

03/26/2026

Weekly Webinar

INTRODUCTION – FOCUS ON FUNDAMENTAL ANALYSIS

An analyst for several decades

Senior Analyst - Value Notes

CFO - CPA firm, business consulting

Analyst - Motley Fool and Seeking Alpha

CFO - L Capital, family office, project analysis and capital allocation

At Fountainhead, we believe that investing in businesses, whether it's a massive Google or a startup with \$200Mn in revenues. Every business must be valued based on their fundamentals, irrespective of their daily price movements over which we have little control. But we do have analytical ability to analyze and value businesses and base our decisions on how well they perform. If you've been familiar with my work in the past year and a half, I really like to go for businesses which are market leaders, and have strong, competitive advantages, very strong balance sheets, and great margins which allows them to price their products or services way higher than the competition. To me the biggest incentive to invest in a company is its "moat" or significant competitive advantages. The term "moat" was coined by the great Warren Buffett signifying an unbreachable competitive advantage, like a deep moat surrounding a castle to keep out intruders. The hugely successful Peter Lynch, also placed a tremendous emphasis on investing only in great businesses and not worrying about the market.

Four examples of companies with great moats are Nvidia with its high-powered GPUs, Google with search, Taiwan Semiconductor with its manufacturing operations, and ASML with its EUV lithography machines, without which you cannot create a high-powered GPU.

CORRECTION OVERDUE – TECHNICALS LOOKING WEAK

- U.S. equities came under renewed pressure on March 26th, with the S&P 500 ([SP500](#)) dropping 1.7% to 6,477, continuing to stay below its closely watched 200-day moving average of 6,586.
 - It dropped below the average for the first time in 11 months on Thursday 19th March.
 - Previously, it had last dropped below this average during the April 2025 tariff fiasco and had stayed above it since.
 - The decline follows a sharp rise in Treasury yields across the curve, driven by the prospects of higher inflation from the war, reinforcing a higher-for-longer policy outlook. The 10-year is at 4.38 % today and the 30-year at 4.93%.
 - As the war drags on, should the index fall decisively below the 200DMA we're in for we're likely to see further downsides.
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CORRECTION OVERDUE – 200 DMA UPDATED

The 200 Day Moving Average is an important support level and very closely observed. It has been breached since 03/19/2026 and if broken decisively, often leads to a further correction.

At 6,522 we're currently 6.7% lower; the 10% correction goes all the way lower to 6,287.70.

The Nasdaq Composite at 10% drop from the high – already in a correction.

Could the S&P 500 follow suit? – its always less volatile than the Nasdaq and still has about 3% to go if it can't bounce back above the 200DMA.

Simply, we shouldn't be looking for a quick or easy rebound – and remain cautious.

	3/20/2026	03/26/2026	Change	Weekly Low	All Time High	Difference from high	10% drop from high
S&P 500	6,506.63	6,477.13	-0.45%	6,473.52	6,986.33	-7.29%	6,287.70
Nasdaq Comp	21,647.61	21,408.08	-1.11%	21,395.77	24,014.99	-10.86%	21,613.49
200 DMA Exp- S&P 500		6,593	Breached since 03/19	03/19/2026		In Correction	

CORRECTION OVERDUE – 200 DMA UPDATED

I posted about the breach of the 200DMA – we must watch this constantly.

The 200-day moving average is easily the most widely followed technical indicator in global financial markets, and the reason isn't clear; it's institutional. Even for many of us who focus on fundamentals, this technical indicator is still a very valuable metric to follow and keep track of. The 200 Day Moving Average is institutional as quant funds, pension funds, algo and programmatic traders, systemic funds, CTAs and risk managers all embed this level directly into their models. When the S&P 500 closes below it, it often activates and automates selling from desks that have nothing to do with earnings or fundamentals.

On March 19, the S&P 500 closed below its 200-DMA for the first time since April 2025. We need to follow how much of the breach could lead to just plain caution or sustained selling leading to a bear market . The S&P 500 has broken its 200-day moving average 153 times since 1957, and the returns that followed were mixed.

A key distinction between the wins and losses was the length of time we remained below the 200-day. **Short-term breaks were far more bullish, which is why the clock is ticking for President Trump in his war of words with Iran.**

CORRECTION OVERDUE – 200 DMA UPDATED

The key aspect of the 200DMA break is the level of its break and how long it lasts, and the other conditions which either exacerbate the fall or cushion it into caution or whipsaw it back into ongoing bullish (AI) narrative. As of now, we have more weakening conditions such as:

The further weakening of other technical indicators such as the Small Cap (The Russell 2000) indices and the Nasdaq Comp hitting 10% correction levels.

Oil prices 40% higher than a year ago.

The 10-year treasury at 4.4%, up significantly from 3.75%

The raging Iran conflict, which could become a quagmire.

Which suggests that we could be in for a bad spell, or a further correction.

In recent memory, the worst instances of the 200DMA sustained breaks resulted in bear markets and big drops of over 20%.

CORRECTION OVERDUE – 200 DMA UPDATED

Leading to further drops....

The Dot-com crash in 2000 - Up to 2 years

The Financial Crisis in 2008 - Up to 2 years

COVID crash in February 2020 - Could have lasted longer, if not for massive government stimulus.

The inflation cycle that began in January 2022, which lasted 9 months.

According to the author:

The average one-month return after the break: -5.3%. The average 12-month return: -4.0%. Not even one of these events posted a positive first-month return. Investors who bought the initial 200-DMA break in 2000 and 2008 were still underwater two full years later.

CORRECTION OVERDUE – 200 DMA UPDATED

External circumstances were heavy contributors for the sustained breaks. The bears were right.

In 2000, the Fed had mistakenly tightened aggressively to curb the irrational exuberance of the dotcom era with valuations at ridiculous extremes - **remember eyeballs as a substitute for revenues.**

In 2008, presaging and predicting the great financial crisis, when the housing market tanked and the banking system was effectively insolvent., before being bailed out by the government.

In 2022, the Fed was tightening at the fastest pace in 40 years trying to fight rampaging supply side and stimulus inflation - simply, trying to make up for being late by killing the economy.

The 200-DMA break in these cases confirmed a trend that had already shifted. It was a response to overbought conditions.

CORRECTION OVERDUE – 200 DMA UPDATED

In these instances, the bears were wrong according to the author: why?

The index also crossed below the 200-DMA on five other occasions. Notably, in every single case, the market recovered quickly and then launched sharply higher.

The fiscal cliff panic in November 2012 and the Ebola and oil scare in October 2014 lasted only days. The second China devaluation and oil collapse in January 2016 lasted just one month. The 10-year yield spike in October 2023 and the Liberation Day tariff shock in March 2025 were also false breaks. Again, the liberation day tariff was the first of the TACO trades that have defined this administration. The numbers from those five events stand in stark contrast to the sustained breaks. **Average 12-month return: +19.8%. The 2012 fiscal cliff break recovered so fast that the market returned over 28% over the following year.** The October 2023 break reclaimed the 200-DMA within weeks and ran +27.0% over 12 months. Crucially, once you get past the first month, every single brief whipsaw event posted positive returns at 3, 6, 9, and 12 months. The hit rate is 100% for investors who didn't panic-sell on those breaks. For those who did, it was among the most expensive decisions made in those market cycles. **The structural difference is what matters most.** In every brief break, the 200-DMA was still rising or flat when the price crossed below it. The long-term trend hadn't broken, as a sentiment shock had temporarily pushed the price below an intact baseline. Fear was already extreme at the moment of the break, which meant the contrarian setup was already in place. As of now the 200-DMA is still rising, and the long-term trend remains intact.

CORRECTION OVERDUE – 200 DMA UPDATED

S&P 500 Index (\$SPX)

6,510.50 -81.40 (-1.23%) 13:23 ET [INDEX/CBOE]

[Full Screen Chart](#)

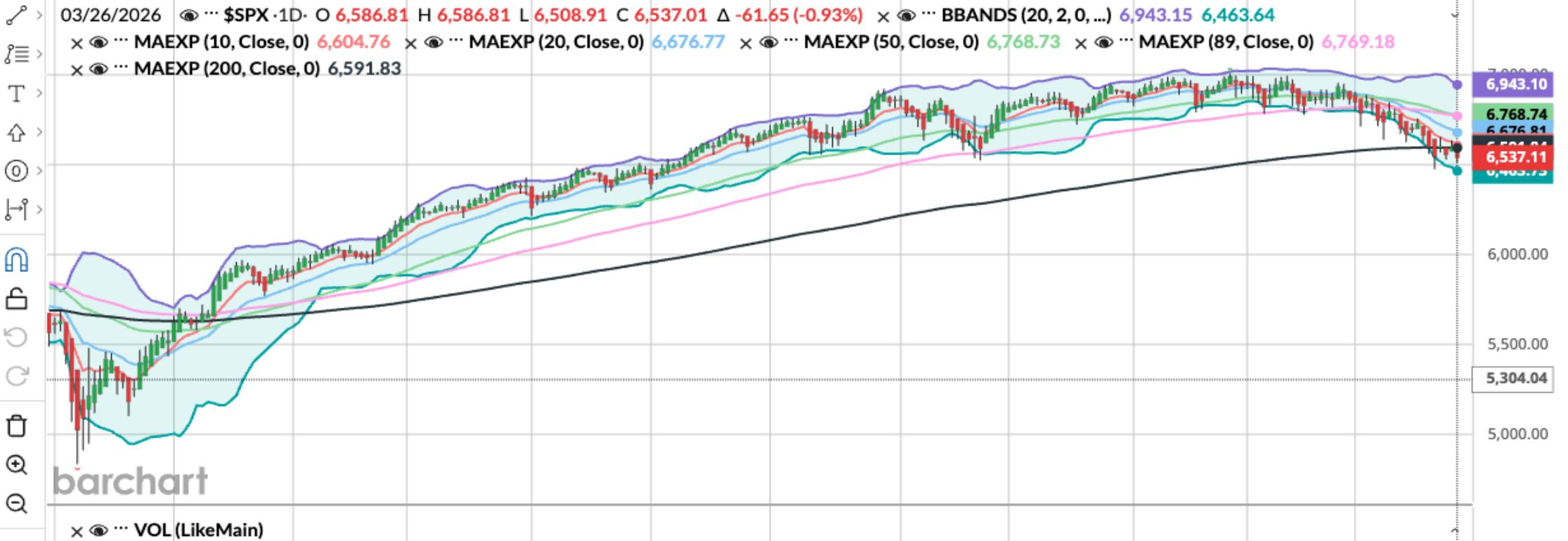
CHART for Thu, Mar 26th, 2026

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Symbol...

Daily 1-Year Indicators Compare f(x) 1x1

Templates



THE IRAN WAR – SKATING ON THIN ICE

The Iran war has driven investor sentiment, and I had hoped to see a strategic retreat from the US. However, in week 4 we're nowhere close to it. There are no indicators of any positive outcomes.

A lot of the economic damage has already been done.

Asia is facing shortages everywhere.

The gulf's storage capacity is getting full.

Distribution backlog will take months to clear.

All suggest that economic damage world-wide could be about a full quarter's worth of economic slowdown. In the US, so much inflation is entrenched and adding higher petrol, diesel and natural gas prices to this mix means hurting the consumer. It would be a mistake to under-estimate the damage to the economy.

THE IRAN WAR – SKATING ON THIN ICE

- **Key Takeaways:** From an investment standpoint, the key variable here is time. The longer it takes to reach an agreement that ends the conflict and reopens the strait, the more damage that occurs to the economy, **increasing the probability of an economic downturn later this year.** This gives Iran leverage in the negotiations, as they continued to launch missile and drone strikes on Wednesday, despite assertions that their military capabilities have been wiped out.
 - Meanwhile, gasoline prices have risen \$1 over the past month to a national average of \$4/gallon, diesel is up \$1.60 to \$5.37/gallon, and the selloff in Treasuries over deficit and inflation concerns has increased interest rates, driving mortgage rates from just under to well over 6%. Costs for materials and other inputs are rising for businesses at the fastest pace since the energy spike that occurred when Russia invaded Ukraine in 2022. The rate of inflation will rise in coming months, and the rate of economic growth will slow in a spat of stagflation that this President can't afford in advance of a heated midterm election. This is the war that Iran is starting to win, and it has nothing to do with the battlefield.
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THE IRAN WAR – ASSESSING THE DAMAGE

It's a small miracle that oil's "just" ~\$100 and the S&P's still north of 6500 considering the momentous nature of the U.S. and Israel's actions in the Mideast this month.

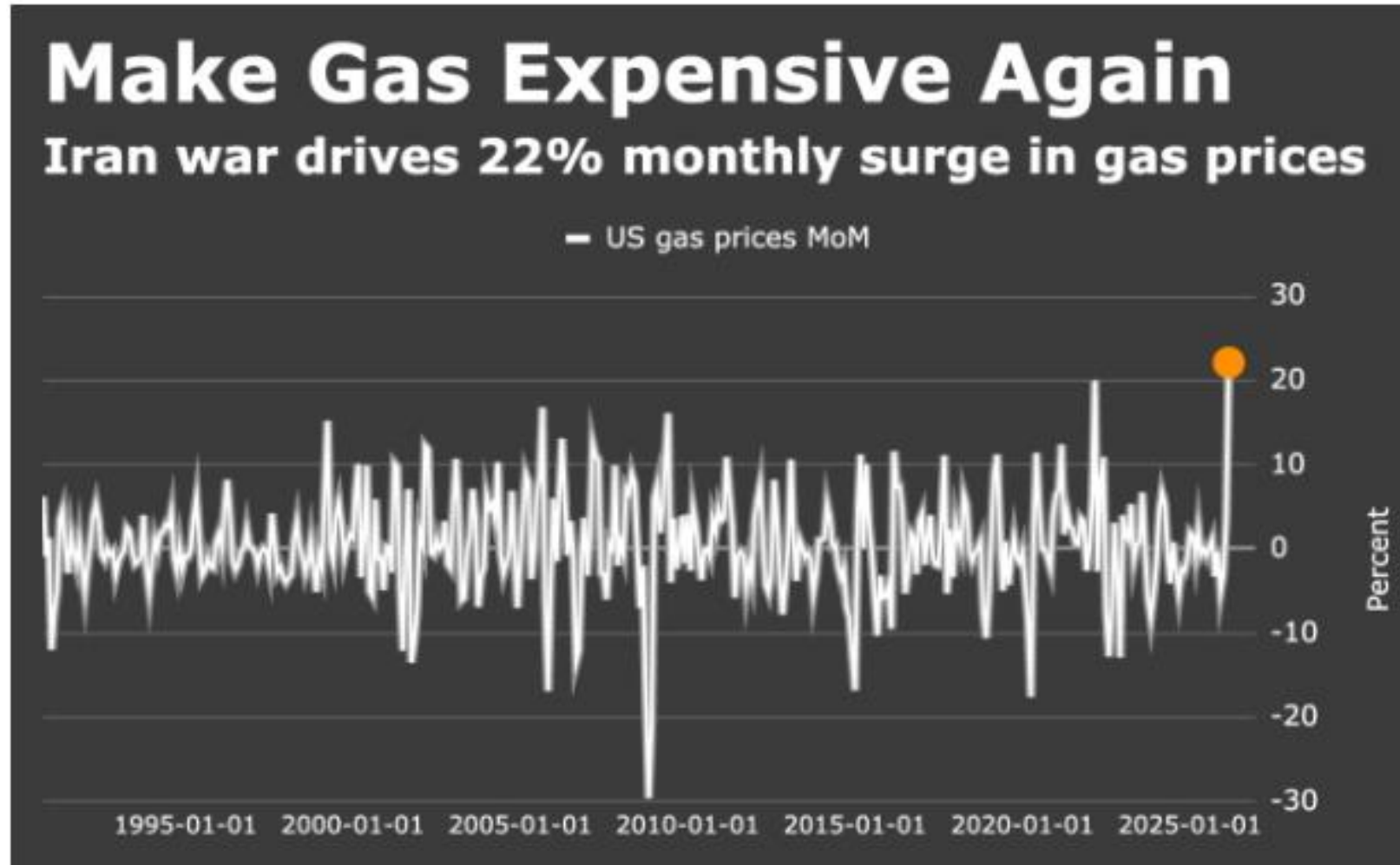
The problem is that the government has not yet mitigated the suffering that's he's caused at the pump for Americans already struggling to make ends meet. Worse, high oil translates into higher prices with some economists calling for 4-5% inflation this year.

In its periodic update of economic conditions, the Organization for Economic Cooperation and Development forecast all-items inflation in the U.S. to be at 4.2% for 2026.

The forecast is a sharp step up from the prior projection of 2.8%. Moreover, it is much higher than the 2.7% Fed officials estimated when they updated their own forecasts last week.

The organization cautioned that the Fed and its global counterparts "need to remain vigilant" against inflation threats.

THE IRAN WAR – ASSESSING THE DAMAGE



THE IRAN WAR – RETAILER TRADERS BAILING OUT

Bloomberg: Day trader fatigue

Retail investors, the most reliable dip buyers in the US stock market, might be turning into sellers.

Mom-and-pop traders on Monday notched their first day of net selling of single stocks since 2023, dumping \$20.6 million worth of shares, data from Vanda Research shows. That came as the S&P 500 rallied after President Trump eased back on his Iran rhetoric.

Demand from this segment had been subsiding steadily as the Iran conflict drags on. And though they were back to buying on Tuesday, the hint of ebbing enthusiasm from a group that's pounced on every pullback over the past few years is worrisome.

Another data point: A Citadel Securities gauge of retail's risk appetite has declined sharply from February highs. "The trend since the start of March has been one of gradually receding retail participation," said Ruta Prieskienyte of Vanda.

Retail's buying power has helped stabilize markets during bouts of volatility across the three-year bull market. Cooling interest from the investor group could spell trouble considering its growing influence on Wall Street

PRIVATE CREDIT WOES

Bloomberg: Two of the biggest names in private credit, [Ares Management Corp.](#) and [Apollo Global Management Inc.](#), blocked investors from getting even half of the money they wanted out of their funds, a sign of mounting strain in the \$1.8 trillion market.

The \$10.7 billion [Ares Strategic Income Fund](#) limited withdrawals to 5% of shares after clients sought to redeem 11.6%, according to a [letter](#) to shareholders Tuesday. That followed the \$15.1 billion business development company, [Apollo Debt Solutions](#), which said Monday it was imposing the same cap after requests to pull 11.2%.

Combined, the two firms' caps mean that roughly \$1.5 billion worth of redemptions will be blocked and remain invested in the funds.

The redemption requests, larger on a percentage basis than those earlier this month from [Blackstone Inc.](#) and [BlackRock Inc.](#), suggest that investors are growing anxious about a liquidity squeeze in the illiquid private credit market.

THE CORRECTION IN M-7 STOCKS IS ANYTHING WORTH BUYING?

The M-7 drops

Still monitoring, but if I buy it would likely be Apple.

Symbol	Company	52 Week High	Price	Drop %	Accumulate Range
GOOG	Alphabet	350.15	281.79	-19.52%	260-270
AAPL	Apple	288.62	254.38	-11.86%	245-250
AMZN	Amazon	258.6	208.46	-19.39%	195-2025
META	Meta	796.25	548.29	-31.14%	*****
MSFT	Microsoft	555.45	366.88	-33.95%	*****
NVDA	Nvidia	212.19	172.76	-18.58%	165-175
TSLA	Tesla	498.83	375.94	-24.64%	*****
AVGO	Broadcom	414.61	310.91	-25.01%	310-320

MARKET STRATEGY – SELECTIVE BUYING .

Assessing these stocks:

Symbol	Company	52 Week High	Price	% Drop %	Accumulate Range
ABBNY	ABB	\$93.40	\$81.44	-12.81%	75-80
ANET	Arista Networks	\$164.91	\$124.51	-24.50%	120-125
ATEYY	Advantest	\$195.42	\$138.81	-28.97%	130-135
AXP	American Expre	\$387.49	\$297.08	-23.33%	285-295
BE	Bloom Energy	\$180.84	\$132.96	-26.48%	135-140
DASH	DoorDash	\$285.50	\$151.81	-46.83%	145-150
DUOL	Duolingo	\$544.93	\$98.69	-81.89%	95-100
FIG	Figma	\$142.92	\$21.59	-84.89%	20-22
GEV	GE Verona	\$894.93	\$879.24	-1.75%	850-860
GME	GameStop	\$35.81	\$22.50	-37.17%	22-23

MARKET STRATEGY – SELECTIVE BUYING .

Symbol	Company	52 Week High	Price	% Drop %	Accumulate Range
JPM	JP Morgan Cha	\$337.24	\$291.85	-13.46%	260-270
MU	Micron	\$471.34	\$356.21	-24.43%	Re-assessing
NBIS	Nebius	\$141.10	\$106.24	-24.71%	100-105
NET	Cloudflare	\$260.00	\$210.88	-18.89%	190-200
NFLX	Netflix	\$134.12	\$92.89	-30.74%	85-90
RYCEY	Rolls Royce	\$18.98	\$15.46	-18.55%	15-15.25
SHOP	Shopify	\$182.19	\$116.72	-35.94%	115-120
VRT	Vertiv	\$276.78	\$254.56	-8.03%	250-255
ZS	ZScaler	\$336.99	\$141.90	-57.89%	140-145

STOCKS – AMERICAN EXPRESS

American Express (AXP) \$280-300

AXP's biggest positives are its fee income from its credit card network from merchants, and its premium brand which has survived decades - a premium credit card which also gives it credit risk protection from lower risk, higher income customers.

Travel services, travel branding and global recognition is another positive.

I don't see its premium multiple declining, it deserves a higher-than-average multiple.

American Express too has fallen 20% from its highs but has performed well with a 14% increase in the past year, 108% increase in 5 years and 396% in the past 10.

This is a solid all - weather buy and hold defensive, 10-12% annual returns + a 1.5% dividend yield are very likely. One can buy and average lower on declines. The big challenge will remain revenue growth at only 9%, which is lower than Capital One and more aggressive players, but earnings growth of over 14-15% a year is higher. Amex quotes 17x earnings growing at 15% so the valuation is OK, I don't see it coming down too much from here.

STOCKS – MICRON

Micron is facing headwinds. Even with stellar earnings the stock has dropped 23%. But Wall Street analysts have unanimous price target upgrades following the report. For its fiscal second quarter, the company saw sales rise by 196% from a year earlier, while adjusted earnings-per-share soared 682%. The company set records up and down its income statement, including a never-before-achieved gross profit margin of 74%. What's more, the company projected that growth would accelerate in the current quarter with gross margin hitting 81%, surpassing even industry leader [Nvidia](#). This is the kind of profitability usually seen only by software companies, not resource-intensive chip makers. But this time may be different. Unless the artificial-intelligence data center boom grinds to a halt, memory and storage chips will continue to see unprecedented shortages. Chip prices have skyrocketed, and that's why Micron's gross margin is so high. Though the shortage is based around high-end chips for data centers, it's having ripple effects across industries, with global smartphone shipments projected to drop 12% in 2026, to the lowest level since 2013.

STOCKS - MICRON

“The core driver is a rapidly worsening memory supply crunch,” market research firm Counterpoint Research said in a recent report. It expects second-quarter prices for memory used in smartphones to nearly triple from the third quarter of last year when the shortage began taking shape. IDC, another research firm, projects that the average selling price for smartphones will increase by 14%.

Micron is using its new market power to push customers into five-year supply agreements that will smooth out its sales, inventory, and pricing cycles. During the company’s earnings call last week, CEO Sanjay Mehrotra revealed that the first of these contracts had been signed.

But many investors are still seeing Micron through the lens of past experiences. For highly cyclical companies, the best time to buy the stock is when things have gone from terrible to very bad. The best time to sell is when pricing and gross margin are peaking, and it’s easy to believe that a 81% margin counts as peak. Countless investors bear the scars from mistiming the cycle. “They’ve been positioned the wrong way at some point on Micron,” says Stifel Nicolaus analyst Brian Chin. “I think there’s sort of PTSD.” Chin has a Buy rating and a \$550 price target for Micron stock.

STOCKS - MICRON

What makes this cycle different is the historic investment in AI data centers, which contain massive amounts of memory and storage chips.

And there's no help on the way, at least not soon. Micron and its biggest competitors, [Samsung](#), won't have any substantial new manufacturing capacity come online until the middle of 2027, with more due the following year.

“What typically snuffs out a cycle is 12-month supply growth, and it's pretty fixed at this point,” Chin says.

“Our view is that memory undersupply will get worse in 2027, not better, and that earnings power will continue to push higher,” says Cantor Fitzgerald analyst C.J. Muse. “They're going to earn \$100 a share by calendar 2027, if not sooner.”

That would put Micron's forward price-to-earnings ratio at around four. Muse says that the stock has historically peaked at around six or seven times forward earnings, giving shares plenty of room to run.

STOCKS – MICRON

Muse has a \$700 price target and a Buy rating on Micron stock.

Muse and Chin aren't alone in their bullishness. Some 31 analysts tracked by FactSet issued research notes following Micron's second-quarter earnings report, and 29 of them hiked their price targets, to an average of \$550. Three months ago, after Micron's first-quarter earnings report, the average price target was just \$313.

“If they can continue to grind out higher earnings, the stock price can grind higher, especially if people are underappreciating how long this can last,” Chin says.

I am assessing Micron very closely and may buy it around \$300-\$325, I think while it could have some downside left, there is still a lot of room in the AI supercycle, which makes this stock cheap.
