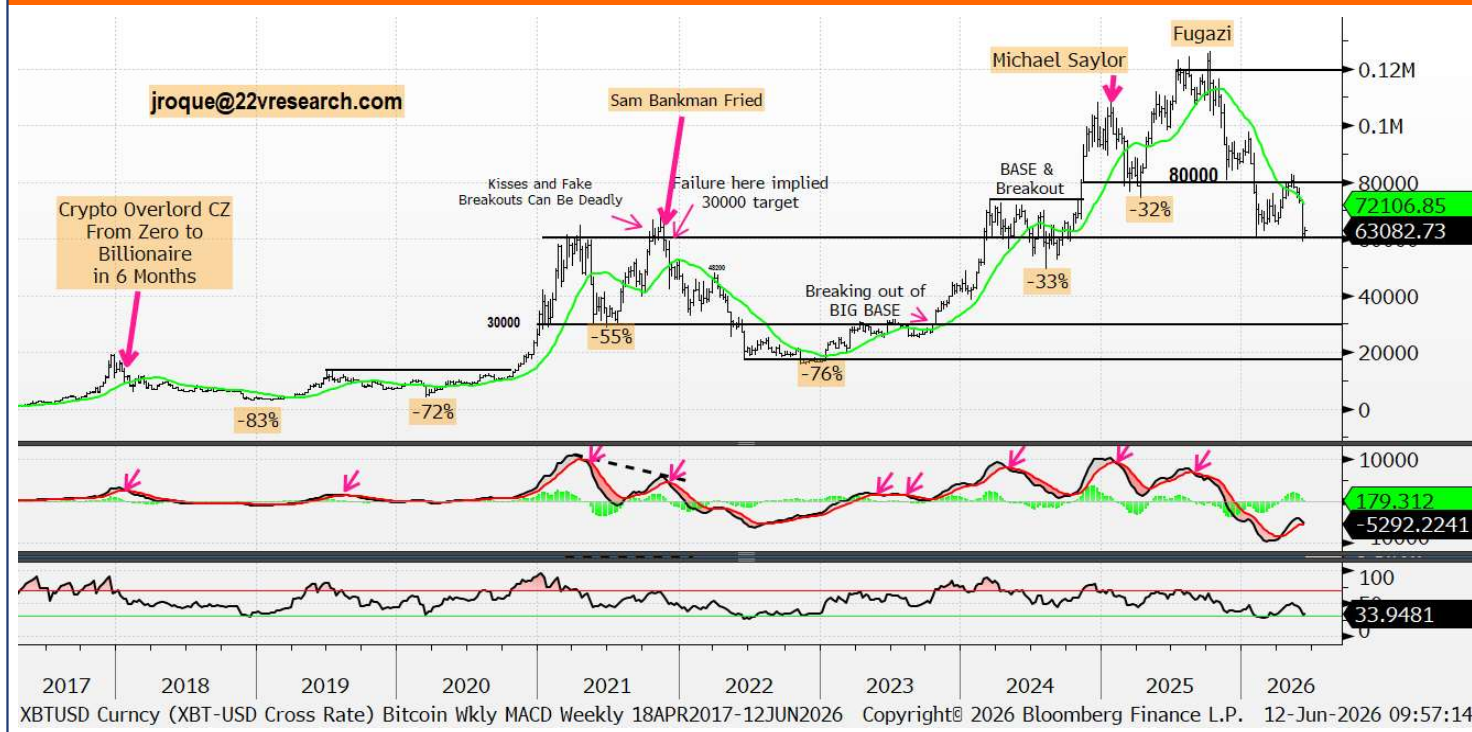


jroque@22VResearch.com

Bitcoin – Forbes cover in January 2025

Weekly w/ 40-Wk MA w/ MACD

Down 52% from Oct '25 peak / Fugazi breakout and retesting Feb 6 low
Prior bears since '21 = -55, -76%, -33%, and -32%. 1st downside target was 60000 (hit on Feb 6). A break there will imply 40000.



What does it mean when an item is oversold and it can't bounce?

It usually means it goes lower.

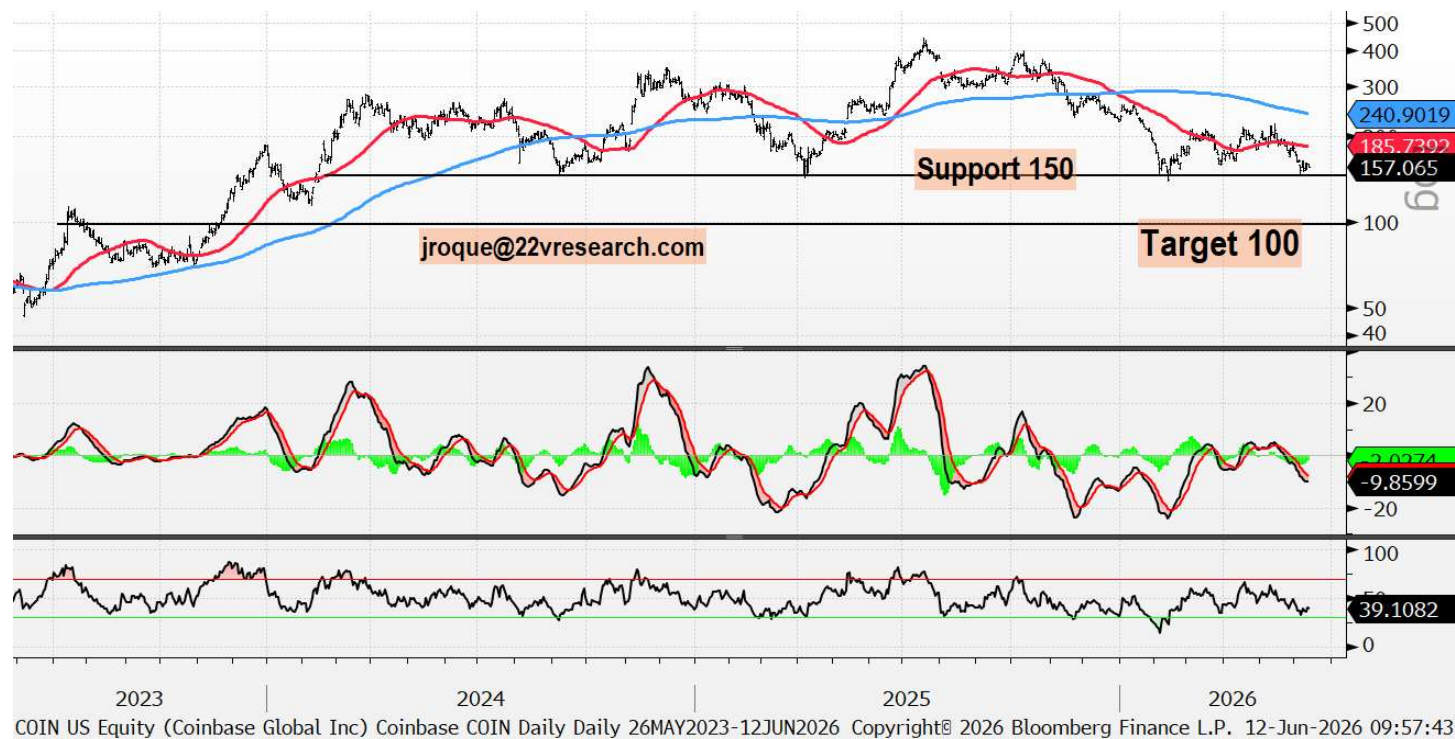
Strategy (MSTR) – Weekly w/ 40-Wk MA, MACD & Rel to S&P

My initial downside target was \$100 (Feb low was \$104), but I think that'll prove optimistic. Sell bounces. Can get to \$20. Also, bearish relative to S&P (bottom).



According to the company, it owns 845,000 Bitcoin (4% of supply) @ average price of \$75,700 = \$64B. As of today, their holdings are worth \$54B.

Coinbase (COIN) –
Daily w/ 50 & 200-Day MA, MACD & RSI
 Technical Score = 0, it is below its 50-Day MA and its downward-sloping 200-Day MA. It's at the 150-support level for what looks like the 5th time since 2024. **150 will not hold, risk to 100.**



jroque@22VResearch.com