



Breakout from Base Camp on the XBI

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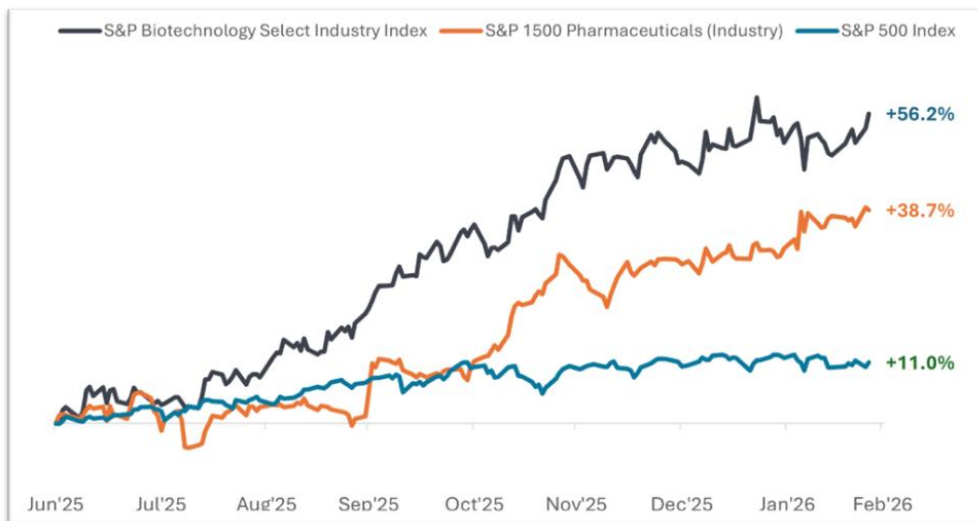
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April. Spring blooms, renewed energy, and the post-Q1 momentum that often signals accelerating deal flow and market participation. As we shake off any lingering winter caution and embrace the warming trends in both weather and sentiment, this Corner on Market Sentiments once again turns its gaze to the pure-play biotech index, the XBI, as our key barometer for sector enthusiasm and broader risk appetite.

Building on the potential base camp we highlighted in this Corner back in January—right around those 123-125 closes following the decisive breakout above the 110-120 consolidation zone—the XBI has delivered an impressive follow-through. Fueled by sustained M&A momentum ([JP Morgan](#)), AI-driven drug discovery advances ([Benchling](#)), and supportive macro tailwinds ([T. Rowe Price](#)), the index has surged to fresh multi-year highs in the 137-140 range (with recent weekly closes around 137.64). It's up significantly year-to-date and has more than doubled from the cycle lows that once looked so daunting:



The tailwinds which pharma and biotech have enjoyed are clearly seen in the chart below from global asset manager, [Janus Henderson](#), demonstrating the outperformance in our sector beginning in September and October of last year:



The multi-year grind has fully resolved into a clear bullish structure. We've now broken above the upper boundary of that sneaky long-term trend channel that was hovering overhead in January, while the old

head-and-shoulders pattern remains firmly invalidated. The technical picture looks increasingly constructive.

The XBI has broken out—now for the retest of that previous resistance level. A healthy consolidation the old trendline would help to solidify the base camp and renew another summit attempt targeting all see if this indeed will become an attempt to overtake the 2020-2021 peaks. The setup is there; the next few weeks of price action will tell us if the climb has real legs.