

Trend & Cycle Roadmap

Robert Sluymmer, CFA
Technical Strategist, Portfolio Advisory Group

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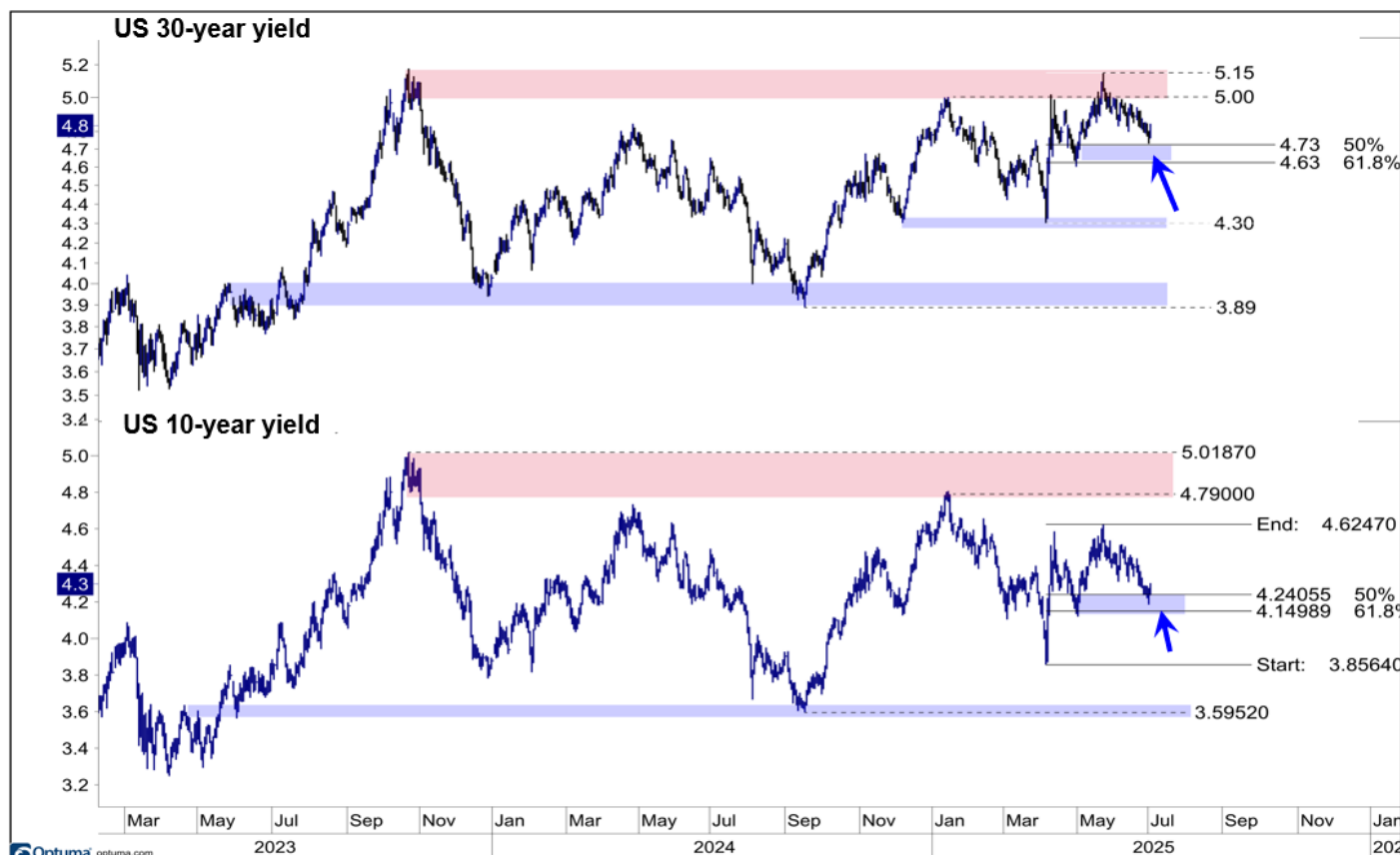


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- US 30-year and 10-year yields pull back to support bands that should support a bounce.
- S&P 500 intermediate and short-term outlook with key levels.
- MSCI's USA Momentum Index price uptrend is intact but relative performance is diverging negatively.
- Lagging groups, such as homebuilders, banks and biotech are showing further signs of bottoming.

We are revisiting the US 30-year and 10-year yield charts to highlight that their recent pullbacks are showing early signs of bottoming at support bands coinciding with 50-62% retracements of the early April to late May rebounds between 4.6-4.7% and 4.15-4.24%, respectively. Short-term technical indicators (not shown) are suitably oversold to support a bounce.

While a bounce appears likely, we expect these longer-term rates to remain in broad trading ranges with the upper end of the range at 5% for the US 30-year yield and 4.5-4.6% for the US 10-year yield.



RBC Capital Markets, LLC / Portfolio Advisory Group

All values in U.S. dollars and priced as of July 2, 2025, at 11:00 am ET unless otherwise noted.

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S&P500 Index - SPX

Daily 07/02/25 D 20848 T 20546 T% -1.19

Daily Momentum

S&P 500 - Daily

50 Period Simple Moving Average of SPX & 100 Period Simple Moving Average of SPX

6,211.4
6,100.0
6,000.0
5,867.4
5,839.4
5,777.2
5,700.0
5,600.0
5,500.0
5,400.0
5,300.0
5,200.0
5,100.0
5,000.0
4,900.0
4,800.0
4,744.9

6,147.43
6,059.40
5,943.23
5,767.41

S&P Cumulative Advance-Dcline Line

Bloomberg Cumulative Advance-Dcline Line for S&P 500 - TRACADIS INDEX - 1 Day - USD

99
98
97
96

Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oc

2025

Optuma optuma.com

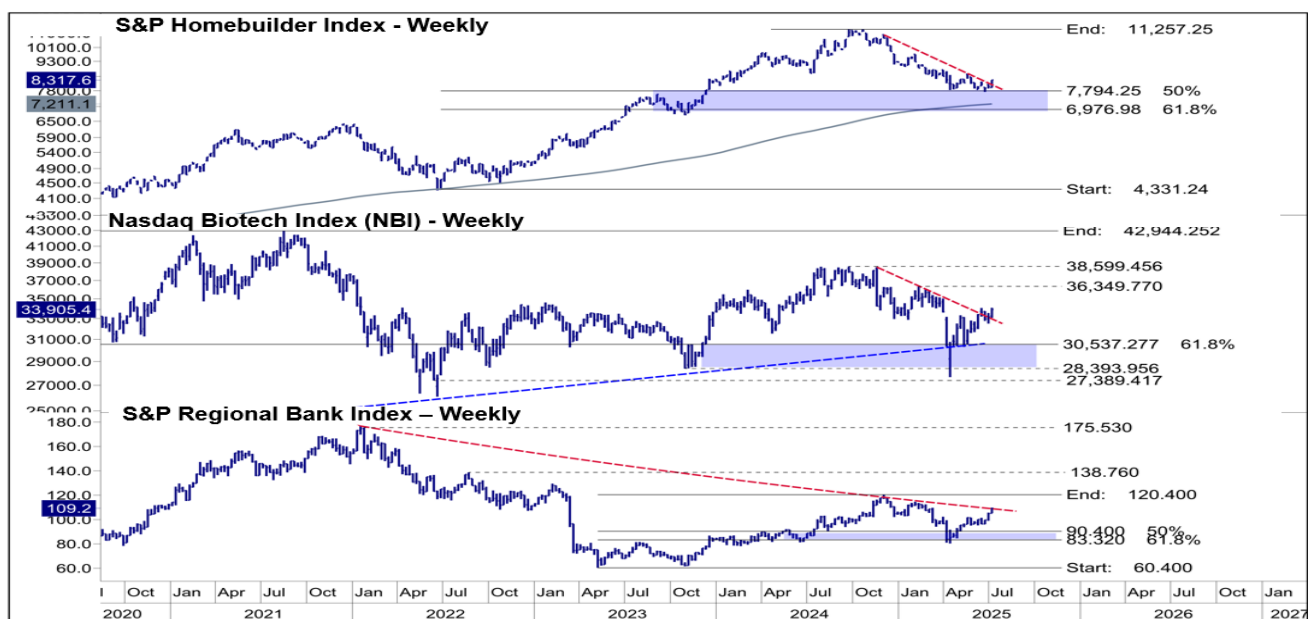
Source: RBC Wealth Management, Bloomberg, Optuma

The MSCI USA Momentum Factor index (tracked by a widely followed ETF) is a useful index to monitor high momentum stocks. Not surprisingly, this index has a pattern similar to that of the S&P 500 given it is dominated by the same large-cap growth stocks that are powering the S&P 500. However, while the trend of the index in the top panel remains positive, its relative performance in the bottom panel has negatively diverged by trending lower. Although this divergence is still only a short-term event, it suggests extra caution chasing many of the Q2 market leaders that are moving toward overbought levels and to consider diversifying portfolios to areas that have lagged in 2025 that are now showing signs of bottoming.



Source: RBC Wealth Management, Bloomberg, Optuma

We are revisiting lagging groups, such as **homebuilders**, **biotech** and **banks**, that we recently featured in the weekly Roadmap given they continue to show evidence of bottoming following pullbacks in late 2024 into 2025. While these groups may not be long-term leadership, our expectation is that their recoveries will continue through Q3 into Q4 and could help diversify portfolio exposure from many of the well advanced growth and momentum leaders.



Source: RBC Wealth Management, Bloomberg, Optuma

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Distribution of Ratings - RBC Capital Markets Equity Research As of June 30, 2025				
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			Count	Percent
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