



## ChartWizards July 1, 2026 Market Update

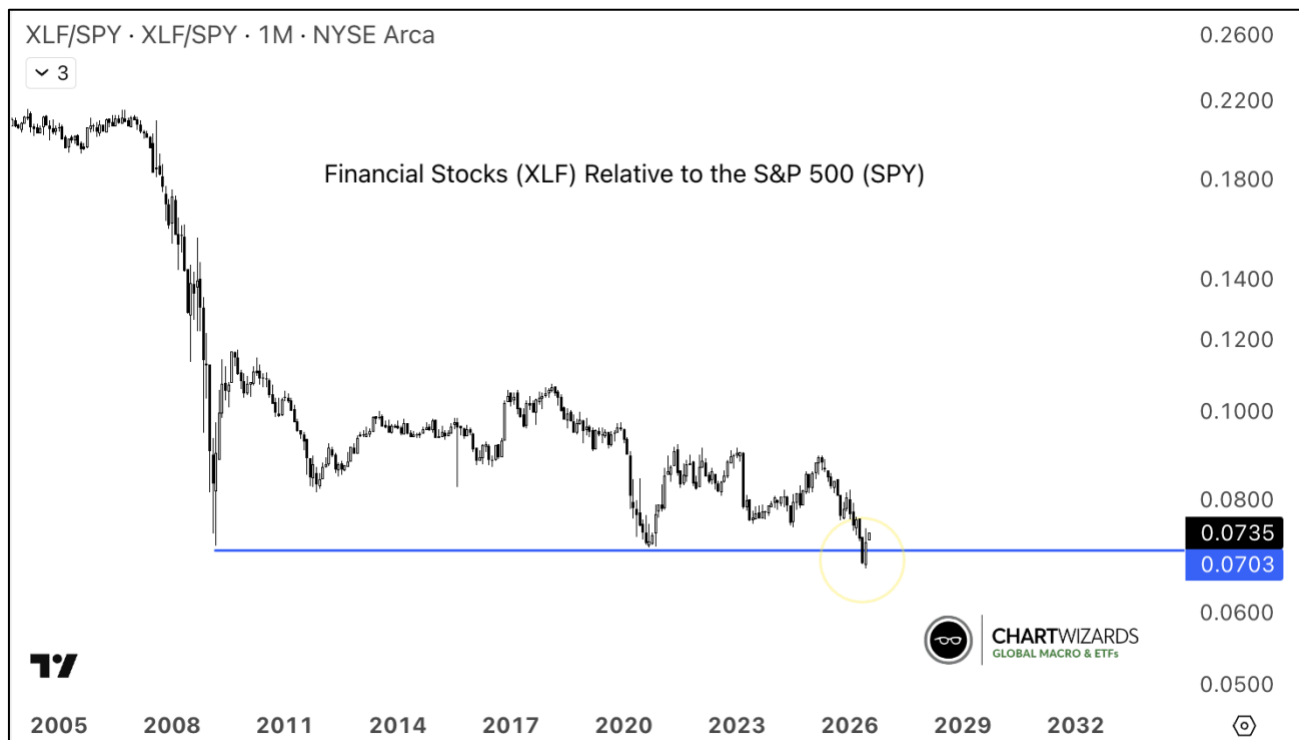
The market is closed on Friday for the observance of the 4th of July. When we return from the holiday weekend, 2Q 2026 earnings reports will begin. The big banks start on July 13th, and by the end of the month, two-thirds of the S&P 500 will have reported.

A.I. infrastructure stocks are expected to contribute about 60% of S&P 500 EPS growth this quarter. The top 10 contributing stocks are expected to account for nearly 75% of S&P 500 earnings growth in Q2, with Micron (MU) and NVIDIA (NVDA) more than 40%.

Demand for DRAM and NAND from AI data centers has caused memory chip and cybersecurity stocks to go parabolic. Last week, both Apple and [Microsoft](#) raised their consumer product prices, citing memory and storage chip costs that have more than doubled since last fall and are expected to **double again by late 2027** (WSJ).

### Sector Highlight: Financials And Regionals vs. Big Banks

**The Financial Select Sector SPDR ETF (ticker: XLF)** tracks the performance of large-cap U.S. financial companies: big banks and insurance firms. The chart (below) shows the unprecedented decline in Financial Stocks (XLF) relative to the S&P500 (SPY). The two other times that the ratio was this low were Covid-19 (2020) and the peak of the Great Financial Crisis (2008).

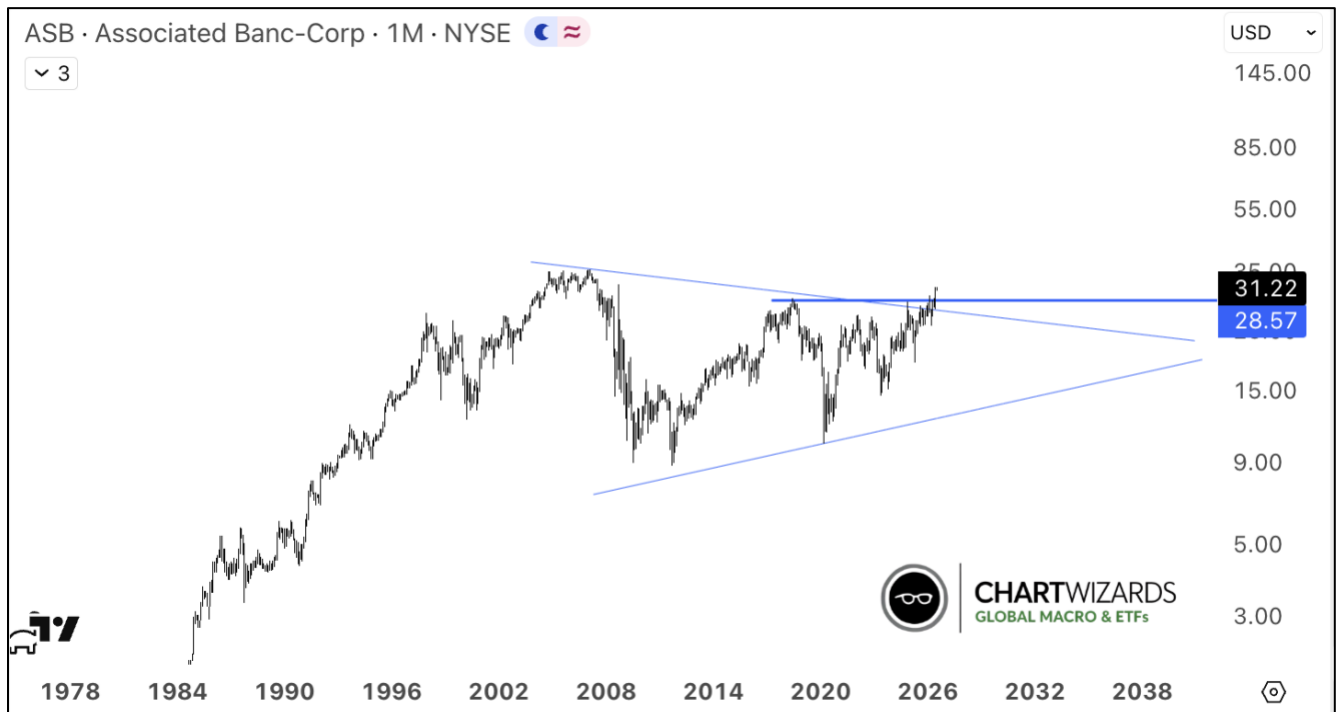


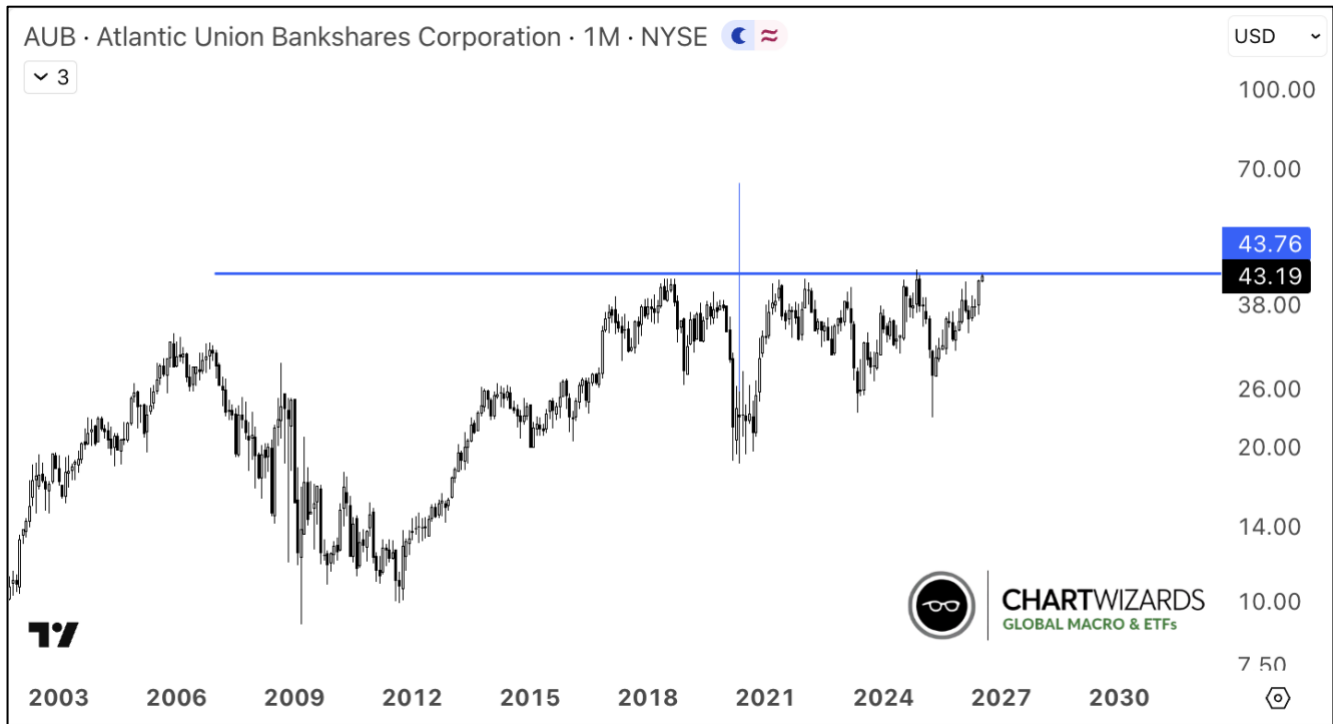


Within financials, the next leg of leadership may come from the **regional banks** rather than the national money institutions. The State Street SPDR Regional Banking ETF (ticker: KRE) shows a major reversal potential in relation to XLF.



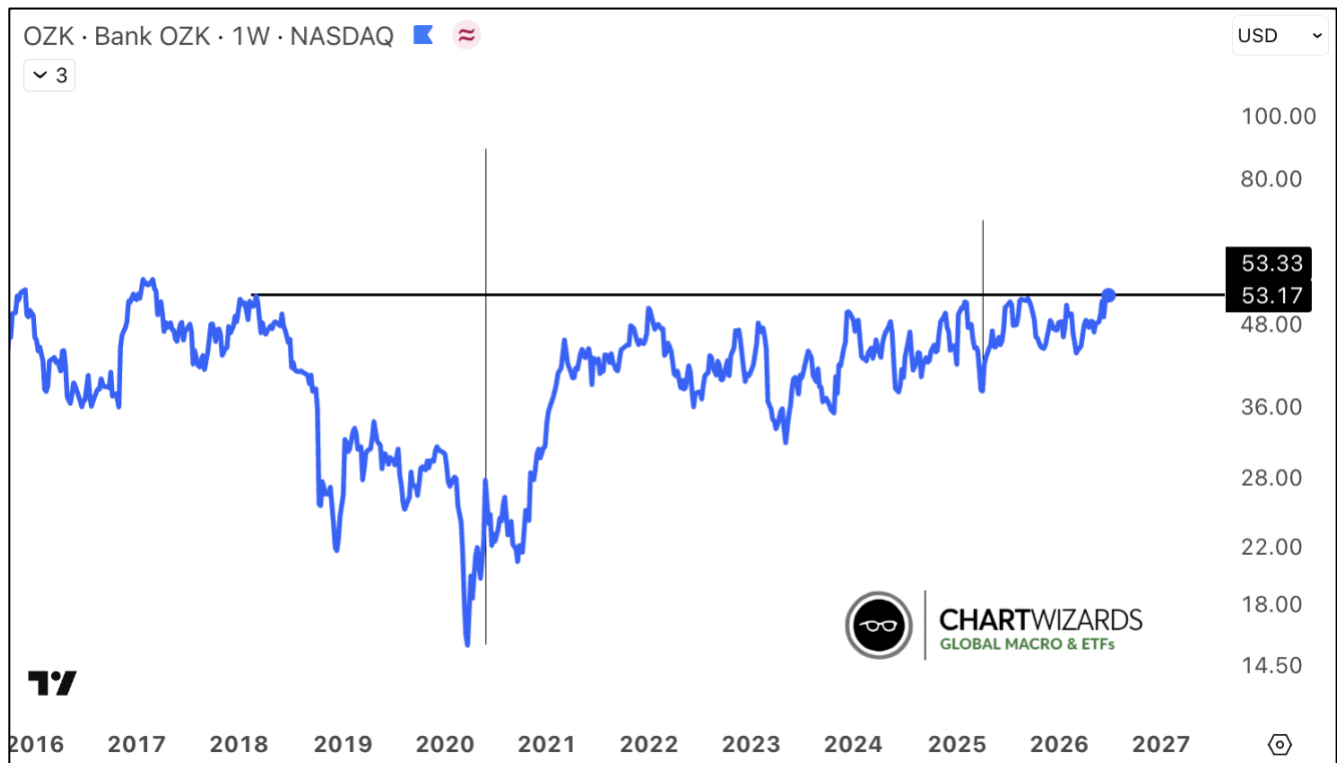
The constituents of \$KRE are full of attractive chart patterns. \$ASB is bound by diagonal lines, but the consolidation is very clear. Price just made a new 20+ yr. high.

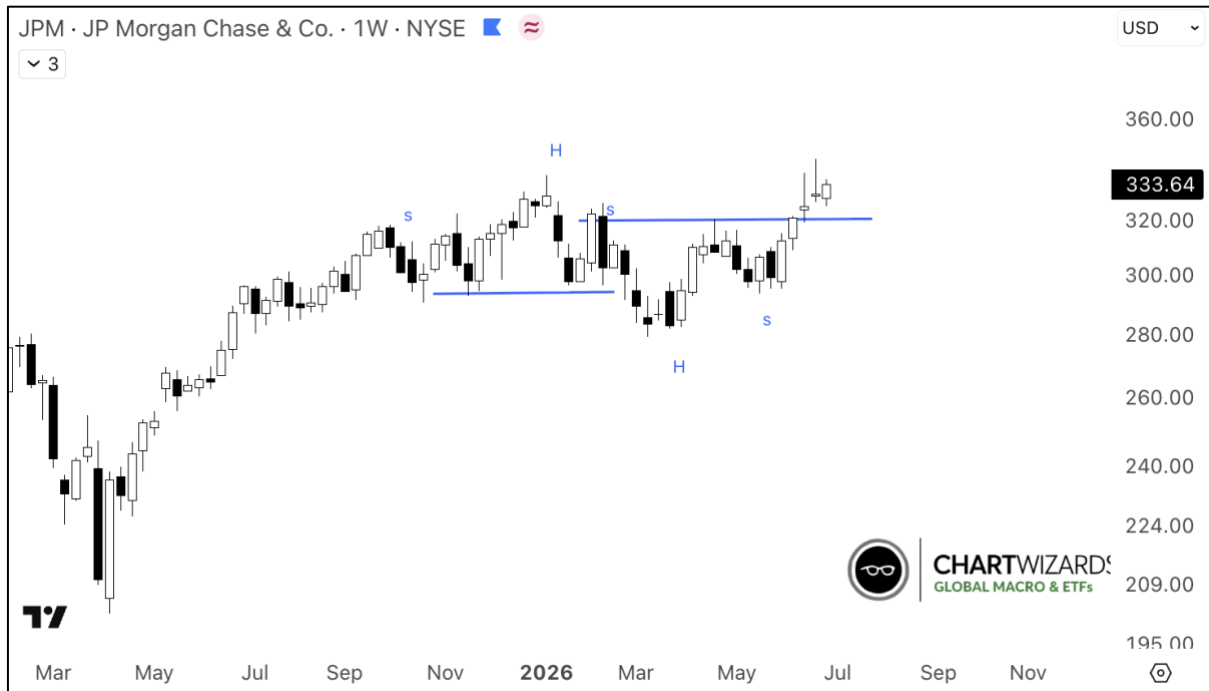




If you prefer the big national banks...

**Bank OZK (ticker: OZK) – new +5 year high and breakout of horizontal supply line.**





**JP Morgan (ticker: JPM)** completed an interlocking Head and Shoulders continuation pattern. We pointed this pattern out last report in \$GNOM, and it appears here in JPM.

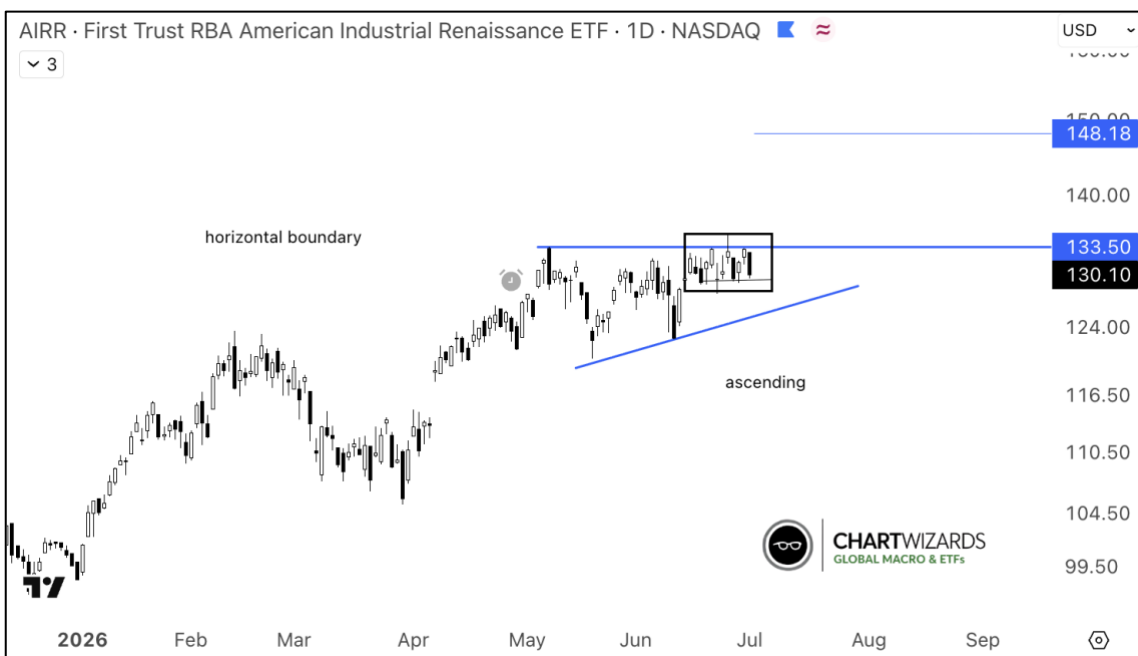
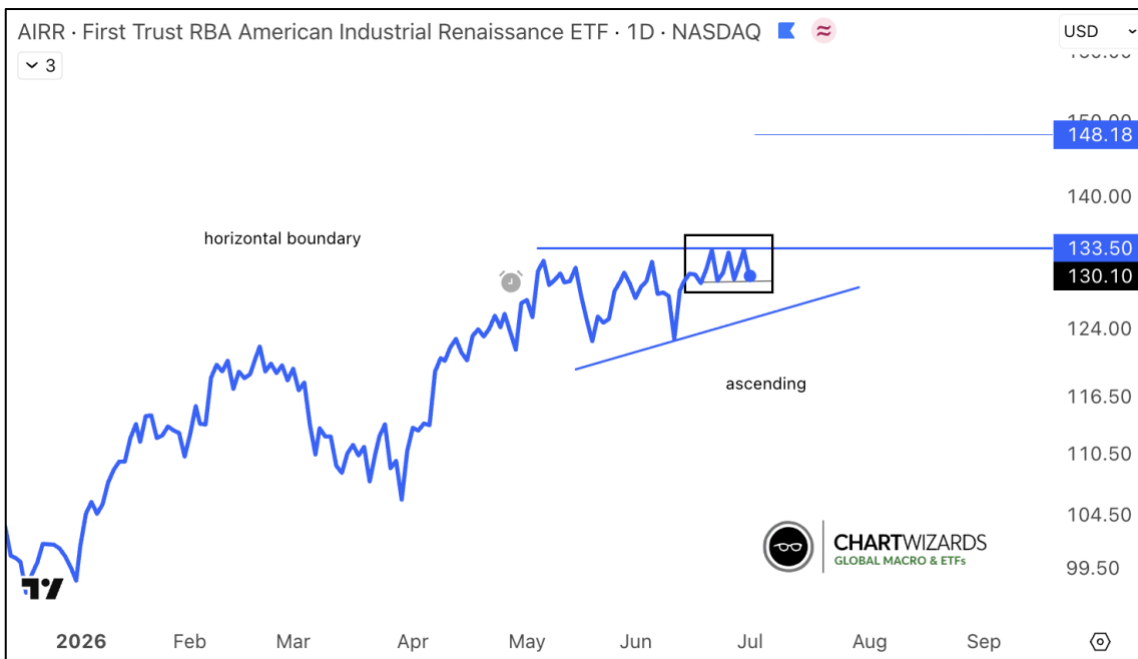
Outside of the “Financials” theme, but on the topic of **interlocking H&S patterns**, **Rivian (ticker: RIVN)** might complete a similar structure. I will buy \$19.xx.





## First Trust RBA American Industrial Renaissance ETF (ticker: AIRR)

The **Darvas Box** is a pattern identified in the 1950s by Nicolas Darvas, who turned a \$10,000 investment into \$2 million trading "boxes" at new highs. This is a prime example. The closing price line chart shows the Darvas Box. The candlestick chart shows the ascending triangle with flat top.

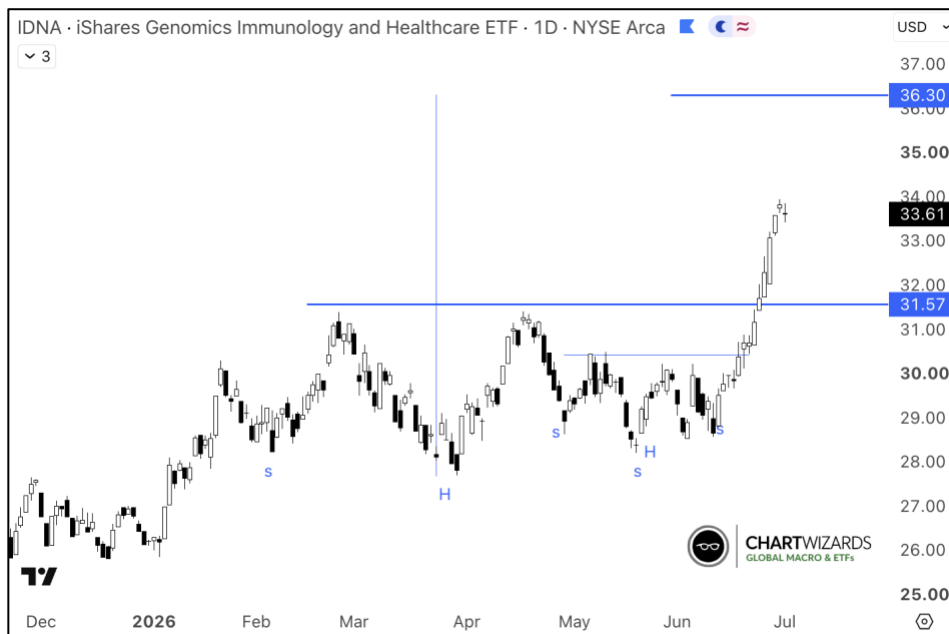




**Johnson Controls, Inc. (ticker: JCI)**, a two-hundred-year-old American company that I highlighted in the last report with its Ascending Triangle. Today JCI made a new high but is back below the boundary line. This stock has given me a “green light”. Don’t forget to look both ways before you cross the street.



While the broader market might slower to show itself, sometimes we find a smaller pattern print first. These “patterns within patterns” serve as an early warning system. The iShares Genomics Immunology Healthcare ETF (ticker: IDNA) is a fine example. A two-month Head and Shoulders nested within a larger, six-month pattern.





### Trade Target Met: General Electric (ticker: \$GE)



I want to buy GE – that’s my bias. This weekly chart of \$GE Aerospace, one of the best performers of the last two years, displays a H&S top that has already rejected one breakdown. If it can turn up beyond the RS high (\$321), I will aggressively buy \$GE.





GE “worked” in the sense of reaching its measured target after a hard-retest.

- Max 2 days of drawdown, never more than 2-3%.
- Risked \$10 to make \$60.
- Risk-adjusted returns matter more to me than absolute returns.
- There was no pain to this gain. Easy sleep.

## Cryptocurrencies

\$DAPP is a concentrated basket of the companies building and monetizing digital asset infrastructure. Heavy exposure to U.S.-listed technology and financial platforms gives the fund leveraged participation in any continued recovery across Coinbase, miners, stablecoin infrastructure, payments, and blockchain compute.

Most people see a Head and Shoulders and think “oh, bearish”.

I see a Head and Shoulders that has formed after a correction. My *bias* is to buy a H&S *failure* if it occurs, which would be a break above \$24. Of course, it can go either way. If the pattern continues lower, through the neckline, the downside target sits at \$1 and is obtained by measuring the depth of the head to the neckline and applying that distance to the neckline down.



The measured target on the downside would send prices lower than the last major support level. This is part of the reason for my bias being on the upside instead.



## JP Morgan: What They *Didn't* Say

JPM posted their stance on the Clarity Act as it moves through the senate. What I found interesting was that they never used the word “crypto”, and instead, they focused on “payments, settlement, trading, and products that increasingly resemble familiar financial services.” They allude to tokenization’s promise but argue for regulatory clarity and guardrails that simply do not exist today. ([link](#))

### JPMorganChase

crypto

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Digital assets are no longer an abstract technology discussed on the fringes of finance. They are steadily moving toward the core of the U.S. financial system—intersecting with payments, settlement, trading, and products that increasingly resemble familiar financial services. That evolution brings both promise and risk, which is why the United States must take great care in how it establishes a framework for digital assets.

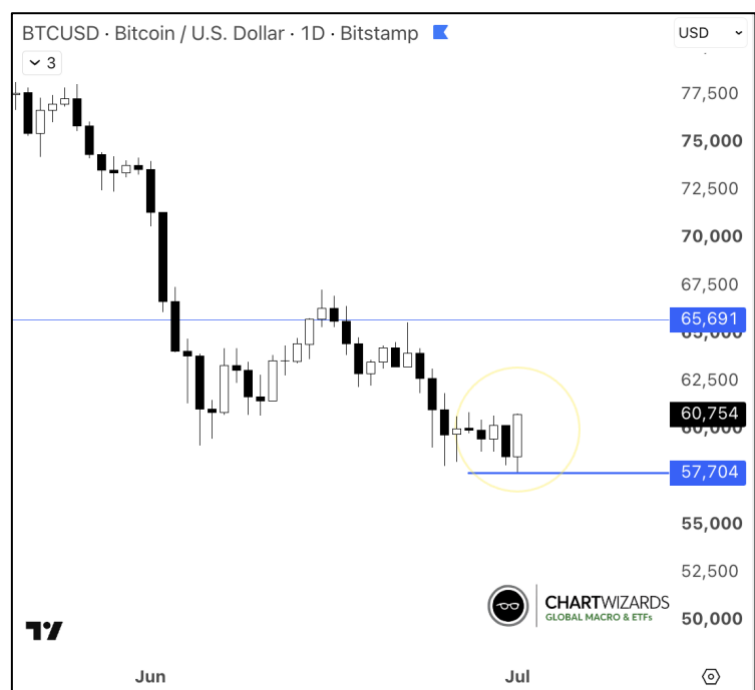
The promise is clear. Tokenization and programmable money can reduce friction in payments, shorten settlement cycles, and unlock efficiencies that benefit businesses and consumers alike. These technologies have the potential to modernize financial infrastructure in meaningful ways, particularly as commerce and investments become more global and operate around the clock.

But financial innovation that outpaces regulation and risk management can lead to instability that hinders progress. When guardrails are weak or unclear, risk doesn't disappear—it shifts and concentrates, ultimately landing where consumers and the broader economy can least afford it. That's why regulatory clarity matters only if paired with durable safeguards. Clarity with gaps or loopholes can push activity into lightly supervised channels and weaken long-standing protections.

The burden of proof in Bitcoin rests on the bulls. Wednesday's bullish engulfing candle should at least bring prices back to re-test \$65K.

**Thanks for reading, and safe trading.**

#JK





## Favorite Tools

1. Chart Wizards: [Factor Website](#)
2. CME Fed Watch Tool (interest rates): [CME](#)
3. Conference Board: [Unemployment, Labor Insights](#)
4. Labor Market (ADP): [National Employment Report](#)
5. Centralized Crypto Exchange: [Coinbase](#)
6. Decentralized Crypto Futures Exchange:
7. Crypto Retirement Account (DAIM): <https://daimio.typeform.com/jonbking>
8. Economic Calendar: [Investing.com](#)
9. Energy Information Association: [Short-Term Energy Outlook](#)
10. Fin Viz: Visual Performance: [Finviz.com](#)
11. FRED (St. Louis Federal Reserve): [Mortgage Rates](#)
12. My Charts: [TradingView](#)
13. Truflation Dashboard: [Inflation Index](#)
14. News: [Wall Street Journal](#)
15. Yardeni Charts: <https://yardeni.com/our-charts/>

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