



Given recent market action, it seems pretty reasonable to ask, “Is the top of the market in?” We find it a little ironic that we were asking the very same question almost exactly one-year ago, in the weeks following “Liberation Day.”

If January 27th turns out to be the highwater mark for the S&P 500’s 2022-2026 bull market, it wasn’t a top telegraphed by our bellwether indexes. Every peak is different, of course, but we would consider a traditional topping pattern to be distributive in nature. Meaning, as the S&P 500 makes new highs, fewer and fewer of our bellwethers would “confirm” that new high with new highs of their own (measured over a month’s time). At the tops preceding both the 1990 recession and GFC market collapse, all eight indexes were flashing red flags (no new highs). At the bubble peak of March 2000, seven were lagging. As it stands now, six of the eight bellwethers made new highs *after* the S&P 500—in some cases more than a month after.

Market breadth was just fine going into the end of February. So, maybe there’s still some hope that we can pick up where we left off and return to robust equity market in a “post-war” environment.

