

Have Stocks Bottomed?

It's been quite a week, but **the S&P 500 closed last week up 3.56%**. This despite investors having begun the week confronting threats by President Trump that 'a whole civilization [would] die' by Tuesday evening. Whether it's in spite of that or because of it, **what we have for now is a tentative ceasefire** that seems to have given all of us a bit more hope that a peaceful resolution might be on the horizon.

For investors who have been asking, "**Is the bottom in?**" Fundstrat Head of Research Tom Lee sees **a strong likelihood that it is**. He actually saw signs of that from last week, when equities deviated from their traditional relationship with oil prices.

As you might know, there is an inverse correlation between equities and oil prices: **equities tend to fall when oil prices rise** (and vice versa.) That's mostly held true during the latest Iran conflict and the subsequent surge in oil. Yet **at the end of March, this changed**: In Lee's view, the fact that "a continued rise in oil wasn't causing equities to fall further" (both rose at the same time) suggested that stocks had bottomed on the weeks of bad news. A second signal further supports Lee's view. We discuss that in our Chart of the Week below.

As for Head of Technical Strategy Mark Newton, he's **inclined to agree, for different reasons**. Last week saw technology breaking out relative to equal-weighted S&P 500 (\$RSPT vs. \$RSP), **signaling a possible period of outperformance for technology**. "This is quite bullish for U.S. stocks," Newton told us, and strictly based on technical analysis, "I am expecting SPX to push back to new all-time highs in the months to come."



Sector Allocation Strategy

These are the latest strategic sector ratings from Head of Research Tom Lee and Head of Technical Strategy Mark Newton – part of the April 2026 update to the [Fundstrat Sector Allocation Strategy](#). Macro and Pro subscribers can [click here](#) for ETF recommendations, precise guidance on strategic and tactical weightings, detailed commentary, and methodology.



Macro Research

Sector ETF Allocations – Strategic Sector Ratings

	Macro Thomas Lee 	Technical Mark Newton 
Consumer Discretionary	Neutral	Neutral
Industrials	Overweight	Overweight
Information Technology	Overweight	Neutral
Communication Services	Overweight	Neutral
Basic Materials	Overweight	Overweight
Energy	Overweight	Overweight
Financials	Overweight	Neutral
Real Estate	Overweight	Neutral
Consumer Staples	Underweight	Neutral Downgrade Underweight
Health Care	Neutral	Overweight Downgrade Neutral
Utilities	Neutral	Overweight

Source: Fundstrat

4/8/2026

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 Live Webinar with Q&A

Mark Newton's Live Technical Analysis

April 16 at 2pm ET



Mark Newton, CMT
Head of Technical Strategy



Chart of the Week



Macro Research

VIX: Market Generally performs well after Vix Declines from Highs

Instances Vix Crosses Under 20 After Crossing Over 30 & Oil -15% 2D During Period

Since 1990

	Vix Cross		Date	Oil Largest 2D % Decline within period	Vix Cross			# Days Between Cross Above & Below	S&P 500 Forward Returns from Vix Cross Under 20		
	Above 30	Level			Under 20	Level	Recession		1M	3M	6M
1	8/6/1990	35.9	1/18/1991	-37%	2/15/1991	19.6	x	193	1.2%	0.8%	5.6%
2	9/7/2001	31.0	11/15/2001	-19%	3/1/2002	20.0		175	1.4%	-5.9%	-18.9%
3	7/9/2002	30.2	3/19/2003	-16%	5/9/2003	19.7		304	5.8%	4.4%	12.7%
4	2/27/2020	39.2	4/21/2020	-54%	2/12/2021	20.0		351	0.2%	4.5%	13.0%

All Instances (N=4)		
Average		
Median		
Win Ratio		

S&P 500 Forward Returns from Vix Cross Under 20			
	1M	3M	6M
	1.2%	0.8%	5.6%
	1.4%	-5.9%	-18.9%
	5.8%	4.4%	12.7%
	0.2%	4.5%	13.0%
	2.2%	0.9%	3.1%
	1.3%	2.6%	9.2%
	100%	75%	75%

+9.2%

Implies S&P 500 7,438

Source: Fundstrat, Bloomberg

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The VIX, which showed volatility rising as high as 28 on Tuesday, closed below 20 on Thursday. To Lee, this is a sign that investors' attempts to seek risk protection have peaked. As is often the case, Lee and his team looked to historical precedent for clues about what might lie ahead. They found that since 1990, there have been four instances that are similar to our current scenario: a VIX close above 30 (as it did on March 27 and March 30), followed by a decline to below 20 and a concurrent a fall in oil prices of 15% or more. The median forward gains one month, three months, and six months later were 1.3%, 2.6%, and 9.2%, respectively. As our Chart of the Week, the median six-month forward gain implies the possibility of S&P 500 reaching 7,438 in October.

Recent *Flash Insights*

**L. Thomas Block**Washington Policy Strategist

In my view the White House needs an exit strategy from the President's harsh rhetoric of the past few days and the Pakistani cease fire proposal may be the right idea at the right time. The offer includes a provision that Iran opens the Strait of Hormuz during the two-week cease fire. Iran says it is positively looking at the proposal, and the White House has said the President has seen it and will respond. In my view most positive development in several days.

Apr 7 • 4:29 PM**Mark L. Newton, CMT_ AC**Head of Technical Strategy

KWEB looks preferable to FXI as a way to play Chinese Equities recovering. Interestingly enough, but not surprising given its Tech exposure, DeMark-based exhaustion signals are now showing counter-trend exhaustion "13 Countdown" signals ("Buys") on the ratio of **KWEB ▼-0.31%** vs. **FXI ▲0.06%** for the first time since last Fall's decline got underway. (KraneShares CSI China Internet ETF – **KWEB ▼-0.31%**) vs. the Ishares China Large-cap ETF (**FXI ▲0.06%**) which should lead to a period of snapback recovery and mean reversion in the Tech-heavy KWEB which has underperformed FXI since last Fall. Thus, KWEB looks like the better choice than FXI for those trying to play a recovery for China on a falling US Dollar. This weekly Symbolik chart shows this ratio of KWEB to FXI along with two different DeMark-based buy signals



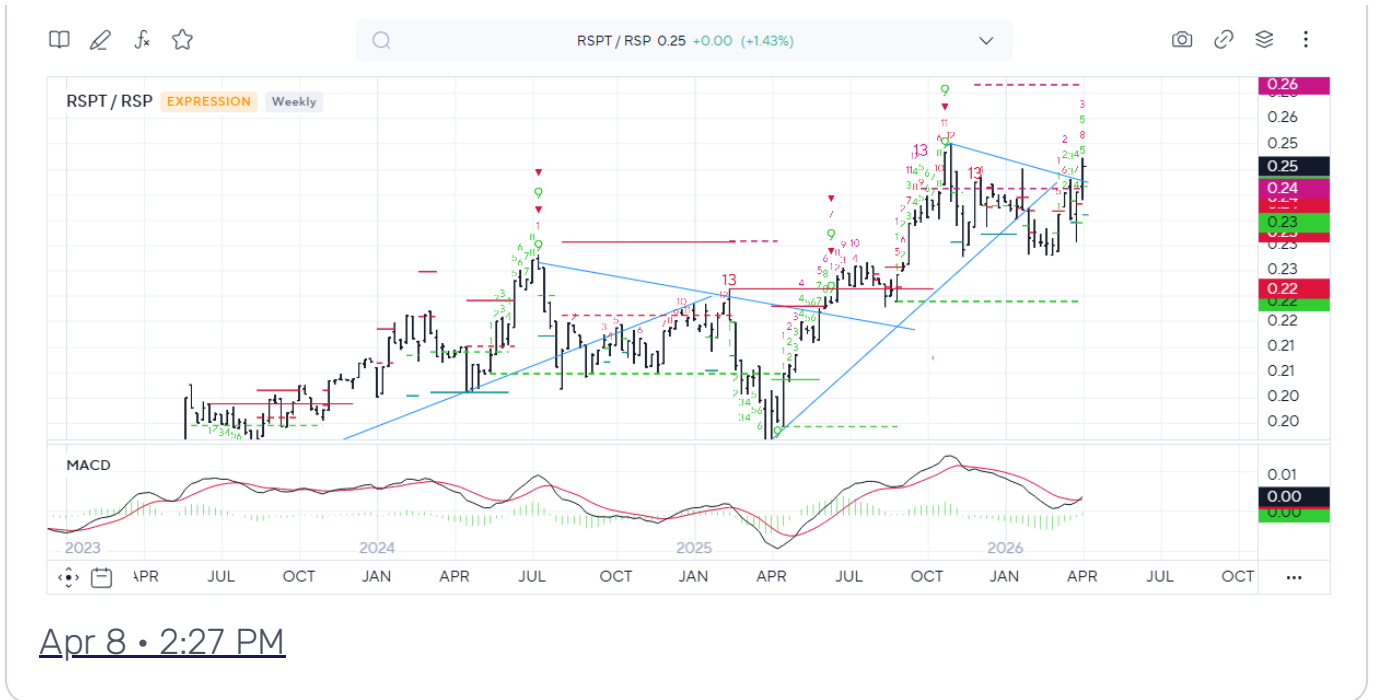
Apr 8 • 2:37 PM



Mark L. Newton, CMT_{AC}

Head of Technical Strategy

This might be the most important chart for the US Stock market as it shows Technology breaking back out vs. Equal-weighted S&P in ratio form (**RSPT▼-0.73%** vs. **RSP▼-0.72%**) and should coincide with Growth beginning to turn back higher vs. Value and lead to Technology beginning a period of outperformance. This is quite bullish for US stocks and i expect that an eventual strengthening in the “Magnificent 7” would be the catalyst that could lead US higher again vs. the All-country World index. For now, this weekly ratio chart shows Tech vs. SPX having exceeded a minor resistance trendline which argues for more Tech outperformance.



Apr 8 • 2:27 PM

FS Insight Video: Weekly Highlight



Key incoming data

- ~~4/6 10:00 AM ET: Mar ISM Services PMI~~ **Tame**
- ~~4/7 8:30 AM ET: Feb P Durable Goods Orders MoM~~ **Tame**
- ~~4/7 11:00 AM ET: Mar NYFed 1yr Inf Exp~~ **Tame**
- ~~4/8 2:00 PM ET: Mar FOMC Meeting Minutes~~ **Tame**
- ~~4/9 8:30 AM ET: 4Q T GDP QoQ~~ **Tame**
- ~~4/9 8:30 AM ET: Feb Core PCE MoM~~ **Tame**
- ~~4/10 8:30 AM ET: Mar Core CPI MoM~~ **Tame**
- ~~4/10 10:00 AM ET: Feb F Durable Goods Orders MoM~~ **Tame**
- ~~4/10 10:00 AM ET: Apr P U. Mich. 1yr Inf Exp~~ **Hot**
- 4/13 10:00 AM ET: Mar Existing Home Sales
- 4/14 6:00 AM ET: Mar Small Business Optimism Survey
- 4/14 8:30 AM ET: Mar Core PPI MoM
- 4/15 8:30 AM ET: Apr Empire Manufacturing Survey
- 4/15 10:00 AM ET: Apr NAHB Housing Market Index
- 4/15 2:00 PM ET: Fed Releases Beige Book
- 4/15 4:00 PM ET: Feb Net TIC Flows
- 4/16 8:30 AM ET: Apr Philly Fed Business Outlook

▶ Live Webinar with Q&A

Macro Update & Top Ideas Webinar



Tom Lee, CFA
Head of Research



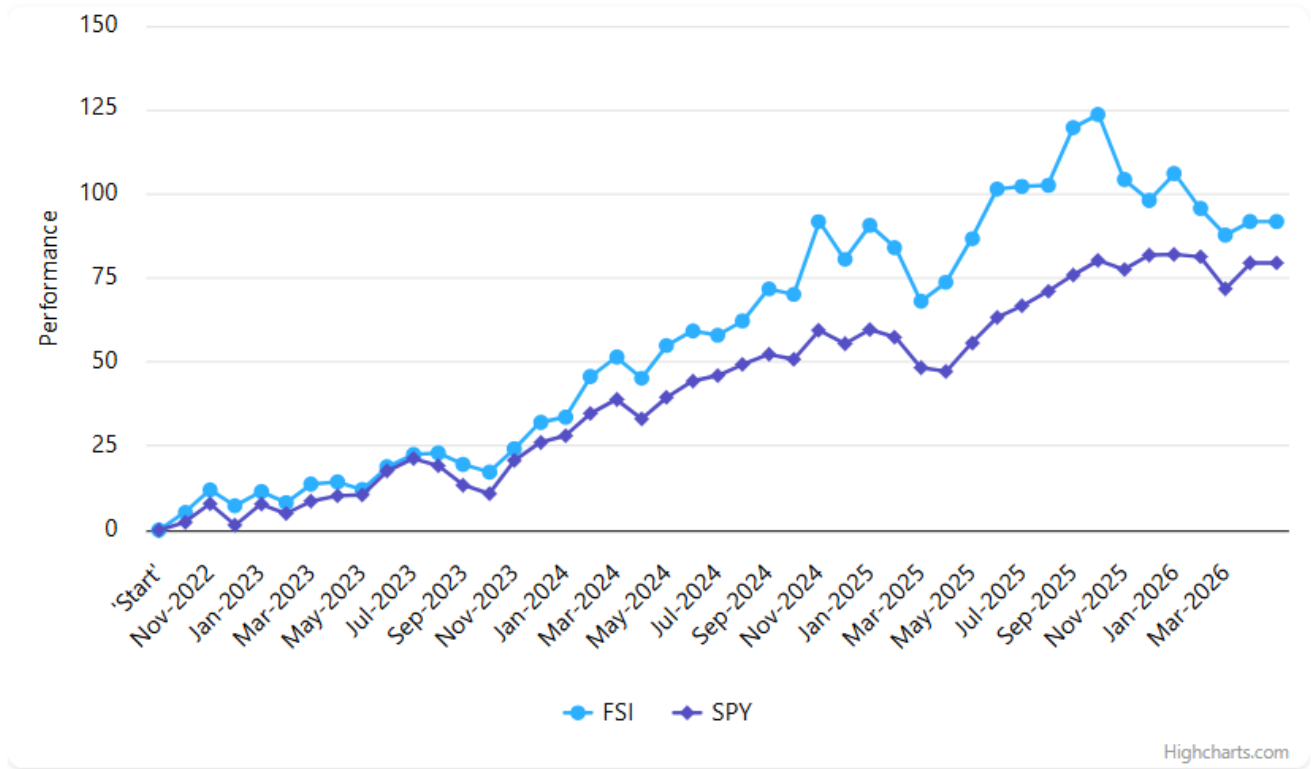
Mark Newton, CMT
Head of Technical Strategy



Thursday, April 23 @ 2pm ET

Stock List Performance

Upticks vs SPY (Inception to Date)



Performance period: October 5, 2022 through April 11, 2026

In the News

Tom Lee: Nvidia at 19x PE. Is the Market Getting It Wrong?

Feb 27, 2026



Tom Lee: Supreme Court Ruling. What It Means for Investors

Feb 20, 2026



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