Snapshot

August 9, 2026

# Tech Awakens, Tom Lee Makes August Call

Many sectors of the stock market, including healthcare and financials, have done reasonably well in recent months. However, underperformance by the outsized tech sector had weighed on the broader indices like the S&P 500, leading to roughly two months of sideways consolidation.

**That wasn't the case last week.**

The **downward pressure** caused by margin calls and subsequent deleveraging **appears to have subsided for now**, allowing for a tech resurgence. This, in turn, led the S&P 500 to a 3.58% weekly gain, ending at an all-time high close. The Nasdaq Composite rose 5.19% for the week.

"I had some worries about tech continuing to be under pressure," Fundstrat Head of Technical Strategy Mark Newton admitted to us during our weekly huddle, "but **you have to really respect what's going on**." Perhaps more encouragingly to Newton is that the **other sectors** that had been holding up the market while tech took a breather **continued to show good health**. "We [also] saw great movement out of financials and healthcare, and that's been very helpful."

Overall breadth has also improved significantly, with Russell 3000 advance/decline pushing higher this week. This bodes well for **the latest call from Head of Research Tom Lee**. On the first Wednesday of the month, Lee told clients that the S&P 500 would likely **push to around 7,900-8,000**.

So is tech back, and if so, what does that mean?

Lee's recommendation remains largely unchanged: "We do think **you want to be diversified** [in tech]," he said. "I'm still bullish on semis and DRAM and memory – even though they're correcting, I think they're going to recover just like in '97 and '98." That said, "I think the recovery here is going to be led by **[the Magnificent Seven], software, and Ethereum**."

# Sector Allocation Strategy

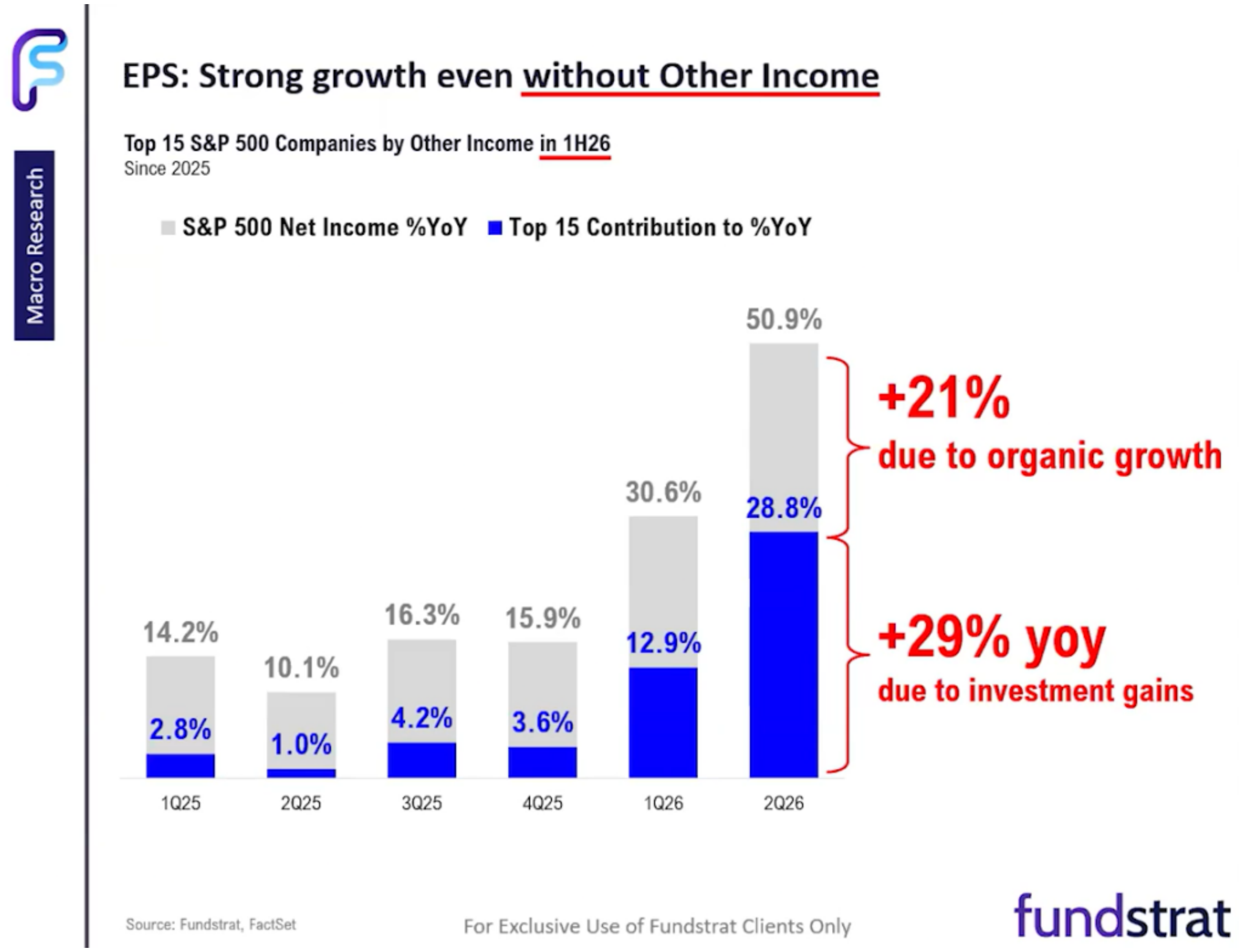
These are the latest strategic sector ratings from Head of Research Tom Lee and Head of Technical Strategy Mark Newton – part of the August 2026 update to the Fundstrat Sector Allocation Strategy. Macro and Pro subscribers can click here for ETF recommendations, precise guidance on strategic and tactical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

# Sector ETF Allocations – Strategic Sector Ratings

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

Source: Fundstrat


## *Chart of the Week*




*Fundstrat's Tom Lee is constructive for multiple reasons, one of which is the strong earnings season we've had thus far. Some critics have sought to question how consequential those earnings numbers really are, seeking to dismiss them as primarily due to investment gains (i.e., earnings made outside of core operations). However, when Lee had Fundstrat's data science team dig a little deeper, they discovered that even without those investment gains, earnings are still growing at a healthy 21%, as illustrated in our Chart of the Week. "That's still better than it was last year," Lee observed, "so earnings are indeed accelerating."*

## *Recent* ⚡ Flash *Insights*

**Mark L. Newton, CMT** AC
Head of Technical Strategy

An incredible move today from **PLTR ▲9.88%** which could officially exceed the entire downtrend from last November if/when it manages to close today above $149. Palentir Technologies stock is higher by +27% today, and it's thought that a big range "Low-to-High" gap which also coincides with a trend breakout is thought to be constructive for this stock and should help its intermediate-term momentum start to improve. Near-term resistance lies at 163 near June peaks, then 168.50 but generally this rally is quite constructive


Aug 4 • 12:06 PM

**Mark L. Newton, CMT** AC
Head of Technical Strategy

As markets have broadened out, it's constructive to see Small-caps gaining ground, which had been under pressure and deteriorated in late July. The last week of gains have been led by Small-caps when seen relative to the Equal-weighted SPX, and ratios of SMH ▲1.93% to RSP ▲0.69% have regained former lows from May and June and are just below a larger short-term downtrend from late June. This will be something to watch in the weeks ahead, but for now, this is a constructive sign


Aug 4 • 11:22 AM

**Mark L. Newton, CMT** AC
Head of Technical Strategy

This same move as seen by QQQ ▲1.11% on its hourly chart which rose above its descending trend from mid-June. While helping momentum to improve on a weekly basis will take time, this rapid recovery is constructive on a short-term basis. QQQ has now recovered 61.8% of its weakness since early June which took eight weeks, in a matter of four trading days


symbolik.com SYMBOLIK AUG 04, 2026 10:31:14 UTC -04:00

Aug 4 • 11:00 AM

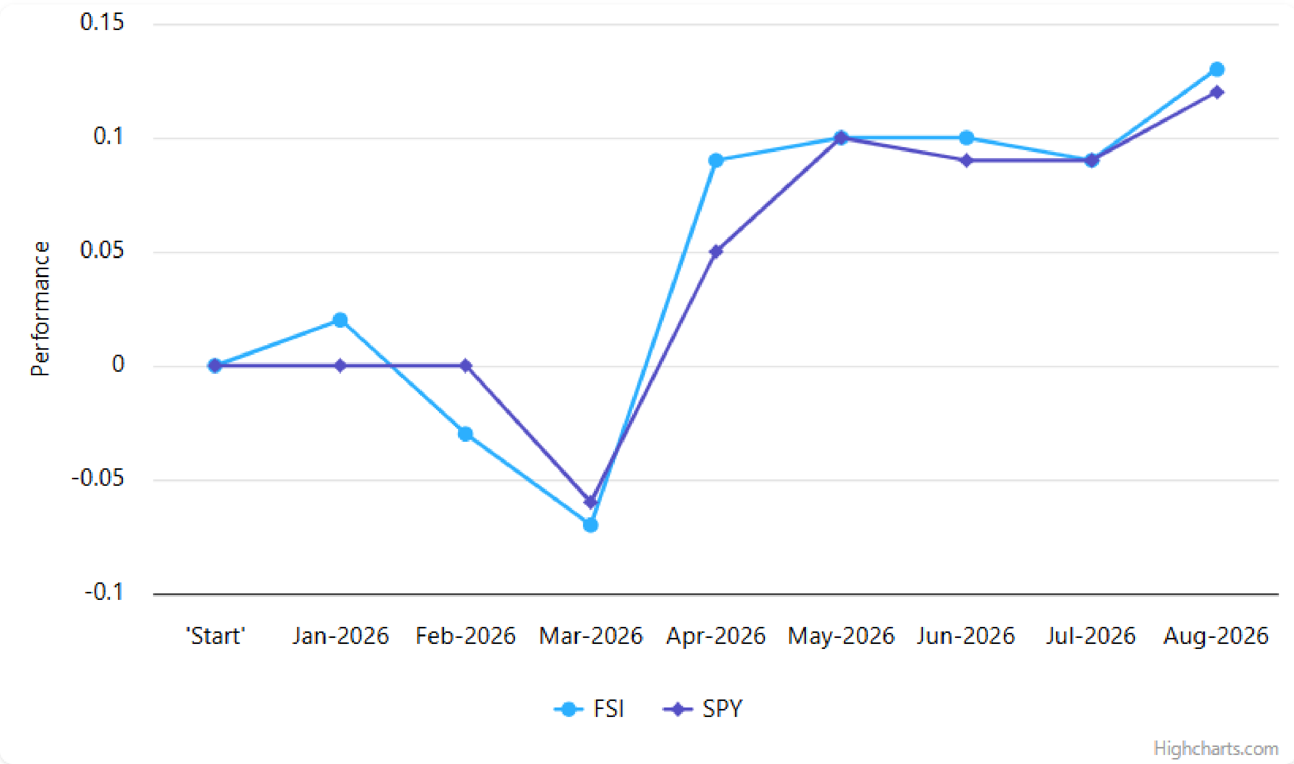
## *FS Insight Video: Weekly Highlight*

## *Key incoming data*

- ~~8/3 9:45 AM ET: Jul F S&P Global Manufacturing PMI~~ **Tame**
- ~~8/3 10:00 AM ET: Jul ISM Manufacturing PMI~~ **Tame**
- ~~8/4 8:30 AM ET: Jun Trade Balance~~ **Tame**
- ~~8/4 10:00 AM ET: Jun F Durable Goods Orders~~ **Tame**
- ~~8/4 10:00 AM ET: Jun JOLTS Job Openings~~ **Tame**
- ~~8/5 9:45 AM ET: Jul F S&P Global Services PMI~~ **Tame**
- ~~8/5 10:00 AM ET: Jul ISM Services PMI~~ **Tame**
- ~~8/6 8:30 AM ET: 2Q P Unit Labor Costs~~ **Tame**
- ~~8/6 8:30 AM ET: 2Q P Non-Farm Productivity~~ **Tame**
- ~~8/7 8:30 AM ET: Jul Non-Farm Payrolls~~ **Mixed**
- ~~8/7 11:00 AM ET: Jul NY Fed 1yr Inf Exp~~ **Tame**
- 8/11 6:00 AM ET: Jul Small Business Optimism Survey
- 8/11 10:00 AM ET: Jul Existing Home Sales
- 8/12 8:30 AM ET: Jul CPI
- 8/13 8:30 AM ET: Jul PPI
- 8/14 8:30 AM ET: Jul Retail Sales Data
- 8/14 10:00 AM ET: Aug P U. Mich. Sentiment and Inflation Expectation


## *Stock List Performance*

## Upticks vs SPY ( Year to Date )




Performance period: January 01, 2026 through August 07, 2026

## *In the News*

Stock futures slip as investors eye more earnings; Alphabet falls on higher capex outlook: Live updates

Jul 23, 2026

CNBC

Nvidia's Jensen Huang donates $75M to Vanderbilt's arts school

Jul 22, 2026

Canada tariffs, rising oil prices stoke the flames of inflation risks

Jul 22, 2026

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