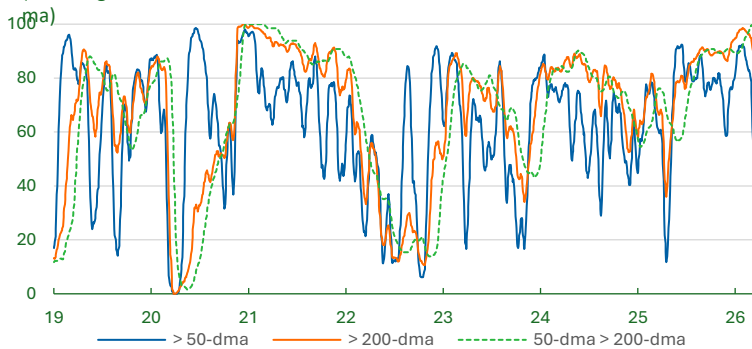


Short-term support giving way

Global Market Performance Indicator

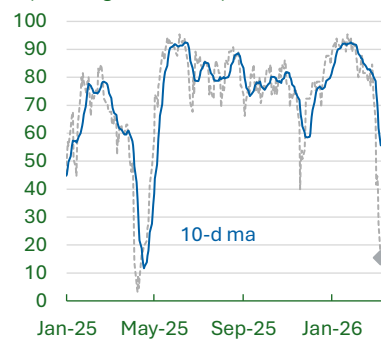
(% of 65 global indices, 10-d



Source: Investing.com, Watt Strategic Economic Advisors

GMPI

(% of 65 global indices)



Source: Investing.com

Overview

WSE's Global Market Performance Indicator (GMPI) clearly reveals the negative impact of the ongoing Middle East war on global market sentiment. Compounding the discomfort crude oil prices (WTI and Brent) had bolted over USD100/bbl during the overnight session, providing for a very tense session at the start of the trading day. While oil prices have settled back below USD100/bbl there remains a nervous tone to market sentiment.

On a spot basis, only 15.4% of 65 global markets are still above their 50-dma. This is the GMPI's lowest since mid-April 2025 when market sentiment was rebounding from the Liberation Day tariff announcement at the start of that month and that clobbered market sentiment.

The concern now, is that it is far from clear global market sentiment can rebound so strongly in short order. The Liberation Day market sell-off/rebound were due to the whims of one man. This situation is much more complicated. It can't be solved by a social media post.

We are also now seeing a rising number of markets that are falling below their 200-dma. This is something to watch. It reinforces the degree of concern in markets, but we are not at the point where sentiment is clearly breaking.

US markets break 50-dma, S&P 500 and Nasdaq now staring down 200-dma

In Canada and the US, short-term support has given way. In the US, all of the indices we track are below their 50-dma (S&P 500, Dow Jones, Nasdaq, Russell 2000, and the Philadelphia Semiconductor Index — SOX). While the S&P/TSX has also sold off recently, it is just barely below its 50-dma. Hence it is not clear that the threshold has been broken.

As a result, for **the S&P/TSX** we continue to focus on the 50-dma. For the US markets, however, we are now looking at their 200-dmay. The **S&P 500** and **Nasdaq** are being closely monitored at present, with the **DJIA**, and the **Russell 2000** at slightly lower risk of testing support at their 200-dma. Only the SOX market remains well above its 200-dma, but this market had been on quite a run until recently, so fall much more sharply below testing that key support level.

In other markets, the UK's FTSE 100, much like the S&P/TSX, has just broken below its 50-dma, so a clear break is far from assured. However, there are mounting concerns across Europe. Germany's DAX has broken both its 50-dma and its 200-dma and is setting up to test its low from last November. However, looking at the November episode (as two prior one since the start of 2024), the **DAX** has not remained below its 200-dma for long. While that is hopeful, note that one of those episodes was April 2025. To reinforce, we are not likely to observe the same Trump-inspired whipsaw of markets this time. That means we need to pay particularly close attention to markets that are breaking key support levels.

Hence, we are also closely watching **France's CAC** which has also tumbled below its 50-dma and its 200-dma. **Italy's FTSE MIB** is getting close to its 200-dma but remains above that threshold at present.

Other developed markets in the Europe are below their 50-dma, but still above their 200-dma (**Spain, Netherlands, Austria, Belgium, Switzerland, Sweden, Finland**). However, some of the smaller European markets are looking a little more vulnerable (**Croatia, Serbia**).

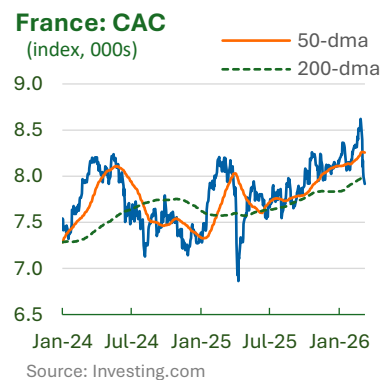
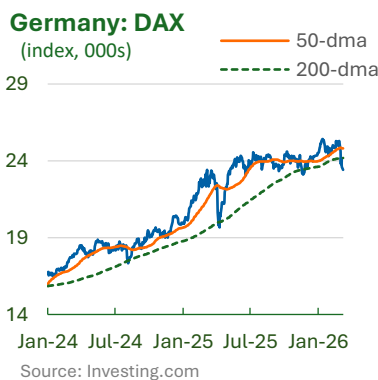
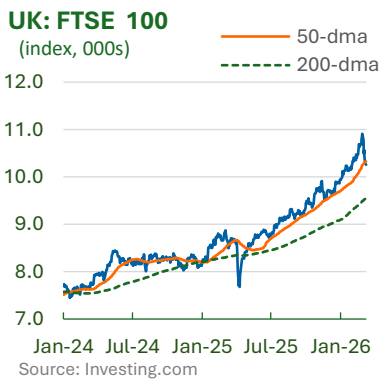
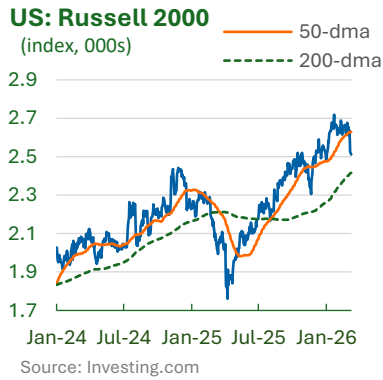
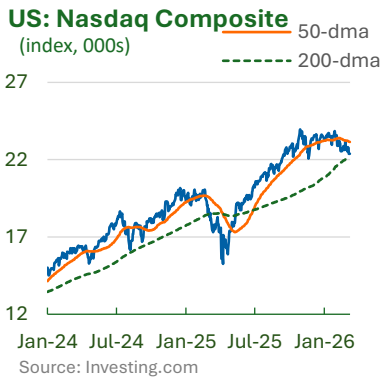
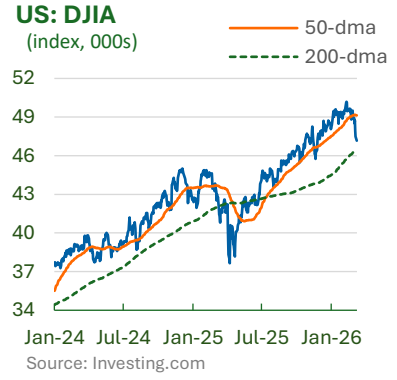
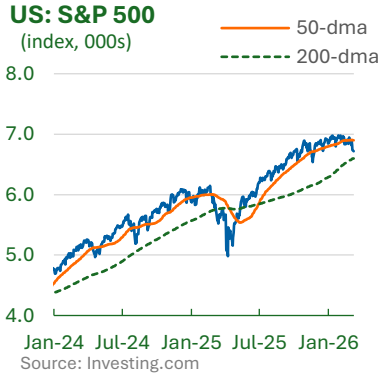
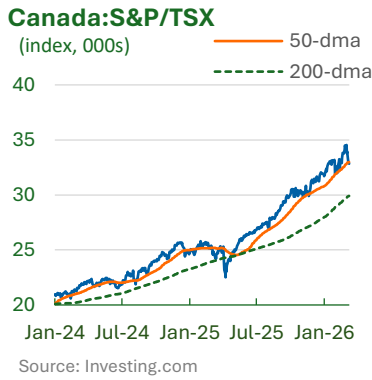
Among Latin American markets, **Brazil** remains above its 50-dma while **Mexico, Chile** and **Colombia** have fallen below theirs. **Argentina** is testing its 200-dma.

In Asia, markets to watch include **Australia** which has taken out 50-dma and 200-dma support, **Hong Kong**, which is sitting right on its 200-dma; **Vietnam**, which has also tumbled to its 200-dma. Lastly, the slide in the **Indonesian** stock market is looking dangerous. This downdraft is due to much than just the Middle East war. In Indonesia, there are political concerns and concerns about the independence of the central bank. Hmmm... interesting. Keep in mind: Institutions matter.

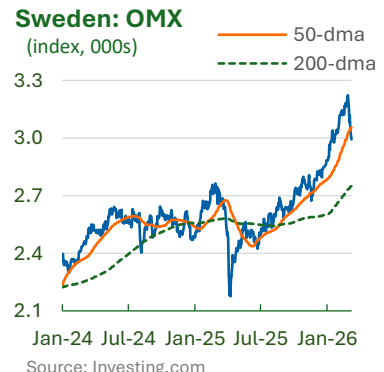
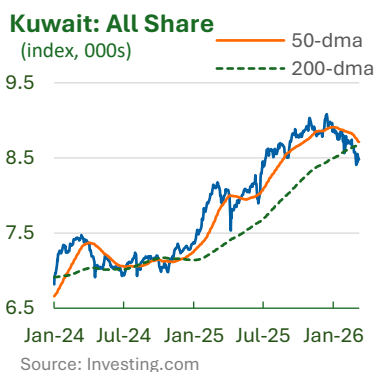
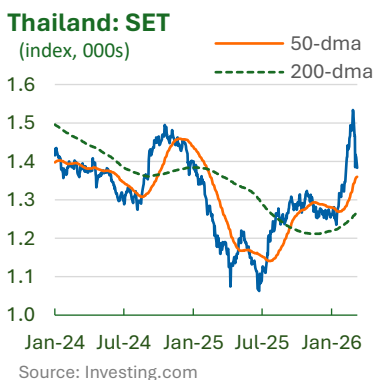
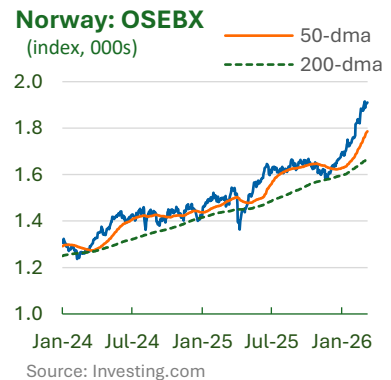
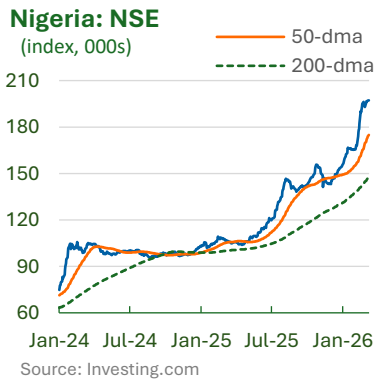
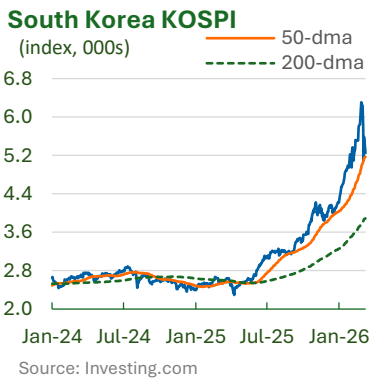
What has not been much observed recently are 50-dma / 200-dma crossovers with the former falling below the latter — the Death Cross. At present, only one market has seen this happen in the past few days — **Denmark**, though this market has been under pressure for a while (A tale of concentration risk). Of the other global markets, only **Kuwait** looks set to have show a Death Cross in coming days.

Be careful out there.

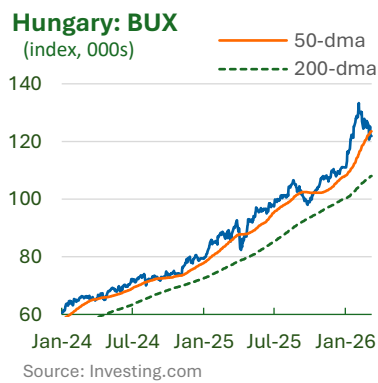
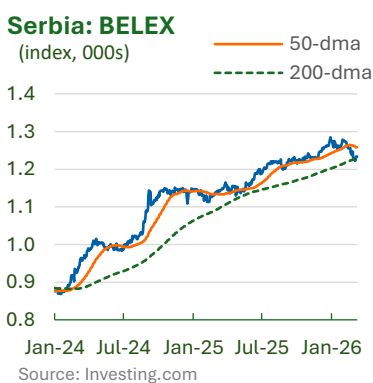
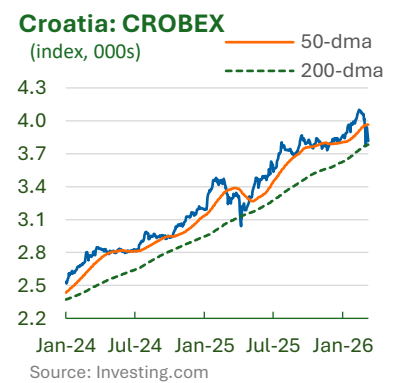
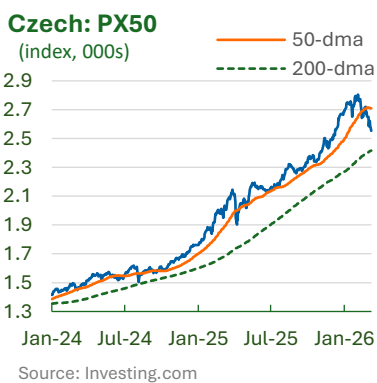
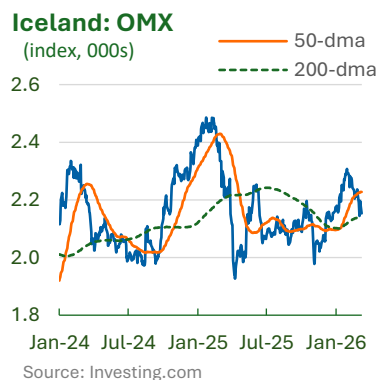
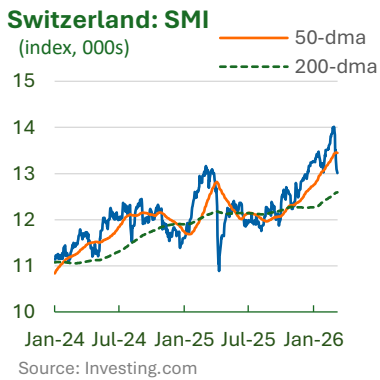
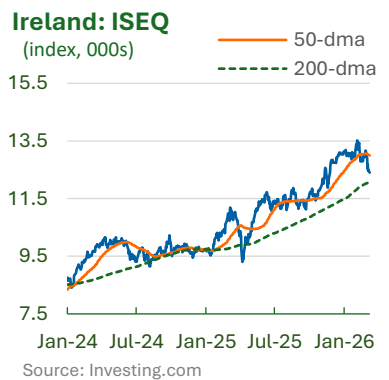
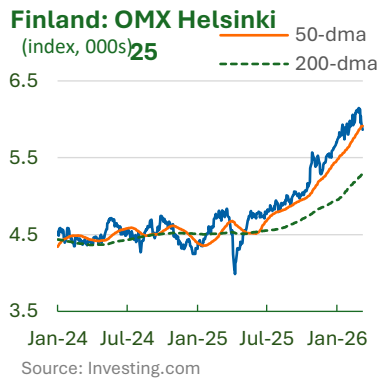
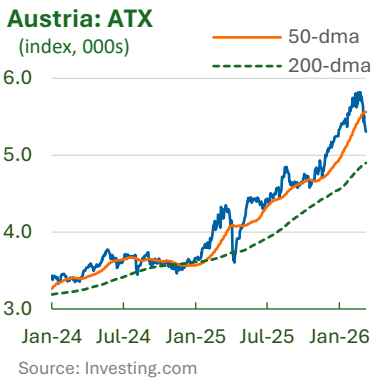
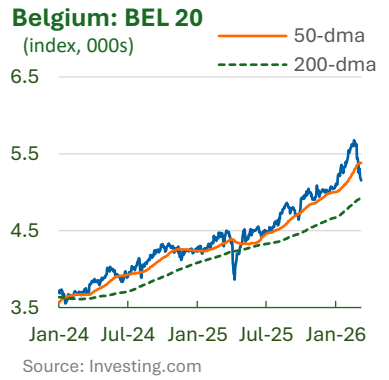
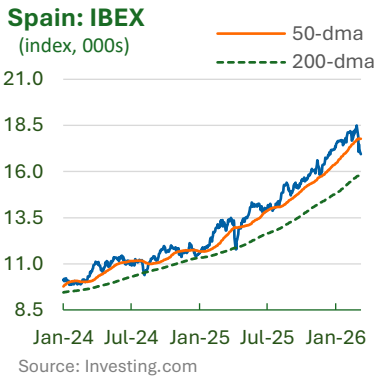
Key markets



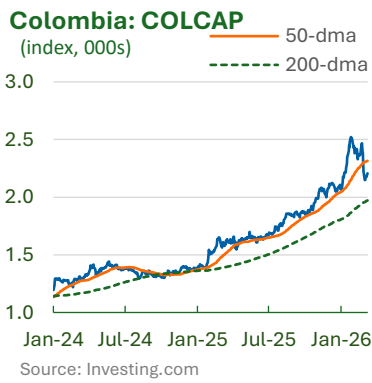
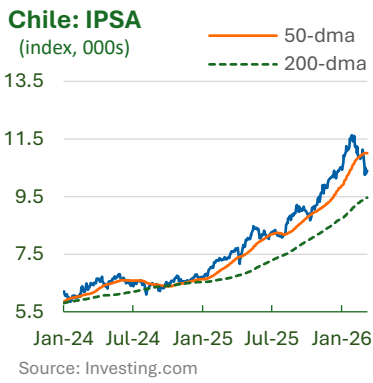
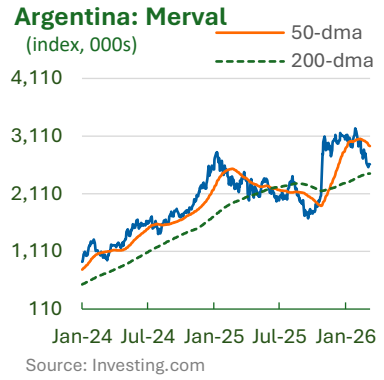
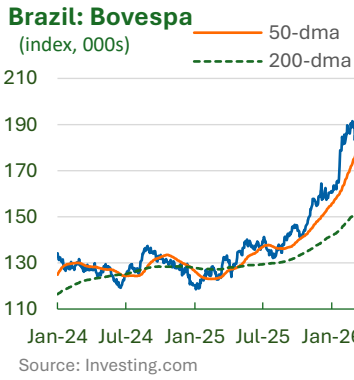
Markets in focus



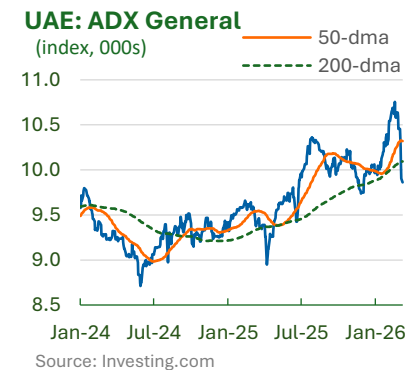
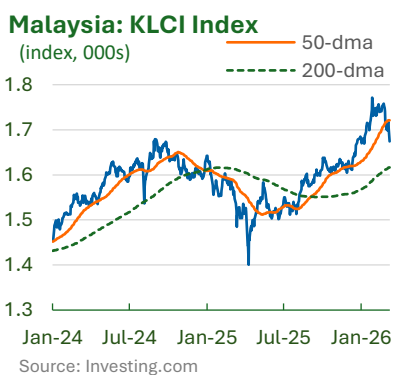
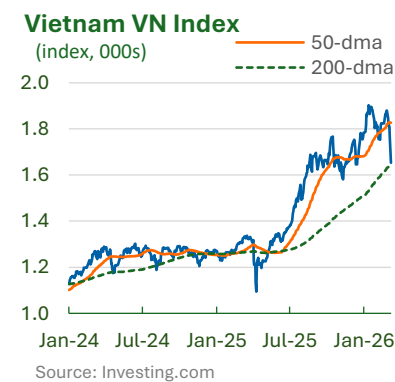
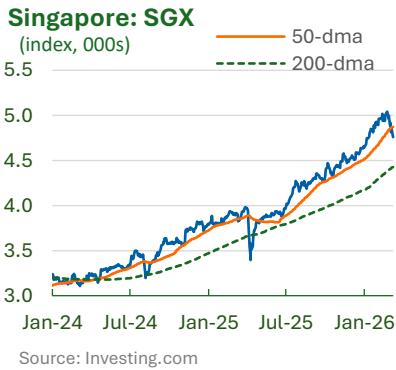
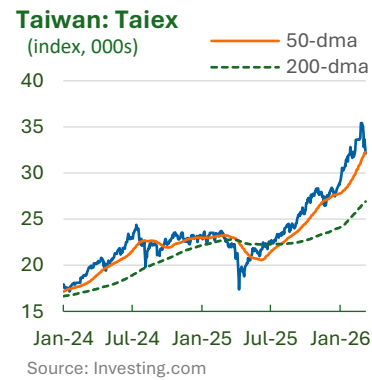
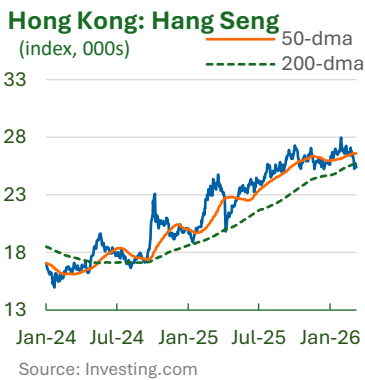
More European markets



Latin American markets



Asia, Africa, Middle East



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