S&P 500 LEVELS TO WATCH: WALL OF WORRY

I could tell you about...

The Wall Of Worry

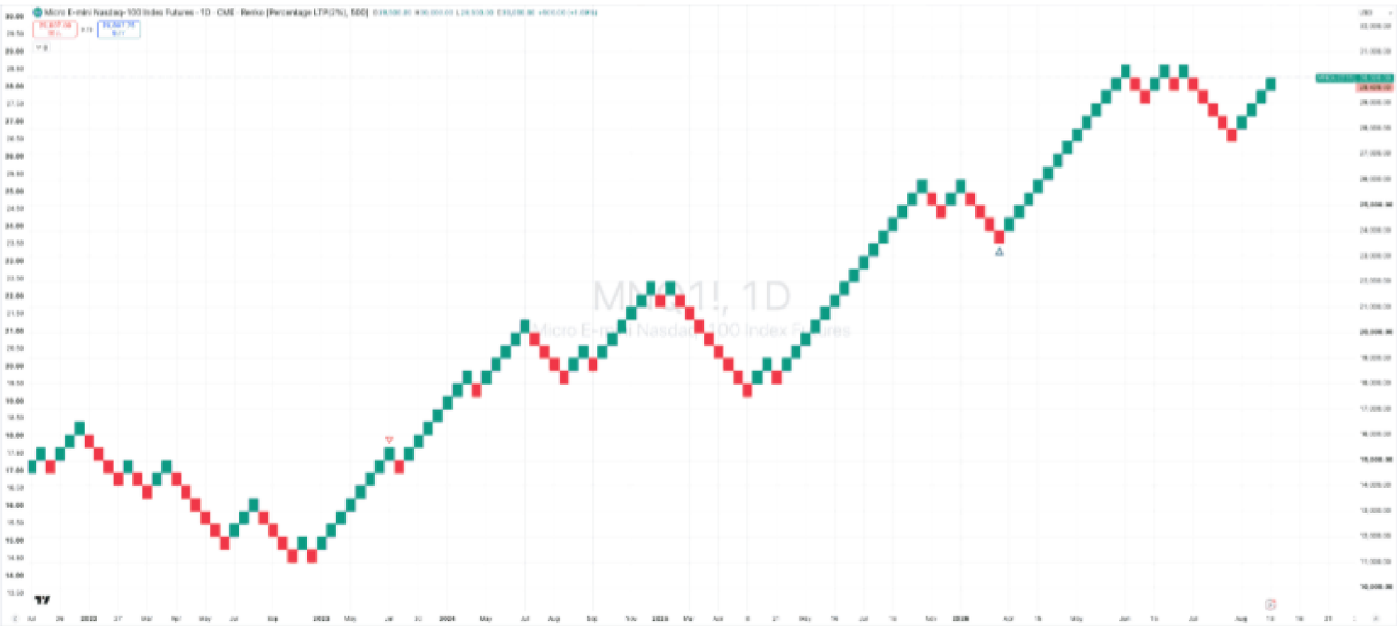
AUTHOR
Sunil Garg, *CMT*
Chief Investment Officer — Lighthouse Canton

THE WALL OF WORRY

I could tell you about US debt and deficits, European economic weakness, UK's macro travails, China's consumption struggles. The list goes on: bond market rout, Hormuz, tariffs, AI capex uncertainty, private credit, circular financing. **But you know this already, and so does the market.** *And it prices both the good and the bad efficiently.* Friday's post-payrolls rally showed exactly that. *The Teflon market is back.*

- Both at the index level and major tech names, are posed to challenge highs. Early days, but momentum is returning in tech names. The market is fickle - trailing stops are your friend (see below for key levels).
- Markets have climbed a “wall of worry”, not the setup that leads to sustained-sell-offs. *Arguably, the bearish narrative is in the price.*
- The market largely shrugged off strong payrolls - 16th Sep FOMC is still a coin-flip - **we lean towards a “hold”**. This week's inflation readings (PPI on 10th, CPI on 11th) will set the tone.

NASDAQ 100 FUTURES - RENKO CHART (1MN/ 2% BRICK)



source: Keensights, Lighthouse Canton

After spending a couple of months on the bench, tech and the markets appear ready to shake off summer blues. Broader indices have successfully defended support levels and moving averages. Major large caps are all showing signs of positive momentum.

S&P 500 - MUST DEFEND AND BLUE SKIES LEVELS

source: Keensights, Lighthouse Canton

7600 is a solid support level for bulls to remain in business. **Above 7800, it's blue skies.**

What's the risk? Failure to defend 7400 negates bullish agenda.

TECH VS. S&P - CAN IT BREAKOUT?

source: Keensights, Lighthouse Canton

Are we clearly out of the woods - not completely. Breadth needs to catch up, indices need to reclaim highs and tech needs to resume leadership. **It's early days, but signs are promising.** Markets can be fickle so set trailing stops and add to positions as highs get taken out.

LEVELS TO WATCH

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		Stop Loss		Above
S&P	7,719	7,400	7,800	7,800
Nasdaq 100	29,544	28,000	30,300	31,000
HSCEI	8,421	8,300	8700, 9000	9,600
SX5E	6,393	6,200	6,600	6,600
NVDA	230	210	235-236	236
MU	1,017	875	1,025	1,250
SNDK	1,740	1,400	1,800	1,800

source: Keensights, Lighthouse Canton

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OUR OFFICES

SINGAPORE

Singapore
16 Collyer Quay #11-02
Collyer Quay Centre
Singapore 049318
+65 6713 0570

UAE

Dubai
The Exchange, Gate Village 11
Unit 802, DIFC
PO Box 507026, Dubai
+971 4 586 1500

UNITED KINGDOM

London
24 Hanover Square
London W1S 1JD
+44 1642 843 487

INDIA

Mumbai
Unit 507/508, A Wing, INS Tower, G Block, BKC, Mumbai – 400051

New Delhi
Unit 104A, Worldmark 2, Aerocity, New Delhi 110037

Bengaluru
1st Floor, WeWork 37, Cunningham Cross Rd, Vasant Nagar, Bengaluru 560001

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

Hyderabad
Suite 502, Building 450, Central Plaza, Genome Valley, Shameerpet, Hyderabad 500078

GIFT City
Unit FF-10, Pragya Accelerator, Block 15T, GIFT CITY, Gujarat 382355

Kolkata
Camac Square, Unit 404A, 24, Camac Street, 4th floor, Kolkata, West Bengal 700016

info@lighthouse-canton.com
Lighthouse Canton