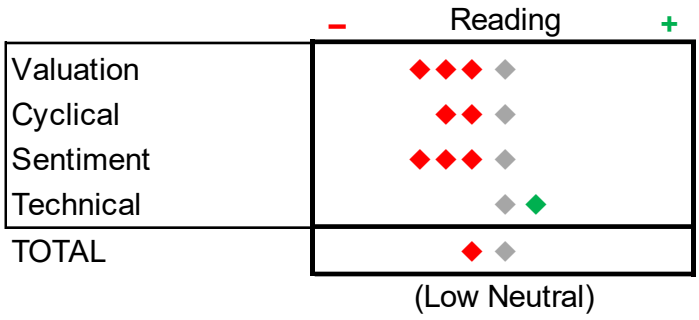
MAJOR TREND INDEX

quant assessment of stock market health

Prepared by Phil Segner

Report date: November 2, 2026
Data for the week ending October 30, 2026

Major Trend Index



Belated Bull Birthday

On Wednesday, Google failed to report the magic combination of earnings, revenue, and capex to satisfy an increasingly "AI-skeptical" market. Its 12% loss the following day was a capstone in a series of poorly received quarterly reports from the hyperscalers. Memory, semiconductors, and software names were also hit hard after reporting at the end of last week, with some eye-popping moves from INTC (-29%), SNDK (-13%), and NOW (-27%).

The weakness in Tech and Comm Services (the only "down" sectors for the week) pushed the overall S&P 500 into the red for the third consecutive week, ending October very close to the low end of its three-month trading range. On the other hand, the index's average stock has enjoyed four straight weeks of gains. The resulting 6% monthly return gap between the cap-weighted and equal-weighted measures was the largest since April 2009. Wild swings in S&P 500 breadth have been a hallmark this year; however, our EW Relative Strength Ratio is still below its late-August levels.

Heading into November, the Advance/Decline scores have moved out of glaringly negative territory. That improvement more than offset the weakness in Tech-heavy chart scores among our Technical work. In the Cyclical space, the market continues to look more "risk-off," with a preference for defensive equities and a pullback in Treasury yields. Bright spots in economic activity and earnings trends continue to keep that category somewhat afloat. The MTI remained at Low Neutral for the last week of October. Net equity exposure in Leuthold tactical accounts ended the month at 52%.

It was a fairly quiet month for the Sentiment category, with five upgrades offset by one downgrade, and we maintained an overall rating of -3 because strong signals on the positive side of the ledger were scarce. The biggest change (and only downgrade) was the NASDAQ/NYSE Volume Oscillator, which dropped from maximum positive to neutral, indicating more frantic trading in technology names as the month drew to a close. Option pricing improved slightly, in the sense that the VIX® rose from 15 to nearly 20, as traders became less complacent than a month ago. Finally, one of the Bull/Bear Surveys improved a notch, although most of our survey indicators have yet to become despondent enough to register a positive (contrarian) reading.

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Belated Bull Birthday

In all the excitement of the second half of October, we forgot to mention the Bull's birthday on October 12th. Shame on us. Like any four-year-old's birthday party, we celebrated (belatedly) with an underwhelming cheese pizza, sheet cake, and an update to our Bull Market table.

At 48 months, the current bull is now the longest in the modern era not born in a recession. More importantly, the bull's price return at its October 6th high is more than double the average return of the other four non-recessionary iterations. This four-year-old is also exceptional when considering the price returns of other indexes from the bull's trough to its peak: Equal Weighted S&P 500 (+65%), S&P 400 (+64%), S&P 600 (+55%).

Bull Markets In The S&P 500, 1957 To Date

Date of S&P 500 Low	Date of S&P 500 High	Price Gain (%)	Duration (Mos.)	Followed Recession?
October 22, 1957	December 12, 1961	86.4	50	Yes
June 26, 1962	February 9, 1966	79.8	43	No
October 7, 1966	November 29, 1968	48.0	26	No
May 26, 1970	January 11, 1973	73.5	32	Yes
October 3, 1974	September 21, 1976	73.1	24	Yes
March 6, 1978	November 28, 1980	61.7	33	No
August 12, 1982	August 25, 1987	228.8	60	Yes
December 4, 1987	July 16, 1990	64.8	31	No
October 11, 1990	March 24, 2000	417.0	112	Yes
October 9, 2002	October 9, 2007	101.5	60	Yes
March 9, 2009	February 19, 2020	400.5	131	Yes
March 23, 2020	January 3, 2022	114.4	21	Yes
October 12, 2022	*October 6, 2026**	118.6	48	No
Average (ex. latest)		**145.8**	**52**	**8 of 13**
Median (ex. latest)		**83.1**	**38**	**bull markets**
Average (ex. latest) if:				**preceded**
Preceded by recession		**186.9**	**61**	**by a**
Not preceded by recession		**63.6**	**33**	**recession**

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*Most recent high in the current bull market.

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