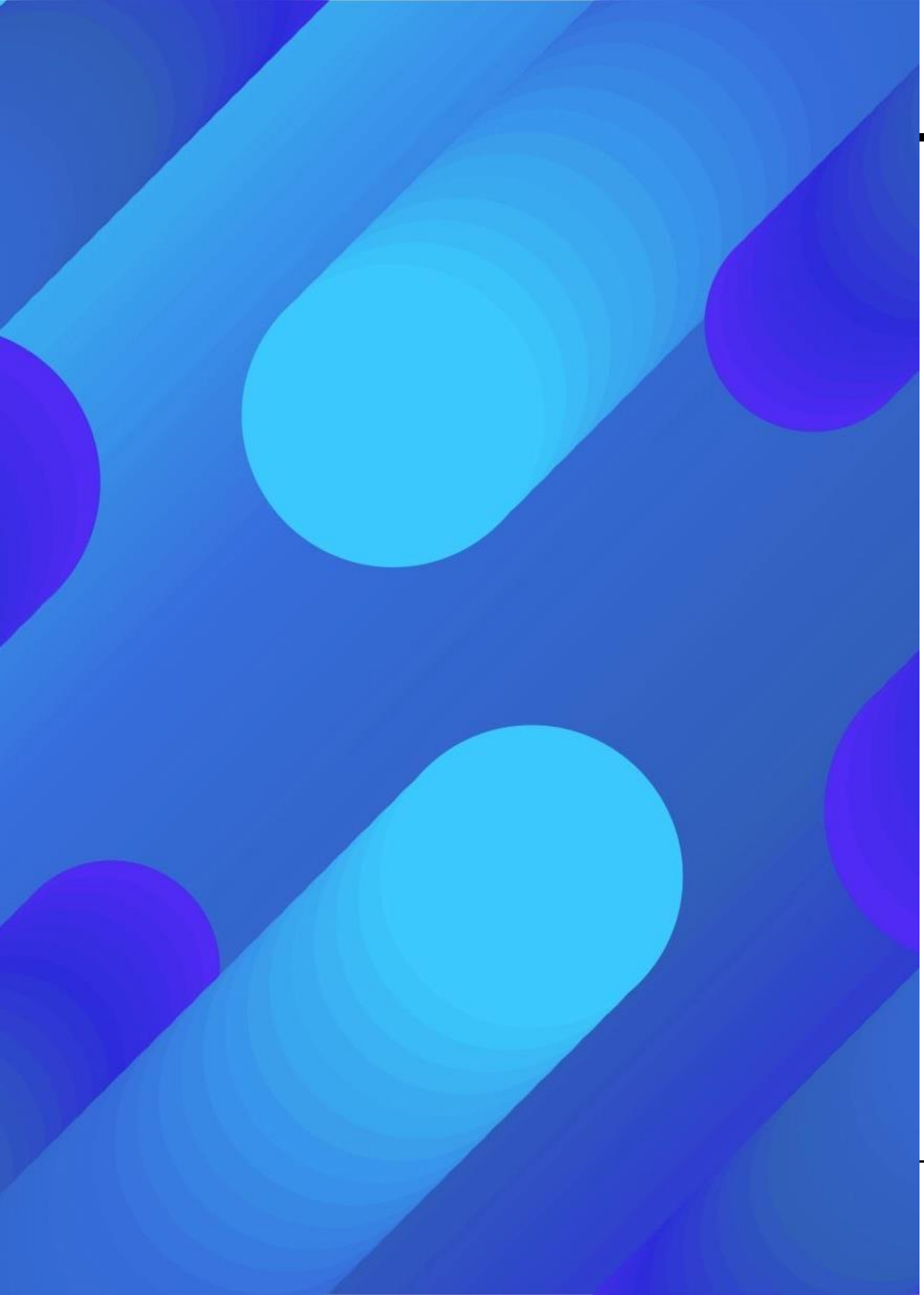

04/09/2026

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.

THE S&P 500 BOUNCE BACK CONTINUES

What a strong bounce back! After an ostensible "Cease-Fire" was declared for two weeks, the momentum has remained extremely strong. As of Thursday morning, the S&P 500 has bounced back 3.04% this week, and 7.38% from its low. And it has done with high volume, on the back of systematic or computerized trading.

At present, the S&P 500 is comfortably 2.95% above its 200DMA of 6,588, which should provide a strong support level for the market.

I believe the trend will continue for another 2- 4 weeks for the initial busy earnings seasons, with a possible double top for the S&P 500 at 7,000, about 4% higher.

	4/3/2026	04/09/2026	Change	Weekly Low	All Time High	Difference from high	High to Low	Bounceback	10% drop from high
S&P 500	6,582.70	6,782.83	**3.04%**	6,316.91	6,986.33	**-2.91%**	-9.58%	7.38%	6,287.70
Nasdaq Comp	21,879.18	22,635.00	**3.45%**	20,690.25	24,014.99	**-5.75%**	-13.84%	9.40%	21,613.49
200 DMA Exp- S&P 500		**6,593**	**Breached since**	**03/19/2026**	**Current 200 DM**	**6,588.48**		**2.95%**	

S&P 500 BOUNCE BACK – TECHNICAL REASONS

Where do we go from here? BEARS RUNNING FOR COVER

The Quants are in charge - A massive barn burner of a rally triggered by mechanical flows, volatility reset and momentum. Basically, short covering with oversold conditions.

The face ripping rally, which started from yesterday's lows after rumors, and news of a possible cease-fire started spreading out was largely driven by computerized trading.

The VIX (volatility index) trading universe, which uses the VIX index and VVIX, (a derivative of the VIX) as a trigger to trade, led the market rip strongly to the upside this morning.

It started with the VIX topping out at 28 yesterday and in a short 24 hours has fallen to 21, a huge drop of 25%! During the last two weeks of the Iran war, systematics (a broad cohort of computerized and algorithmic traders) were forced to cut exposures to equities. When the sudden cease fire was announced, they had to reverse positions, cut their losses and rush to the exits to avoid missing out on a rally.

S&P 500 BOUNCE BACK – TECHNICAL REASONS

Where do we go from here?

Remember this kind of trading is not decided by analysts – instead, pre-set rules and conditions trigger trades in nano seconds. Simply, they had to re-leverage.

On Nomura's estimates, trend followers could add $20 billion of equity longs based on the mid-week surge in global shares and, as the bank's Charlie McElligott wrote, even a move back into "just a '20 iVol' world would see vol target overlays reallocating into equities. Mechanical forces in the equities vol market can't have a view on ceasefire 'winners' and 'losers,'" McElligott reminded investors. They "have to trade" the knock-on effect as downside hedges go OTM (Out of The Money.)

For the short-term, expect this rally to continue if the VIX stays relatively muted, which could be punitive for heavy "macro – doomers" and systematic shorts, as the volumes have been tremendous on the buy side / upswing.

S&P 500 BOUNCE BACK – TECHNICAL REASONS

Where do we go from here?

Market breadth has strengthened notably, with more than 75% of S&P 500 (SP500) constituents now trading above their 20-day moving average—marking the most robust participation since November. The broad-based advance reflects improving short-term momentum across equities.

Gains accelerated midweek following a sharp rally on Wednesday, driven by news of a conditional ceasefire between the United States and Iran. The development eased geopolitical tensions and supported risk appetite, helping fuel widespread buying activity.

As a result, several stocks have delivered outsized moves, contributing to the market’s upward push. The latest data highlights the top 20 S&P 500 performers over the past week, underscoring how leadership has expanded beyond a narrow group and into a more diverse set of sectors.

S&P 500 BOUNCE BACK – THE CEASE FIRE

Where do we go from here?

A“ New Normal” strategy.

I think a part of economic effects of the Iran war such as higher oil prices, and supply chain disruption, is already reflected in the S&P 500, but should disruptions such as safe passage, de-logging of storage, restoration and resumption of destroyed LNG facilities, and other critical supplies get further pushed out we would see the index teetering once again.

The bears have covered in a big way, because the short positions were extreme, now investors need to come back.

But the potential for further escalation and shaky, flimsy détente will remain a threat, as a “new normal”. Murky, volatile and not fully reflected – right now we are in the systematic trade, along with FOMO trade catching up going into earnings.

As we near the Oct 30th top of 6,986, we should see signs of profit taking and hedges being built.

S&P 500 BOUNCE BACK – THE CEASE FIRE - CHINA

Where do we go from here?

China's role is crucial and a big positive – a counter-balance helps restore economic stability. Past the politics, economic stability is the goal here and if I read this correctly, at minimum China wants oil supplies to continue.

Occam's razor – the simplest solution or the solution with the fewest assumptions or variables is often the correct solution.

Xi Helps Trump on Iran War as China Assists With Ceasefire Bid

It became apparent one country had enough clout to convince Tehran to deescalate: America's biggest rival, China.

Iranian officials reportedly credited a last-minute push by China with securing their acceptance, and Pakistani Prime Minister Shehbaz Sharif thanked China for its support, while the White House said Beijing's role in the truce took place at the "top levels" of the US and Chinese governments.

S&P 500 BOUNCE BACK – THE CEASE FIRE CHINA

The decision to step in reflects Beijing’s ability to straddle strong ties with Iran, Gulf nations and Trump. The shift came down to economics, as the conflict risked disrupting China’s energy supplies, with data showing a slowdown in industrial output and exports in the month after the US and Israel triggered the war. China acted because the war in Iran was directly threatening the economic conditions it depends on for growth and political stability at home. Trump publicly crediting China is precisely the kind of political capital Beijing wanted ahead of a rescheduled summit.

A pause to the fighting would smooth Trump’s visit to Beijing next month, with China’s role leaving the US leader in debt to his Chinese counterpart. For Beijing, however, wading into negotiations over a war with no easy resolution carries risks, even if that action is limited to behind-the-scenes pressure on a friend reliant on Beijing’s support. China is Iran’s largest trading partner and the primary buyer of its oil.

Pakistani officials reportedly told the Guardian that while Islamabad acted as mediator in recent talks, **China functioned as “guarantor,”** promising Iranian officials they wouldn’t be assassinated during any future negotiations. It’s unclear how Beijing would offer such an assurance, or the motivation for doing so given the repercussions should something then go wrong.

That move could help calm tensions in Islamabad ahead of the first round of planned Iranian-US talks in the Pakistani capital on Saturday, with Vice President JD Vance leading the American delegation.

PERSONAL CONSUMPTION EXPENSE

The Core PCE Price Index, a measure closely watched by the Federal Reserve, rose +0.4% M/M in February, the same rate of increase as in January and slightly more than the +0.3% consensus, according to data released by the Bureau of Economic Analysis on Thursday.

On a year-over-year basis, that translates to a 3.0% increase, higher than the 2.9% consensus and cooling slightly from the 3.1% rise in the prior month. Still, the number shows that inflation remains well above the Fed's 2% target, a threshold it has exceeded for about five years.

The central bankers prefer to use core PCE to track underlying inflation trends because it excludes food and energy, which can swing widely from month to month.

Including food and energy, the headline PCE Price Index rose 0.4% M/M in February, in line with the consensus, and up from +0.3% in the prior month. That comes to a 2.8% increase Y/Y vs. the +2.8% consensus and +2.8% in January.

Personal outlays, or consumer spending, increased 0.5% M/M, in line with the consensus, and up from +0.4% in the prior month, according to the BEA data.

PAYROLLS UPDATE NONFARM PAYROLLS

Nonfarm payrolls rose 178,000 last month, the most since the end of 2024, after a sharper decline in February, according to Bureau of Labor Statistics data out Friday. That was higher than all estimates in a Bloomberg survey.

The unemployment rate fell to 4.3%.

U.S. nonfarm payrolls in March: +178K vs. +51K consensus and -133K prior (revised from -92K), according to data released by the Bureau of Labor Statistics on Friday.

Unemployment rate: 4.3% vs. 4.4% consensus and 4.4% prior.

Economists had widely expected a rebound in employment in March after a strike by more than 30,000 health care workers and severe winter weather contributed to an outsize decline in February. The solid increase will likely reinforce the Federal Reserve’s focus on inflation risks amid a rapid run-up in energy prices sparked by the war in the Middle East.

Average hourly earnings rose 0.2% M/M, against the consensus of 0.3% and 0.4% in the previous month. The March earnings equate to a 3.5% Y/Y increase vs. the 3.8% consensus and 3.8% seen in the previous month.

PAYROLLS UPDATE NONFARM PAYROLLS

At 178,000 jobs gained, it beat consensus estimates of 51,000 handily, but the previous payroll of -92,000 jobs, was revised downward to -133,000. The three-month average, which thankfully makes sense of these revisions has smoothened to a 68,000 net gain.

We’ll take it, job gains are precious.

The optimistic case is that the war and the resulting supply-chain disruptions don’t last much longer, limiting the damage to hiring.

The pessimistic case is that a prolonged conflict sends price shocks rippling through fertilizers, industrial chemicals and semiconductor production. Higher costs for employers and consumers could squeeze the spending that supports new hiring.

EARNINGS SEASON

Overall, Highest Number of S&P 500 Companies Issuing Positive EPS Guidance in 5 Years

110 S&P 500 companies have issued quarterly EPS guidance for the first quarter. Of these companies, 51 have issued negative EPS guidance and 59 have issued positive EPS guidance.

The number of companies issuing negative EPS guidance is below the 5-year average of 61 and below the 10-year average of 60. Overall, this marks with the lowest number of S&P 500 companies issuing negative EPS guidance for a quarter since Q4 2021 (51).

On the other hand, the number of companies issuing positive EPS guidance for the first quarter is above the 5-year average of 44 and above the 10-year average of 40. In fact, this marks the highest number of S&P 500 companies issuing positive EPS guidance for a quarter since Q2 2021 (66).

EARNINGS SEASON

As a result, the percentage of companies issuing positive EPS guidance is 54% (59 out of 110), which is above the 5-year average of 42% and above the 10-year average of 40%. This quarter marks the highest percentage of S&P 500 companies issuing positive EPS guidance for a quarter since Q3 2021 (57%).

What is driving the higher number of S&P 500 companies issuing positive EPS guidance? At the sector level, the Information Technology sector has the highest number of companies issuing positive EPS guidance of all 11 sectors at 33. This number is well above the 5-year average of 22.5 and well above the 10-year average of 19.6 for the sector.

In fact, this quarter ties the mark with the previous quarter for the second-highest number of companies in the Information Technology sector issuing positive EPS guidance for a quarter since FactSet began tracking this metric in 2006. The current record is 36, which occurred in Q3 2025.

EARNINGS SEASON

At the industry level, the Semiconductors & Semiconductor Equipment (10) industry has the highest number of companies issuing positive EPS guidance within the Information Technology sector.

Outside of the Information Technology sector, the Consumer Discretionary, Industrials, and Materials sectors have more companies using positive EPS guidance for Q1 2026 relative to their 5-year and 10-year averages.

In addition, 77 S&P 500 companies have issued positive revenue guidance for Q1 2026, which is the highest number since FactSet began tracking this metric in 2006. The previous record was 71, which occurred in Q1 2021. Similar to EPS guidance, the Information Technology sector has the highest number of companies issuing positive revenue guidance of all 11 sectors at 47. This number also marks the highest number of companies in the Information Technology sector issuing positive revenue guidance for a quarter since FactSet began tracking this metric in 2006. The previous record was 45, which occurred in Q2 2021.

STOCKS

Trades last week

Bought Advantest (ATEYY) $133.42

Bought Microsoft (MSFT) $365

Bought Micron Technology (MU) $325

Bloom Energy (BE) $132.72

Bought American Express, (AXP) $300.94

Bought Reddit (RDDT), $126.62

Bought Netflix (NFLX) $94.75

Bought Nebius (NBIS) $97

Bought Nokia (NOK) $7.95

Bought Vertiv (VRT) $237.77

STOCKS

Trades this week: 04/08/2026

With the cease-fire news It looks like we are seeing risk coming back on as we head into earnings. the S&P 500 opened with a gap of 2.5% and blew past its 200 DMA this morning. The 10-year yield is down to 4.25% from its March 28th high of 4.49%, US crude is down 20%.

I'm expecting earnings to be quite solid, and pent-up demand will go to beaten down stocks.

Trade Alert: Bought Broadcom (AVGO) $349 added more, the partnership with Google and revenue growth is being underestimated, this stock can return 15-18% per year going forward for the next 3-5 years.

Trade Alert: Bought Nokia (NOK) $9.11 - I don't want to add beyond $10 for now.

Trade Alert: Bought Rocket Labs (RKLB) $71.9 - Buying back shares sold earlier

Trade Alert: Bought Pure Storage (PSTG) $65.59 Reducing my average cost.

Trade Alert: Bought Rubrik (RBRK) $55.60 - Reducing my average cost.

Trade Alert: Bought Roblox (RBLX) $60.34 - Reducing my average cost.

STOCKS

Anthropic’s numbers suggest that AI is booming and they do not have enough capacity and are desperate for more.

Going for enterprise software solutions was key, and while it has led to the SaaS apocalypse, it is a huge boon for chip makers, data centers and neo clouds – the whole AI eco system.

This is great for the entire AI industry, especially Broadcom, Marvell, Nebius, Coreweave, photonics providers, scaling up and scaling out infrastructure companies like Coherent, Lumentum, Credo, Arista Networks and so on.

I continue to focus on this sector. Should be see big Capex spenders not making enough revenue, it would be a red flag.

STOCKS

This is from The information - it shows Anthropic galloping ahead.

Rapid Revenue Growth
Massive Gains: Anthropic is generating over $30 billion in annualized revenue, up from $19 billion just a month ago and tripling its year-end 2023 levels.
Beating Projections: The company has already surpassed its conservative year-end goal of $28 billion and is on track to hit its $32 billion projection eight months early.
Surpassing OpenAI: Anthropic has likely overtaken OpenAI in annualized revenue, as OpenAI’s revenue sat at approximately $25 billion at the end of February.
Accounting Differences
Revenue Recognition: Anthropic counts 100% of the sales made through partners like Amazon and Google as revenue.
OpenAI Contrast: OpenAI only counts 20% of sales through Microsoft Azure as revenue. However, experts suggest that even if OpenAI used Anthropic’s accounting methods, it would only bridge the gap by a few billion dollars.

STOCKS

Future Potential and Risks

Path to Profitability: Anthropic may become cash-flow positive by 2028—two years earlier than OpenAI's projection—and could potentially go public as early as Q4 of this year.

Operational Challenges

Compute Demands: To sustain growth, Anthropic needs massive server capacity. It recently secured a deal with Broadcom and Google for gigawatts of capacity and aims for 10 GW total in the coming years.

Margin Pressure: Rapid growth has led to spiked "inference costs" (the cost of running the AI), which caused gross margins to be 10 percentage points lower than expected last year.

Competitive Pressure: Anthropic's success is forcing OpenAI to pivot, leading OpenAI to cancel "cash-burning" projects like the Sora video app to focus on business customers.

What could stop Anthropic now? The maker of the Claude chatbot said Monday it is generating more than $30 billion in annualized revenue, up from $19 billion about a month ago and more than triple its year-end level. At that pace, the company is on track to surpass its mid-December projection of $32 billion in annualized revenue by the end of this year—and could do so eight months early!

STOCKS – OUTLOOK FROM SAVITA SUBRAMANIAN

Savita Subramanian

On CNBC today

All current market indicators point to a “classic stagflationary market environment,” characterized by slowing consumer activity alongside surging inflation-linked sectors, according to Savita Subramanian, head of U.S. equity and quantitative strategy at BofA Securities.

The strategist shared her analysis in an interview with CNBC following a volatile period that has seen the S&P 500 (SP500) nearly round-trip its gains for the year.

Subramanian noted that investors are confused by the underperformance of traditionally defensive sectors like healthcare (XLV) and consumer staples (XLP) during what appears to be a potential recessionary environment.

Instead, the market is seeing a “monstrous rally in some of the inflation beneficiaries like industrials (XLI) and energy (XLE),” she said, which she views as the hallmark of stagflationary conditions.

STOCKS – OUTLOOK FROM SAVITA SUBRAMANIAN

The dramatic shift in investor positioning has been notable, with market participants pivoting into energy (XLE) after being significantly underweight at the start of the year. **Subramanian highlighted that industrials (XLI) are now trading at the "highest multiple we've seen in decades," contributing to what she described as "a lot of crosscurrents that are telling you different things."**

The financial sector (XLF) presents a more complicated picture, according to Subramanian, as geopolitical conflict combines with what feels like a "mini credit cycle" to create pain in the sector. She recommends adding exposure to financials now, arguing that there are no signs of a broad credit cycle impacting the larger banks.

Subramanian cautioned against applying the 2008-2009 financial crisis playbook to current conditions, noting that credit extensions over the past decade have come primarily from regional banks and private lenders rather than major institutions.

"We're at a point where some of these areas of financials that did poorly in '08 and '09 are actually much more bolstered and fortified today," she said, adding that investors are "throwing the baby out with the bathwater" when it comes to large financial institutions with healthy balance sheets.

On the software sector (IGV), (XSW), Subramanian expressed caution despite beaten-down valuations, noting that "the market is telling us that revisions could be potentially weaker."

She said the sector is "incredibly inexpensive," but investors need clarity on run-rate earnings before buying in, as analysts have yet to begin cutting estimates.

STOCKS

Broadcom (AVGO) shares gained more than 3% in premarket trading on Tuesday after it disclosed it had signed a long-term deal with Google (GOOG) (GOOGL) to develop its custom artificial intelligence chips, known as tensor processing units.

The deal, which runs through 2031, will be for Google's future generations of TPUs, Broadcom said in a filing. It will also include a supply assurance agreement for Broadcom to supply networking and other components to be used in Google's next-generation AI racks through up to 2031.

Citi analyst Atif Malik said with the announcement, there is the possibility of "upside" to Broadcom's AI revenue target of $100B to $130B. He reiterated his Buy rating and $475 price target on Broadcom following the news.

Separately, the two companies signed a deal with Anthropic (ANTHRO) to provide the maker of the Claude chatbot with multiple gigawatts of next-generation TPU capacity starting in 2027.