Stock futures are higher Sunday night as US-Iran are scheduled to resume peace talks and agreed to stop fighting over the Strait of Hormuz. S&P500 and Nasdaq futures are both higher approximately +0.5% and WTI crude oil was ~$1/bbl or +1.3% higher near $70/bbl. The South Korea Kospi index where Samsung and SK Hynix make up over ½ of the average was down -2% in early trading as they are expected to announce very large investment plans (~$640B) over the next decade in AI data centers, physical AI, batteries, displays, broader tech infrastructure.

The main events for the week ahead are macro data releases including US June Nonfarm Payrolls Thursday, JOLT Job openings for May on Wednesday, ISM Manufacturing for June on Wednesday, Durable and factory orders for May on Thursday. Earnings announcements are a trickle with Nike (NKE), drone maker, AeroVironment (AVAV), Constellation Brands (STZ), Park Aerospace (PKE), Levi Strause (LEVI) the names of consequence.

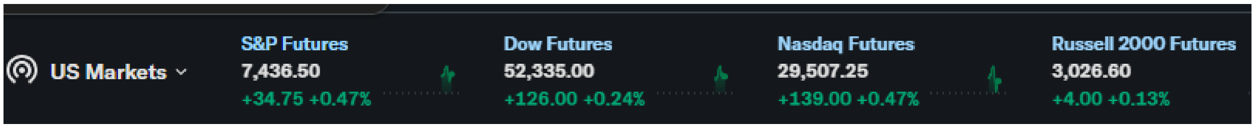
Not a fun week. Despite blowout earnings and guide from Micron Technology (MU), the major stock market indexes fell. The NASDAQ was down -4.6%, the S&P500 was down -1.95%, while the Dow Jones Industrial Average bucked the trend and climbed +0.7%. Crude oil WTI fell to ~$70, down -4.5% on the week. The NASDAQ moved -1.9% below the 50dma putting the power trend under pressure while the S&P500 closed virtually right at the key 50dma. The 10dma and 21dma would have to cross below the 50dma to end power trend conditions but there is not a lot of daylight. Recall that most of stock market gains occur during power trends. Potential OpenAI delay into next year was blamed for the selloff in tech/AI infrastructure names. But open source/China competition, hyperscaler capex ROI, capacity competition over the next decade (SK Hynix and Samsung see Reuters Korea AI Investment) also received some blame. Rebalancing into quarter-end also flagged by Goldman Sachs. OpenAI delay potential blamed poor market conditions and the poor performance of the SpaceX IPO. On the positive side the action is indicating rotation underneath the hood as the equal weighted indexes are behaving as there is really nothing wrong. The major averages are largely being pulled down by the Mega cap names in the Mag7.

The SpaceX (SPCX) IPO has round tripped all the way down to within the range of its first day of trading. The stock is due to be added to the Nasdaq100 July 7 and the Russell 1000 effective June 29.

Market sectors closed mixed last week. Semiconductors (SMH, -7.3%) worst performers and wiped out all the gains from prior week though still up ~+70% YTD. Technology (XLK, -5.4% w/w) and Mag 7 (MAGS, -5.87%) not much better. Healthcare led (XLV, +7.3%) along with Utilities (XLU, +3.2%, UTES, +2.5%). Risk was off as risk proxy, Ark Innovation (ARKK, -3.45%) fell hard. Micron Technology (MU) was flat (-0.15%) after rocketing +15.5% the prior week, despite the blow out results and guide last week. Credo Technology (CRDO) sold off hard Friday (-11% and -12% w/w to $238) after reaching an all-time high of $308 on Monday on no news.

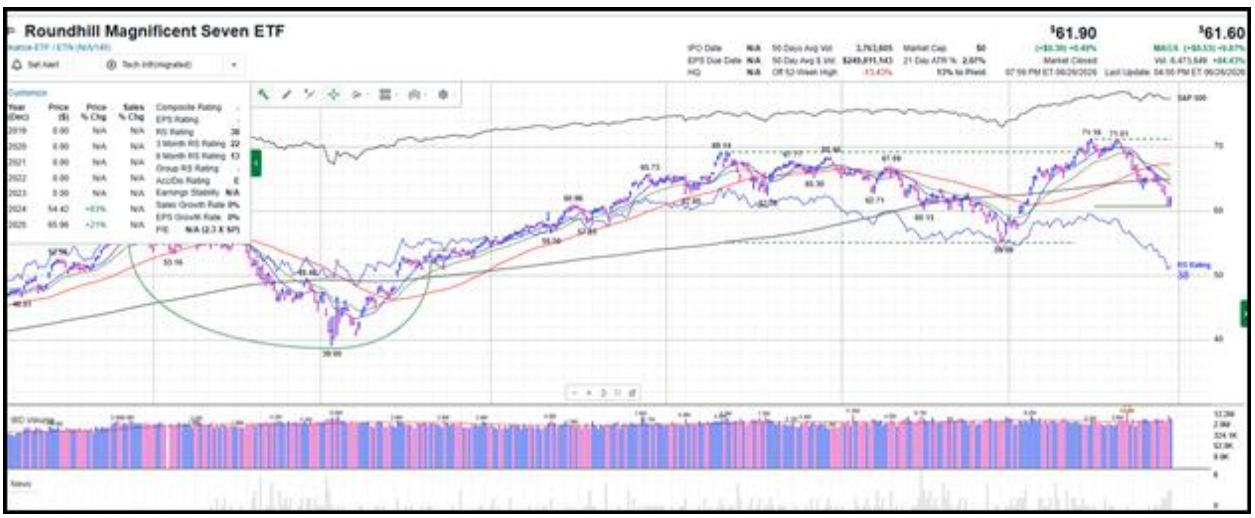
Near-Term Outlook

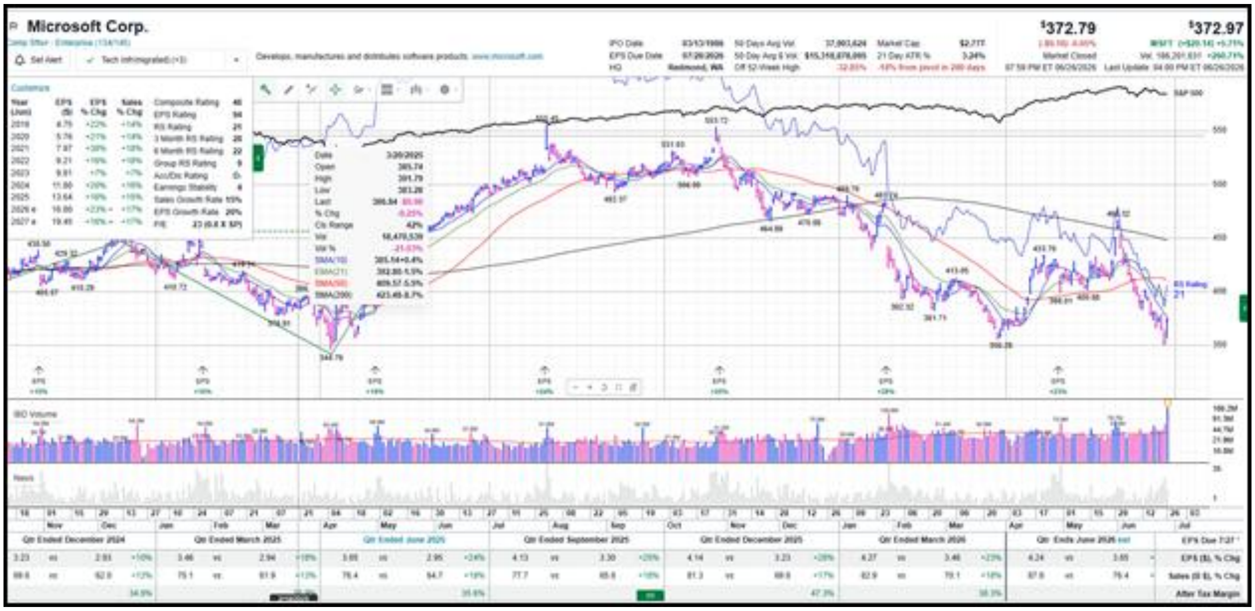
Sunday night stock futures are higher across all the major averages from +0.1% to +0.5%.



Source: YahooFinance

From a technical point of view, the moving averages are out of position for power trend conditions, as the Nasdaq closed below the 50dma and is being pulled down by the mega caps as the Roundhill Magnificent 7 is down -13% over the last month and certain components such as Microsoft (MSFT) is trading well below its 200dma. But the equal-weighted are looking OK, which is signaling that rotation is going underneath the hood as far as averages stocks are concerned.





MARKETSURGE
BY INVESTOR'S BUSINESS DAILY
Source:

Bullish talking points:

- AI infrastructure narrative and capital spending affirmed in blowout earnings report by Micron Technology (MU). Tight supply/demand conditions expected to persist into 2028. Moreover, MU has signed 16 strategic customer agreements that feature take or pay volume commitments and price floors to address cyclical price concerns.
- Crude oil fell further during the week to below $70s/bbl (near pre-war levels) before rebounding over the weekend on US-Iran fighting over the Strait of Hormuz.

- US Treasuring rates fell on the week (US10yr down -8bp) on lower oil and May PCE inflation cooler than expectations.
- S&P500 price target hikes on earnings strength by Barclays, JPMorgan, Stifel to 7800 (vs 7438 now).
- Flash manufacturing and services PMI's surprised to the upside in June. Manufacturing expanded for 11th straight months and highest level in three years. Services posted highest level since February.

Bearish talking points:

- Momentum unwind happened on Friday despite strong price action on Micron (MU) and semiconductors following MU blowout earnings. Proliferation of leveraged ETFs, global levered ETF AUM at ~$300B and US-listed levered ETF trading volumes running ~50% above prior year pace.
- Momentum unwind is not just above mechanics but flagged open-source/China competition, capacity competition, hyperscaler capex ROI, potential OpenAI IPO delay, White House restrictions on release of latest OpenAI model, potential demand destruction in I-Phones from price hikes, expected Samsun/SK Hynix investment ramp announcements
- Rebalancing heading into month and quarter end. Goldman Sachs flagged $30B of US equities to sell (89th percentile last 3 years and 95th percentile going back to early 2000). JPMorgan estimated $165B of bond buying/equity selling.
- Flurry of more private credit fund redemptions: Apollo, Morgan Stanley, Ares announcing imposing redemption caps.
- Outside of the massive Micron beat, other names disappointed: FedEx (FDX), FedEx Freight (FDXF) spin off noise, Carnival Cruise 100bp downgrade in 2026 net yield guide, Cerebras post earnings sell off due to margin headwinds, Darden Restaurants soft comps.

Longer Term Outlook: Tailwind remains AI spending

Looking at the longer term, I continue to believe that the AI infrastructure-driven rally has strength, which is why I post, week after week what the forecast capital spending is on the AI buildout. Also any Fed rate cuts for 2026 are essentially just not going to happen. The economy is too strong, inflation too elevated, not to mention a war with Iran and elevated oil prices that are going to be filtering through the economy.

Key tailwind for 2026 remains the buildout in AI and AI infrastructure. Note the latest estimates in the buildout of AI and AI infrastructure with the top 4 at $700B to $725B:

- Meta to $125-$145B, +$10B both ends
- Alphabet (Google) raised 2026 cap ex to $180B-$190B, +$5B both ends
- Microsoft: $190B for CY2026
- Amazon confirmed $200B
- Nvidia confirmed $1Trillion market for Blackwell + Rubin chips for CY2025-2027.

AI infrastructure investments affirmed for the 2025-2030 time frame as shown below and depending on prompting could be pushed another $0.5T higher but am holding for now.

Updated AI & Data Center Infrastructure Capex Projections ($ Trillions)

Year	Base Annual ($T)	Base Cumulative ($T)	Accelerated Annual ($T)	Accelerated Cumulative ($T)
2025	0.50	0.50	0.50	0.50
2026	**0.98**	**1.48**	**1.25**	**1.75**
2027	1.18	2.66	1.56	3.31
2028	1.42	4.08	1.95	5.26
2029	1.70	5.78	2.44	7.70
2030	2.04	**7.82**	3.05	**10.75**

Key Changes vs. Previous Table

- **2026** increased modestly (Base: 0.95 → 0.98T | Accelerated: 1.20 → 1.25T) to reflect the latest upward revisions.
- Cumulatives now sit at **~$7.8T base / ~$10.8T accelerated** through 2030.

Source: Grok as of 6/28/2026

Decisive odds of rate cut remain well out in the future with Dec 8 meeting at ~0% and now showing ~80% probability of a Fed rate hike FedWatch - CME Group). The odds of a rate cut at better than 50/50 do not show up at all for over a year and looking out to Sept 2027 are only ~9 to 10%.

Stock Market Today/Week: June 26, 2026

Index	**Level**	**Day change**	**Week Change**
S&P 500	7,354.02	-0.05%	-1.95%
Nasdaq Composite	25,297.62	-0.24%	-4.60%
Dow Jones Industrial Avg.	51,876.11	-0.09%	+0.60%
US 10 year	4.37%		-8bps

Source: Factset

Key events/headlines for the week ahead:

6/29/2026 NA

6/30/2026 JOLTS Job Openings for May: 6,975k for May vs 7,618k April. Consumer Confidence for June: 94.2 cons vs 93.1 prior month.

7/1/2026 ISM Manufacturing for June: 53.9. Construction Spending for May: +0.75% m/m.

7/2/2026 Hourly Earnings for June: _0.3% m/m. Initial jobless claims for w/e 6/27: 222.5k vs 215k prior week. Nonfarm payrolls for June: 75k expected vs 120k for May.

7/3/2026 Markets closed for 4th of July holiday.

Source: Factset

What to do now: Waiting to see some signs of consolidation and/or selectively adding names that have pulled back.

Appendix:

Appendix:

What kind of positive technical confirmations for a power trend per IBD (“Webby’s rules”):

1. Follow through day (FTD)
2. Subsequent FTDs.
3. Close above 21-day exponential moving average (EMA).
4. Low above 21EMA.
5. 3 consecutive days with low above 21EMA.
6. Close above 50-day moving average (DMA).

7. Low above 50dma.

8. 3 consecutive days with low above 50dma.

9. Close above 200dma.

10. Low above 200dma.

11. 3 consecutive days low above 200dma.

12. 21ema moves above 50dma.

13. 21ema moves above 200dma.

14. 50dma moves above 200dma.

As of 6/26/2026 a rally confirmation in place, and all the power trend conditions are in place for both the Nasdaq and the S&P500.

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