



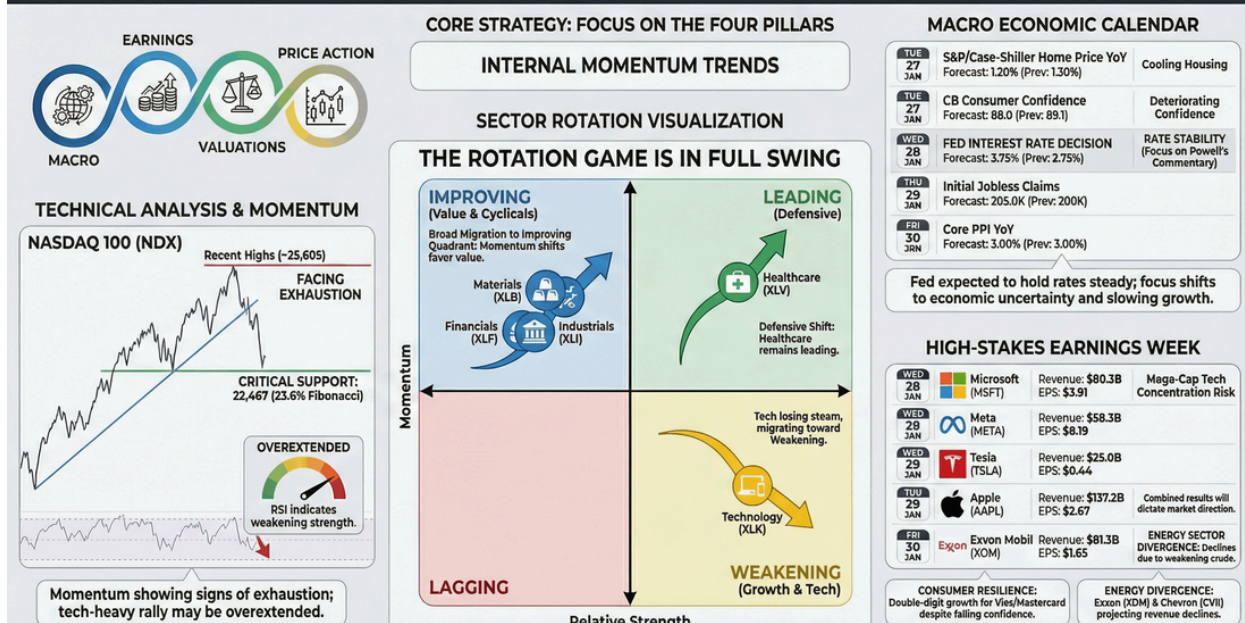
## Stale Tacos | CIO Insights

*The short-lived and somewhat muted reaction to the latest Trump tariff tirade, following sabre rattling on Greenland, suggests a staleness in this playbook, as also highlighted in a recent Financial Times article. The probability of geopolitical accidents is however rising. TACO, short form for "Trump Always Chickens Out", coined by another FT journalist, seems to be losing efficacy - in fact, a "do nothing and hold on" strategy in markets, specifically equities, would have been optimal with 20/20 hindsight.*

*The short-lived impact of geopolitical developments supports the view of NOT being perturbed by political shenanigans. Rather, focus on the macro, earnings, valuations, and price action - precisely what our proprietary four pillars model seeks to do.*

*What is that saying now? The macro looks acceptable aside from lingering and real concerns on inflation. While long-term growth will almost certainly be challenged - both for the economy and equities, the more immediate catalysts can only come from earnings, which for now appear robust, even if concentrated. Price action remains in search of direction but continues grinding higher. In summary: ignore politics, focus on inflation and earnings, and watch price action - secular trends are unlikely, volatility will probably be the norm.*

# Market Outlook Weekly: Navigating Volatility and Sector Rotations



## Technical Overview

### Trend Dynamics - Nasdaq is stuck in a narrow range, lacks clear direction

- Nasdaq 100 shows a market struggling to define clear direction, trading near recent highs around 25,600 but failing to break decisively higher.
- Momentum indicators reveal weakening strength despite elevated price levels, suggesting potential exhaustion in the tech-heavy rally.
- The index remains above key Fibonacci retracement levels, with critical support at the 23.6% level (22,467) and the 50-day moving average providing dynamic support.

### Trend Dynamics - Nasdaq is stuck in a narrow range, lacks clear direction

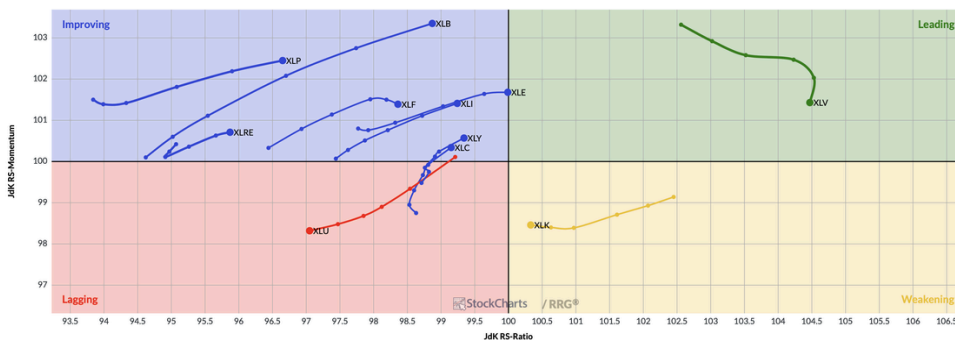
- Rotational trends also favor defensive (healthcare in particular) and value sectors (industrials merit a close watch).
- Multiple sectors (XLB, XLP, XLRE, XLF, XLI, XLY, XLC) have migrated from lagging to improving quadrants, signalling broad-based momentum shifts favoring value-oriented sectors.
- Technology and growth sectors show deteriorating relative strength, with XLK (Technology) positioned in the weakening quadrant - a significant headwind for cap-weighted indices.

## Nasdaq 100 - Struggling for Direction



source: Trading View

## Sector Rotation - Tech is the Laggard



source: Stockcharts

## Upcoming Macro Data Releases

- Home prices showing deceleration (1.2% forecast vs 1.3% previous) suggests housing market cooling, though still positive YoY -critical for Fed's inflation assessment.
- Consumer confidence deteriorating to 88.0 from 89.1 reflects growing economic uncertainty, potentially signalling softer consumption ahead.
- Fed expected to hold rates steady at 3.75%, but Powell's press conference commentary will be crucial.
- Jobless claims forecast uptick to 205K from 200K bears watching for labor market softening, though levels remain historically low.
- Core PPI steady at 3%/y/y (albeit rising moderately m/m). Inflation remains key metric to watch.

Date	Data Release	Previous	Forecast
Tue 27 Jan	S&P/Case-Shiller Home Price YoY	1.30%	1.20%
Tue 27 Jan	CB Consumer Confidence	89.1	88
Wed 28 Jan	Fed Interest Rate Decision	3.75%	3.75%
Thu 29 Jan	Initial Jobless Claims	200K	205.0K
Fri 30 Jan	Core PPI YoY	3.00%	3.00%

source: Trading Economics

### Upcoming Earnings Releases

- Microsoft's revenue beat expectation (\$80.3B vs \$69.6B prior) represents 15% growth - critical litmus test for AI monetization and cloud demand sustainability.
- Meta's acceleration to \$58.3B from \$48.4B (20% growth) demonstrates advertising resilience and AI infrastructure investments paying off, though valuation expansion warrants caution.
- Apple's projected \$137.2B quarter (up from \$124.3B) hinges on iPhone demand in China and Services growth-any miss could trigger sector-wide tech repricing given its index weight.
- Tesla facing revenue headwinds with \$25.0B forecast below \$25.7B a year ago, while EPS expectations remain depressed at \$0.44 - automotive demand weakness and margin compression continue.
- Energy sector showing divergence - Exxon expects revenue decline to \$81.3B from \$83.4B while Chevron projects sharper drop to \$47.6B from \$52.2B, reflecting softer crude prices and refining margins.
- Concentration risk evident with mega-cap tech (MSFT, META, AAPL) driving market direction - their combined performance will likely overwhelm broader earnings trends.
- Boeing's return to positive revenue (\$22.1B vs \$15.2B) marks production recovery, though still loss-making with -\$0.41 EPS.
- Healthcare giants United Health and HCA showing solid 12-13% revenue growth, providing defensive earnings growth amid economic uncertainty.
- Payment processors Visa and Mastercard projecting double - digit growth suggests consumer spending remains resilient despite confidence deterioration



Date	Company	Revenue Forecast	EPS Forecast
Tue 27 Jan	UnitedHealth (UNH)	\$113.4B	\$2.09
Tue 27 Jan	Raytheon Technologies (RTX)	\$22.7B	\$1.47
Tue 27 Jan	NextEra Energy (NEE)	\$6.8B	\$0.57
Tue 27 Jan	Boeing (BA)	\$22.1B	-\$0.41
Tue 27 Jan	United Parcel Service (UPS)	\$23.9B	\$2.18
Tue 27 Jan	General Motors (GM)	\$45.1B	\$2.18
Wed 28 Jan	Microsoft (MSFT)	\$80.3B	\$3.91
Wed 28 Jan	Meta (FB)	\$58.3B	\$8.19
Wed 28 Jan	Tesla (TSLA)	\$25.0B	\$0.44
Wed 28 Jan	IBM (IBM)	\$19.2B	\$4.32
Wed 28 Jan	ServiceNow (NOW)	\$3.5B	\$0.88
Wed 28 Jan	Lam Research (LRCX)	\$5.2B	\$1.16
Wed 28 Jan	AT&T (T)	\$32.9B	\$0.46
Thu 29 Jan	Apple (AAPL)	\$137.2B	\$2.67
Thu 29 Jan	Visa (V)	\$10.7B	\$3.13
Thu 29 Jan	Mastercard (MA)	\$8.8B	\$4.25
Thu 29 Jan	Caterpillar (CAT)	\$17.9B	\$4.64
Thu 29 Jan	Blackstone (BX)	\$3.7B	\$1.54
Thu 29 Jan	Southern Copper (SCCO)	\$3.6B	\$1.50
Thu 29 Jan	Lockheed Martin (LMT)	\$19.8B	\$6.65
Thu 29 Jan	Altria (MO)	\$5.0B	\$1.32
Thu 29 Jan	Sherwin-Williams (SHW)	\$5.5B	\$2.16
Thu 29 Jan	Royal Caribbean (RCL)	\$4.3B	\$2.79
Thu 29 Jan	Waste Management (WM)	\$6.4B	\$1.95
Fri 30 Jan	Exxon Mobil (XOM)	\$81.3B	\$1.65
Fri 30 Jan	Chevron (CVX)	\$47.6B	\$1.56
Fri 30 Jan	American Express (AXP)	\$18.9B	\$3.56
Fri 30 Jan	Verizon (VZ)	\$36.1B	\$1.08

source: Trading Economics

# LIGHTHOUSE CANTON

## Singapore

16 Collyer Quay #11-02  
Collyer Quay Centre  
Singapore 049318

☎ +65 67130570

## India

Unit No-104A,Worldmark  
2 Asset Delhi Aerocity,  
New Delhi 110037

☎ +91 9650473961

Unit No 507/508, A Wing,  
INS Tower, G Block, BKC,  
Mumbai- 400051

☎ +91 9650473961

## UAE

The Exchange Gate Village 11,  
Unit 802 Dubai International  
Financial Centre PO Box 507026  
Dubai, UAE

☎ +971 45 861500

1st Floor, WeWork37,  
Cunningham Cross Rd,  
SRT Road Vasant Nagar,  
Bengaluru-560001

☎ +91 9900096873

RK Swamy Centre, Hansa  
Building, Door No:3, Thousand  
Lights,  
Chennai-600006

☎ +91 9650473961

## UK

24 Hanover Square,  
London W1S 1JD

☎ +44 164 2843 487

Suite 502, Building 450, Central  
Plaza, Genome Valley,  
Shameerpet,  
Hyderabad 500 078

☎ +91 9650473961

Unit No FF-10, FF Floor, Pragya  
Accelerator, Block 15T GIFT CITY,  
Gandhinagar  
Gujrat-382355

☎ +91 9650473961

✉ info@lighthouse-canton.com

✉ service@lighthouse-canton.com

in Lighthouse Canton

## DISCLAIMER

The contents of this document are confidential and are meant for the intended recipient only. If you are not the intended recipient, please delete all copies of this document and notify the sender immediately.

This document, provided as a general commentary, is for informational purposes only and is not to be construed as an offer to sell or solicit an offer to buy any financial instruments in any jurisdiction. This does not constitute any form of regulated financial advice, and your independent financial advisor should be consulted prior to taking any investment decision(s).

This document is based on information from Sources which are reliable but has not been independently verified by Lighthouse Canton Pte Ltd and its affiliate companies ("LC"). LC has taken the reasonable steps to verify the contents of this document and accept no liability for any loss arising from the use of any information contained herein. Please also note that past performances are not indicative of future performance.

Information contained herein are those of the author(s) and does not represent the views held by other parties. LC is also under no obligation to update you on any changes made to this document.

This document is prepared by Lighthouse Canton Pte Ltd and its affiliate company, Lighthouse Canton Capital (DIFC) Pte Ltd, which are regulated by Monetary Authority of Singapore ("MAS") and Dubai Financial Services Authority ("DFSA") respectively. MAS and DFSA has no responsibility for reviewing, verifying and approving the contents of this document and/or other associated documents. The contents of this document may not be reproduced or referenced, either in part or in full, without prior written permission from LC.

This document is confidential and is only intended for Accredited Investors and/or Professional Clients, as defined by MAS and DFSA.