

PHASES & CYCLES®

UNSTOPPABLE SO FAR WILL THE BULL RUN CONTINUE THROUGH THE SEASONALLY STRONG 4TH QUARTER?

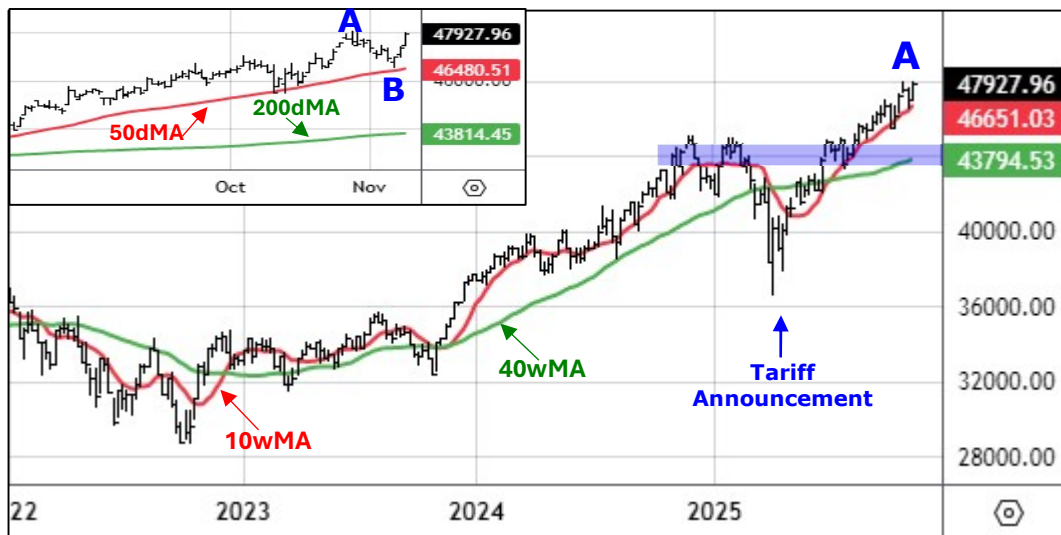
North American markets continue to demonstrate remarkable resilience — neither tariffs, wars, political uncertainty, nor negative seasonality have been able to derail the bull market that began in 2023.

At the end of October, Information Technology, Health Care, and Utilities led a strong advance, while sectors such as Materials and Financials have seen modest pullbacks more recently after becoming extremely overbought.

As we move through the typically bullish fourth quarter, the DJI and SPX continue to post higher highs, whereas the NYA has only returned to its prior peak. The TSX, by contrast, has been in a corrective phase since mid-October, reflecting its heavier exposure to Materials — particularly Gold — which has led the index's much-needed consolidation.

With the broader bullish market outlook largely unchanged from last month, this issue shifts focus to a closer technical review of the major indices.

Dow Jones Industrial Average (DJI) - Weekly chart from 2022
Inset - Daily chart from August 2025

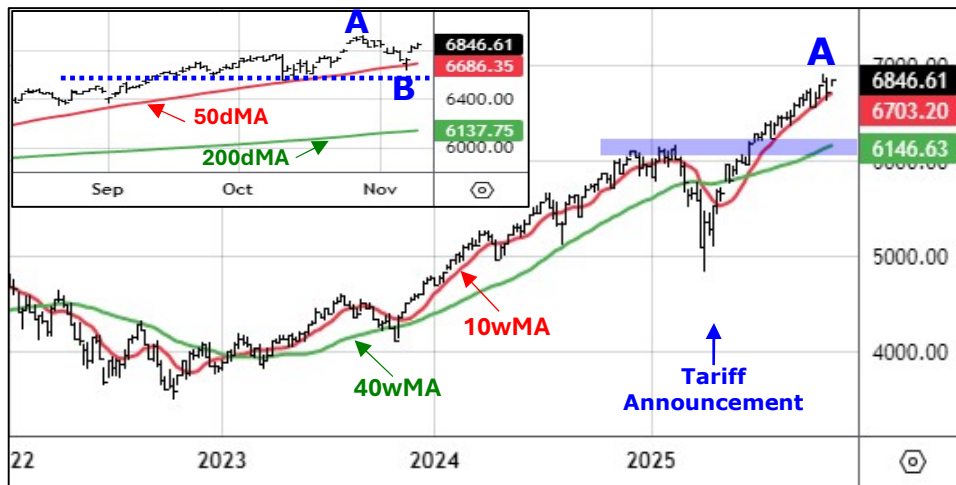


The Dow Jones Industrial Average remains in a long-term uptrend. The index rallied strongly at the end of October (A) before testing its 10-week moving average (50-day MA) earlier this month (B). Since early 2024, the Dow has typically found support at or just below the 10-week MA, declining as far as the 40-week moving average only once — in April 2025.

Currently, beneath the 10-week MA, additional support appears in the 45,000–45,500 range (shaded area), with more substantial support near the 40-week MA, currently around 43,800 — approximately 7.7% below current levels. As long as the 10-week MA continues to act as an effective floor, we do not expect either of these lower supports to be tested.

S&P 500 Index (SPX) - Weekly chart from 2022

Inset - Daily chart from August 2025

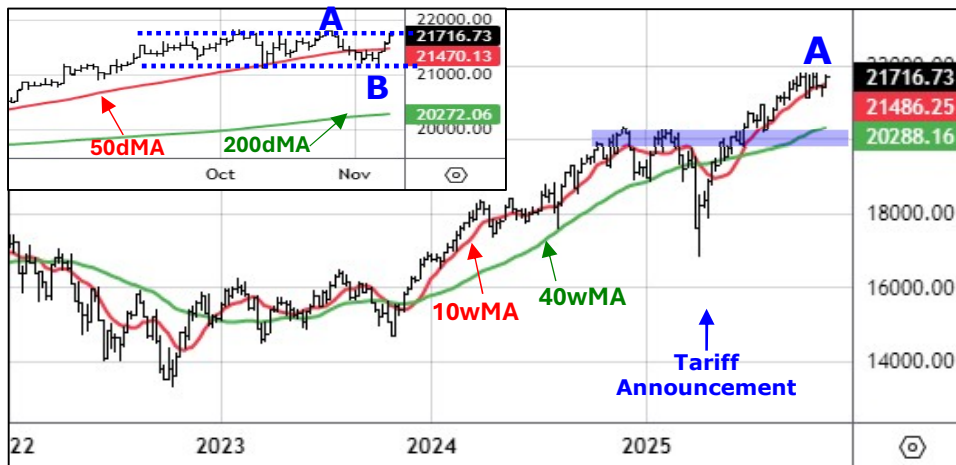


The S&P 500 remains firmly in a long-term uptrend. The index rallied strongly at the end of October (A) before pulling back to test its 10-week moving average (50-day MA) earlier this month (B). Over the past two years, it has consistently found support near the 10-week MA, rarely declining as far as the 40-week MA.

Below the 10-week MA, solid support lies around 6,540, near the recent lows (dotted line), and additional support at the former resistance level near 6,150, where the 40-week MA currently resides (shaded area) — about 10.2% below current levels. As long as the 10-week MA continues to act as support, we do not expect this lower level to be tested.

NYSE Composite Index (NYA) - Weekly chart from 2022

Inset - Daily chart from August 2025

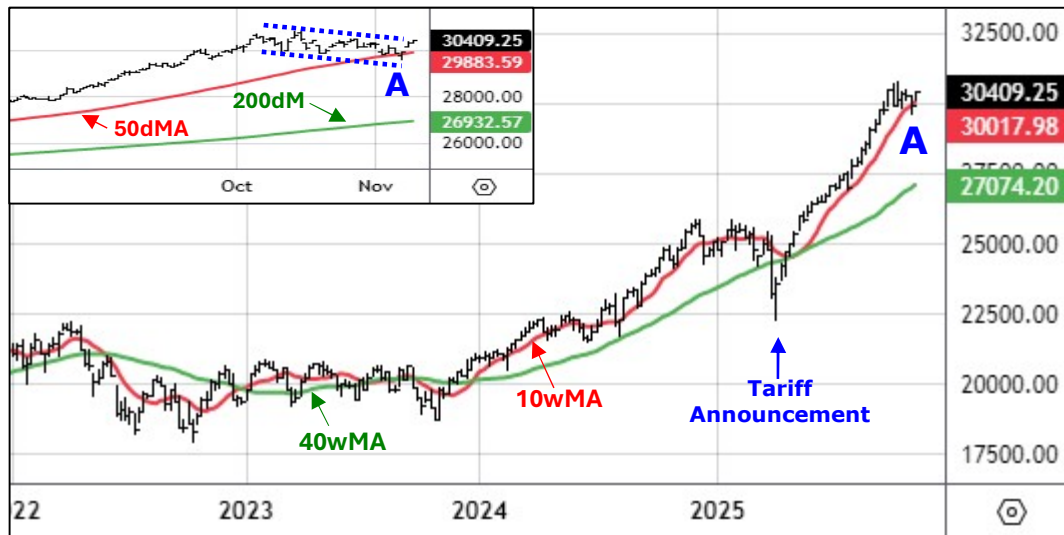


The NYSE Composite remains in a long-term uptrend. Since September, the index has traded within a narrow horizontal range between 21,100 and 21,800. Unlike the DJI and SPX, which reached new highs, the NYA only rallied back to its previous peak at the end of October (A) before slipping toward the lower end of its range earlier this month (B). The index is now trading near the top of this range, testing the upper boundary once again.

Over the past two years, the NYA has seldom declined to its 40-week moving average,

typically finding support at or just below the 10-week MA. Currently, solid support lies near 21,100 at the bottom of the range, with additional support around 20,275 — the former resistance level where the 40-week MA now resides (shaded area), approximately 6.7% below current levels. As long as the 21,100 level holds, we do not expect this lower support zone to be tested. A sustained move above 21,800 would confirm the continuation of the long-term uptrend.

S&P/TSX Composite Index (GSPTSE) - Weekly chart from 2022 Inset - Daily chart from August 2025



The S&P/TSX Composite Index remains in a long-term uptrend. Since mid-October, the index has been trading within a falling parallel channel — a contrast to the U.S. indices, which peaked at the end of October before pulling back earlier this month. The TSX's retracement reflects its heavier weighting in Materials and Gold stocks, which have recently softened. Over the past two years, the index has rarely declined as far as its 40-week moving average, typically finding support at or just below the 10-week MA. Currently, solid support lies near 29,950, close to the 10-week MA, with additional support at the 40-week MA, now around 27,100

— approximately 10.9% below current levels. As long as the 29,950 level holds, a test of the lower support appears unlikely.

If a broader correction were to occur, it would most likely be led by Financial stocks, which account for roughly 32% of the index. All six of the major Canadian banks remain well above their respective 40-week MAs — currently between 14% and 20% above those levels. (Note that a correction does not necessarily imply a decline to the 40-week MA; rather, it represents a potential pullback level within an ongoing positive trend.)

Charts courtesy of LSEG

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