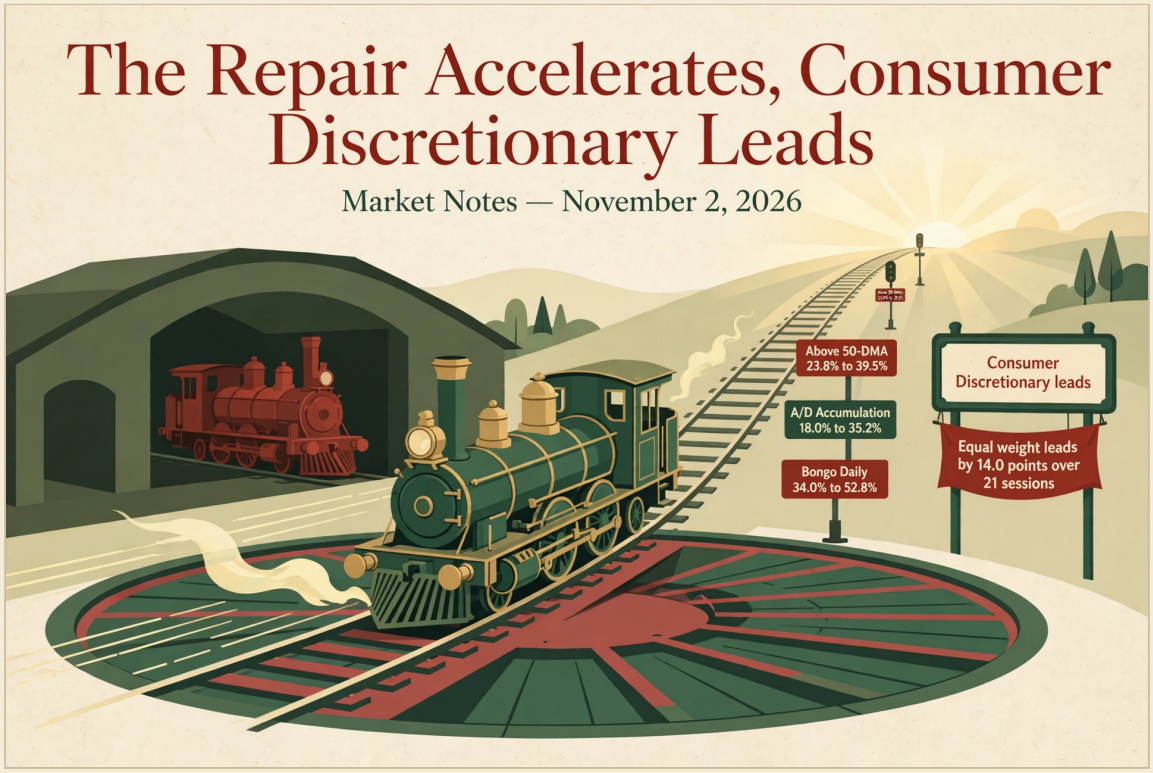
MARKET NOTES

The Repair Accelerates, Consumer Discretionary Leads

NOVEMBER 2, 2026 • FROM THE HGSI WAREHOUSE EXPORT — 4,735 SECTOR-ASSIGNED STOCKS

Breadth moved on the day: 39.5% of stocks now sit above their 50-day average (+3.2 points on the session), Bongo Daily reads 52.8% Yes, and A/D accumulation (A+B) stands at 35.2%. Consumer Discretionary led the day's sectors, and Financials and Utilities hold the most stocks near their 52-week highs. The typical semiconductor stock stands at -27.0% over 21 sessions — the repair is still not being built by the old AI-hardware leadership.



Today's read at a glance — the day drawn: the three gauges up from their October 14 levels, the share above the 50-day average from 23.8% to 39.5%, A-plus-B accumulation from 18.0% to 35.2%, and the Bongo Daily share from 34.0% to 52.8%, with equal weight ahead of cap weight by +14.0 points over 21 sessions.

ABOVE 50-DMA	A/D ACCUMULATION	BONGO DAILY SHARE
~~23.8%~~ → **39.5%**	~~18.0%~~ → **35.2%**	~~34.0%~~ → **52.8%**
+3.2 today +5.5 over five sessions	+1.2 today +5.5 over five sessions	-3.0 today +1.6 over five sessions
FROM OCTOBER 14	FROM OCTOBER 14	FROM OCTOBER 14

Measured from the October 14 low where this repair began: 39.5% Above 50-day average (from 23.8%), 35.2% A/D accumulation (from 18.0%), 52.8% Bongo Daily share (from 34.0%).

A Recovery off a Low, Not a Crest

Positional breadth is climbing toward its local highs, not rolling off them: 39.5% of stocks sit above their 50-day average and 42.9% above the 200-day. The one wrinkle is institutional: the A-plus-B accumulation share sits at 35.2%, while the D-plus-E distribution share of 39.6% remains elevated.

One session earlier, above-50DMA breadth was 36.3%, A+B accumulation 34.0%, and the Bongo Yes share 55.8% — so the day moved breadth +3.2 points, accumulation +1.2 points, Bongo -3.0 points.

For scale, the full warehouse record puts this repair against the mid-January 2026 pre-correction peak of 63.2% above the 50-day average and the March 2026 correction bottom of 22.5% — today's reading sits closer to the bottom than the peak — and against the November 2021 final pre-bear peak of 65.5%. Of the four core breadth gauges, only Bongo sits above its full-record median (49.5%), and the D-plus-E share remains above its record median of 35.2%. This is a market healing from weakness, not yet a healthy one.

Across the sessions on file, the two gauges have not moved together: above-50 breadth 35.6% (Oct 27) → 36.8% (Oct 28) → 40.8% (Oct 29) → 36.3% (Oct 30) → 39.5% (Nov 2), and Bongo 56.2% → 60.2% → 64.0% → 55.8% → 52.8% — the longer 21-session window reaches back before the sessions on file.

Three Gauges

Above 50-DMA — 39.5%. A/D accumulation — 35.2% (A 381, B 1288, C 1193, D 1478, E 395). **Bongo Daily — 52.8%** of names with a Bongo reading. The median stock gained **+0.3%** on the day, **+0.2%** over 5 sessions, **-1.8%** over 21 sessions and **-5.4%** over three months. Day moves vs

Oct 30: breadth +3.2 points (from 36.3%), accumulation +1.2 (from 34.0%), Bongo -3.0 (from 55.8%). Distribution on the day: D-plus-E 39.1% → 39.6%.

Measured from the October 14 low where this repair began, the starting anchors are: above 50-DMA 23.8%, A/D accumulation 18.0%, Bongo Daily 34.0%. On today's export those three read 39.5%, 35.2% and 52.8%. Bongo sits 3.3 points above its full-record median of 49.5%. Confirmation on this framework is the above-50 share pushing through 50% with the D-plus-E share dropping below 35% — today those read 39.5% and 39.6%.

Where the Series Stand

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TODAY'S READINGS VS THE OCTOBER 14 ANCHORS AND THE FULL RECORD

ABOVE 50-DAY AVERAGE Oct 14 anchor 23.8%	39.5%	REPAIRING Jan 2026 peak 63.2%; Mar 2026 bottom 22.5% — today's reading sits closer to the bottom than the peak.
BONGO DAILY = YES Oct 14 anchor 34.0%	52.8%	ABOVE MEDIAN Record median 49.5%; 3.3 pts above it, and above the 90th percentile of both its regimes.
A/D ACCUMULATION (A+B) Oct 14 anchor 18.0%	35.2%	BUILDING Confirmation on this framework: the above-50 share through 50% with D+E below 35%.
D+E DISTRIBUTION	39.6%	ABOVE MEDIAN Record median 35.2%; still above it.
UP/DOWN VOLUME ABOVE 1.0	44.7%	BELOW MEDIAN Record median 55.1%; reclaiming 55% is confirmation.
FRESH BEARISH BONGO FLIPS	8.7%	WATCH Record median 4.9%; 90th pct near 10% is invalidation.
MEDIAN ADX	25.0	90TH PCT Record 90th percentile — a trending market.
STRONG DOWNTRENDS / UPTRENDS	27.3% / 22.9%	DOWNTRENDS LEAD Strong downtrends (ADX ≥ 25, negative DI direction) against strong uptrends.

HGS BOXES 1–4	12.9%	90TH PCT At the record's 90th percentile; maximum 13.8% (2015).
BOX 7 TURNAROUNDS	2.9%	90TH PCT 90th pct of both the full record and the current macro regime.
ZERO OSCORE	22.4%	NEAR RECORD LOW Regime 10th pct — fundamental deterioration unusually scarce (low is good).
STOCKS BEATING S&P, 3 MONTHS	33.7%	BELOW 10TH PCT Full-record 10th pct 29.7% — below it.
MEDIAN STOCK, 21 SESSIONS / 3 MONTHS	-1.8% / -5.4%	STILL NEGATIVE The long tail trails the indices.

Today's readings are computed from this export. The full-record context is the warehouse's own history — the same dataset, more than a decade of sessions — and the anchors date from the October 14 low where this repair began.

Equal Weight Confirms; the Long Tail Does Not

The indices mask the repair job underneath. SPY sits at 96.2% of its 52-week high and, importantly, the equal-weight RSP at 98.5% — so breadth inside the S&P 500 is confirming. The narrowness lives between the indices and the long tail: the median stock stands at **-1.8%** over 21 sessions and **-5.4%** over three months, and only 33.7% of stocks have beaten the S&P 500 over those three months — below the full record's 10th percentile of 29.7%.

On the day itself, Consumer Discretionary led with a median gain of **+1.8%** and biotech **-2.2%**, while the median stock across the universe rose 0.3%.

INDEX / SECTOR ETF	% OF 52-WEEK HIGH	21-SESSION CHANGE
SPY	96.2%	**-2.3%**
RSP	98.5%	**+4.9%**
XLE	95.9%	**+7.1%**
XLK	85.7%	**-12.8%**
XLC	83.3%	**-9.1%**

DIA	95.0%	**+1.6%**
QQQ	89.3%	**-9.1%**
IWM	91.5%	**-0.8%**

+14.0 pts

The equal-weight / cap-weight gap, 21 sessions

RSP, the equal-weight S&P 500, is **+4.9%** over 21 sessions and sits at 98.5% of its high; QQQ is **-9.1%** at 89.3% of its high. Inside the S&P 500 the typical stock is beating the index — the inverse of the usual narrowness complaint.

XLE is **+7.1%** over 21 sessions and at 95.9% of its high, while XLK is **-12.8%** and XLC **-9.1%** over the same span — the rotation out of the old AI-hardware leadership continues.

Where the Breadth Went

Consumer Discretionary led with a median gain of **+1.8%**, and the near-high picture favors value: Financials and Utilities hold the largest shares of stocks within 5% of their 52-week highs. The rotation lists and the table's right-hand column show the ten-session change in each sector's near-high share, measured across the warehouse history (the base sessions predate the exports on file). Financials also lifted their share above the 50-day average by 24.3 points over the window, from 20% to 45% (Financials reads 48.3% on today's export). One-day breadth movers: Financials +10.3, Consumer Discretionary +7.1, Consumer Staples +6.1, Utilities +4.9; laggards: Technology +0.1, Health Care -0.2, Energy -18.9.

LEADING THE ROTATION

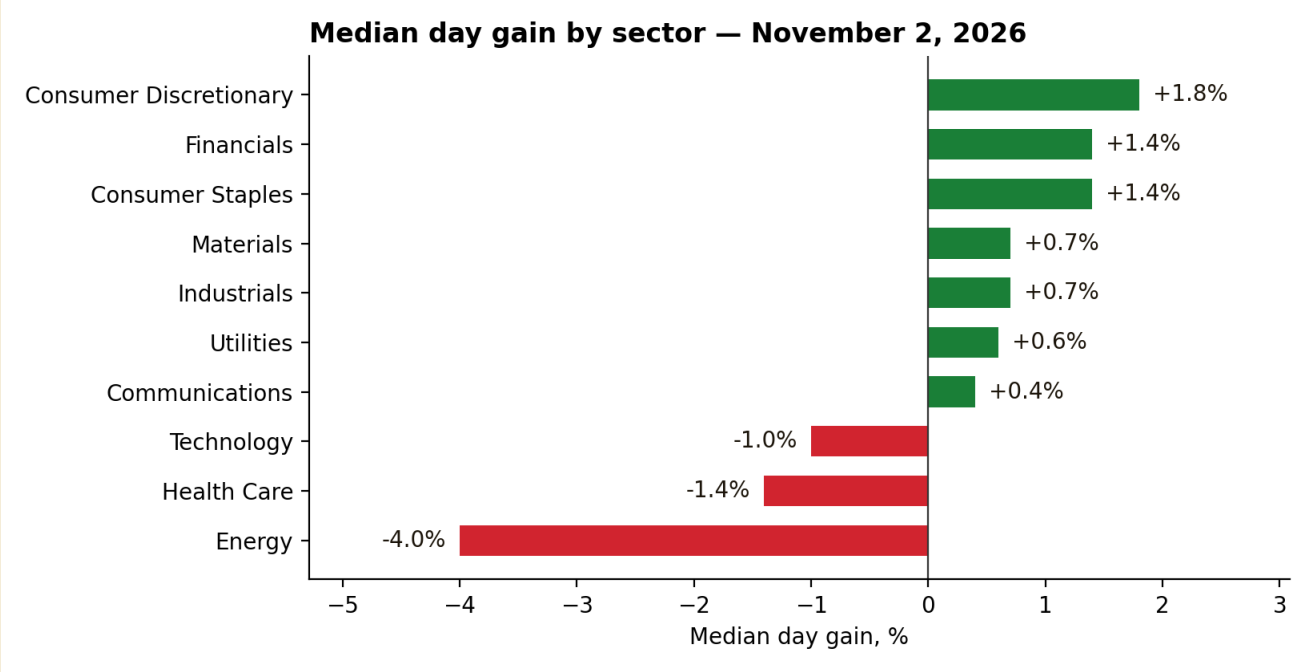
Δ WITHIN 5% OF HIGH

Utilities	+11.0
Financials	+8.0
Health Care	+4.2
Energy	+4.0

TRAILING THE ROTATION

Δ WITHIN 5% OF HIGH

Communications	−1.8
Technology	+1.5
Materials	+2.9
Consumer Staples	+2.9



SECTOR	MEDIAN DAY GAIN	ABOVE 50-DAY	WITHIN 5% OF 52-WEEK HIGH	Δ NEAR-HIGH, 10 SESSIONS*
Consumer Discretionary	**+1.8%**	53.4%	11.0%	—
Consumer Staples	**+1.4%**	56.1%	18.1%	+2.9
Financials	**+1.4%**	48.3%	22.5%	+8.0
Industrials	**+0.7%**	36.6%	8.2%	—
Materials	**+0.7%**	29.3%	6.4%	+2.9
Utilities	**+0.6%**	59.2%	21.4%	+11.0
Communications	**+0.4%**	30.8%	5.3%	−1.8
Technology	**-1.0%**	35.2%	7.5%	+1.5
Health Care	**-1.4%**	28.4%	6.2%	+4.2
Energy	**-4.0%**	28.7%	6.9%	+4.0

* Ten-session changes measured across the warehouse history. Communications is the only sector that lost near-high breadth over the window.

Within the sectors, the day's industry leaders were Airlines +5.3% (n=15), Homebuilders +4.7% (n=21), Payment & Data Processors +3.0% (n=19), Apparel Footwear & Acc Design +2.9% (n=29), Household Products +2.3% (n=22); laggards were Exploration & Production -5.2% (n=70), Oil & Gas Services & Equip -5.6% (n=65), Computer Hardware & Storage -5.7% (n=20). Semiconductor manufacturers bounced **-3.4%** on the day — a one-day bounce inside their 21-session decline, not a reversal of it.

New Highs Are Scarce; the Weekly Gauge Lags

Only 15 stocks (0.3%) closed within 0.1% of their 52-week high, and 65 (1.4%) closed at a new 52-week low; 132 sit within 1% of their highs. Breadth is repairing, but new-high thrust has not arrived yet. The slower weekly gauge tells the same tempering story: Bongo Weekly reads Yes for just 37.5% of names with a reading, far below the daily 52.8% — the repair is a daily phenomenon so far, not yet a weekly one.

The New Engine, by Name

Persistent leadership — the dollar-weighted cohort actually making new highs day after day — confirms the shift emphatically. Eight energy names lead it, beside payments and financials and a health care cluster. Not a single semiconductor or AI-infrastructure name qualifies for that cohort. Persistence itself cannot be verified from two consecutive exports, so the table below checks the highlighted names against today's export rather than claiming a multi-day persistence screen; on today's export the cohort sits between 89.2% and 99.9% of their 52-week highs, with 21-session changes from **+2.5%** to **+20.2%**.

STOCK	% OF 52-WEEK HIGH	21-SESSION CHANGE	A/D RATING
XOM	95.3%	**+9.5%**	B
CVX	96.3%	**+10.2%**	B
COP	95.2%	**+15.9%**	B
EOG	95.2%	**+11.7%**	B
APA	92.2%	**+11.8%**	B
OVV	92.1%	**+12.3%**	B

CNQ	95.3%	**+10.7%**	B
SU	94.0%	**+8.4%**	B
V	99.7%	**+18.0%**	A
MA	99.5%	**+19.2%**	A
NDAQ	99.9%	**+20.2%**	A
CRL	89.2%	**+16.7%**	B
HALO	96.2%	**+17.4%**	B
WST	93.1%	**+11.8%**	B
HNGE	97.2%	**+18.2%**	A
A	94.0%	**+2.5%**	B

The Old Engine, Being Sold

The typical semiconductor stock stands at -27.0% over 21 sessions, and the typical semiconductor manufacturer at -31.6%. At the top of the dollar-volume table, the former leaders sit off their highs: AAPL at 96.2% of its high with A/D direction down and velocity **+5.3%**, MSFT at 92.0% with a D rating and velocity **-13.4%**, NVDA at 83.0% with a D rating, and META carrying an D rating and **-3.8%** over the past five sessions. The broken former leaders sit deeper still: MU 130 days past its last high (its 52-week high dates to June 25) at 66.4% of that high, and SNDK at 45.7% of its high.

The dollar-volume leaderboard shows the mix directly:

STOCK	DOLLAR VOLUME	DAY	% OF HIGH	A/D
NVDA	$23.4B	**-1.3%**	83.0%	D
MU	$21.6B	**-5.8%**	66.4%	D
TSLA	$15.2B	**+1.0%**	81.0%	A
AAPL	$13.9B	**-1.8%**	96.2%	B
META	$13.4B	**-1.3%**	77.8%	D

SPCX	$12.6B	**+1.2%**	60.4%	E
MSFT	$11.2B	**-2.8%**	92.0%	D
SNDK	$10.2B	**-6.6%**	45.7%	D
AMD	$9.7B	**-7.5%**	70.9%	C
AMZN	$9.3B	**+2.2%**	85.5%	D

Distribution Into Strength at the Top

The distribution signals sit where the flow is rolling over beneath still-high prices. The A/D non-confirmation scan (stocks within 5% of their high with A/D direction down and negative A/D velocity, ranked by dollar volume) counts 75 names and is headed by XOM, CVX, COP: names printing near 52-week highs while institutional flow declines beneath them.

STOCK	% OF HIGH	A/D RATING	VELOCITY
XOM	95.3%	B	**-14.1%**
CVX	96.3%	B	**-1.3%**
COP	95.2%	B	**-3.1%**
DIS	96.6%	B	**-20.9%**
MO	96.7%	B	**-13.8%**
MAR	96.1%	B	**-15.0%**
SUNB	96.7%	B	**-0.6%**
EOG	95.2%	B	**-8.8%**
FAST	98.6%	B	**-5.3%**
ROKU	97.1%	C	**-8.8%**
MET	97.4%	C	**-13.4%**
ETSY	96.8%	B	**-4.1%**
HALO	96.2%	B	**-1.6%**
BIIB	96.2%	C	**-5.9%**

DOCU	95.1%	B	**-6.6%**
HAS	97.8%	A	**-10.0%**
TEVA	95.6%	C	**-8.8%**
WRB	95.2%	C	**-13.8%**
RRC	95.7%	B	**-5.9%**
GFL	98.3%	B	**-20.6%**

Fresh bearish Bongo flips numbered 413 (8.7% of the universe), against 273 fresh bullish flips. By dollar volume, the bearish flips are led by: LITE (-18.6%), WDC (-7.5%), XOM (-4.0%), UNH (-1.6%), CVX (-3.3%), BAC (-0.9%), KLAC (-3.0%), TMO (-2.1%), RKLB (-4.9%), DHR (-1.8%), COP (-4.7%), MCHP (-1.6%), SHEL (-3.5%), NTRA (-8.5%), PATH (-2.8%), WMB (-4.3%), OXY (-5.1%), FANG (-5.8%), DVN (-6.7%), EOG (-4.6%).

Still, the universe-wide fresh-flip share of 8.7% sits below the record's median of 4.9% — normal churn rather than a regime break.

The Kahuna thrust readings, measured by the one-day Bollinger %B change: Big Kahuna Down prints (a change of −0.40 or worse) cover 2.7% of the universe and Big Kahuna Up 3.8%; Little Kahuna prints (a 0.20–0.40 move) split 7.5% down to 12.5% up.

Rotating, Not Broadly Buying

The trend regime is genuinely bifurcated. A median ADX of 25.0 sits at the record's 90th percentile — a trending market — but strong downtrends (27.3% of stocks, ADX ≥ 25 with negative DI direction) still outnumber strong uptrends (22.9%), and only 44.7% of stocks show an up/down volume ratio above 1.0, below the record's median of 55.1%. Institutions are re-engaging selectively: A/D direction is up for 48.2% of stocks, above the median, and A/D velocity is improving for 2,310 names. They are rotating, not broadly buying.

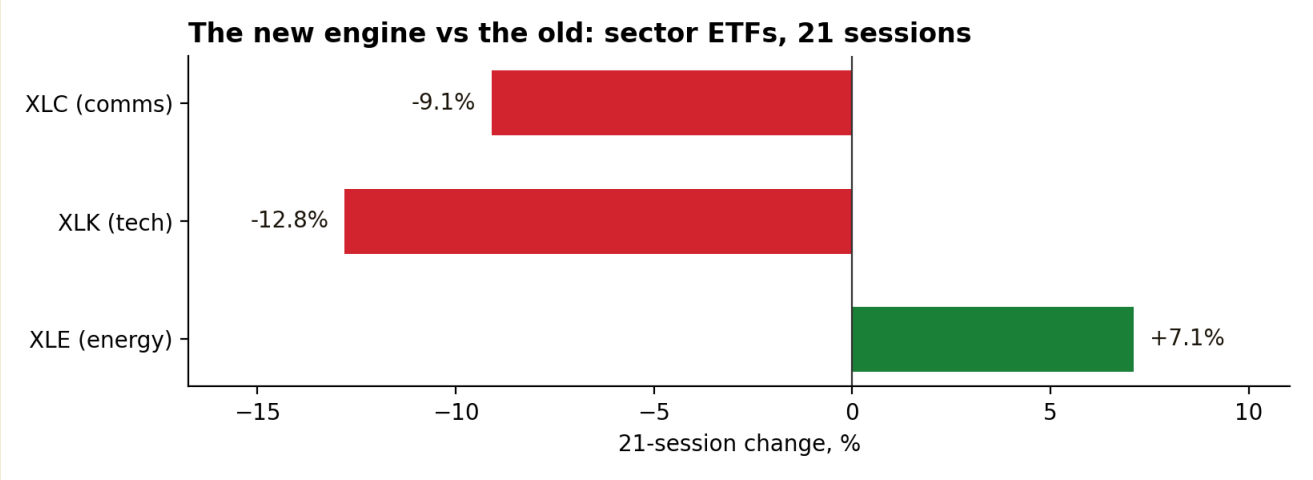
Quality Up, Price Down

Earnings quality is the quiet bull case. Boxes 1–4 hold 12.9% of stocks, at the full record's 90th percentile of 12.6% and near its maximum of 13.8%, and the total share carrying an HGS Box designation, 23.9%, is above the 90th percentile. Box 7 turnaround candidates sit at 2.9%, the 90th percentile of both the full record and the current macro regime. The elite-OScore tier is at

1.0%, matching the regime maximum, and the zero-OScore share of 22.4% sits at the regime's 10th percentile — fundamental deterioration is unusually scarce. The CQIE distribution is front-loaded: 2,055 stocks show no consecutive quarters of improving earnings, 1,558 show one quarter and 745 show two, with a median CQIE of 1. Price breadth below its median while earnings breadth sits near its best readings in more than a decade is a combination that has historically rewarded stock selection over index exposure.

The Narrative and the Data

The prevailing narrative remains that AI infrastructure carries everything through this late-cycle grind. The bottom-up data now directly contradicts it. The dollar-weighted new-high cohort is energy, payments and financials, and health care, with no AI-hardware representation. The ten-session breadth gains accrue to Financials, Utilities, Health Care and Energy. And the distribution scan shows the extended mega-caps being sold into strength.



The repair is real and broadening, but it is being built on a different foundation than the one the popular narrative describes — and if you are still anchored to the semis-led playbook, the tape has moved on.

Three Screening Approaches

- **Aggressive — hunt in the new leadership itself.** RS Rank of 90 or better, an A/D Letter Rank of A or B, price above the 50-day average, with volume confirmation. **390 names** — heaviest in Biotech & Pharma (49), Oil Gas & Coal (34), Banking (32), Software (29), Retail - Discretionary (18). The results skew toward Biotech (32), Banks (32), Application Software

(23). ETSY, ANF and HAS all pass this screen on today's export. Requiring volume confirmation in the strict sense (today's volume above its 50-day average volume) narrows the list to 245 names.

- **Moderate — pair earnings quality with trend confirmation.** HGS Boxes 1–4, an ERG of 240 or better, and Bongo Daily = Yes. **32 names.** With the Box 1–4 share at its 90th percentile, this screen is unusually well stocked right now.
- **Conservative — accumulation without extension.** Accumulation-rated names holding above the 200-day average without being extended, avoiding the non-confirmation cohort. **1132 names** on that base. Watch the top of today's non-confirmation list — XOM, CVX, COP: if that list starts expanding into the new energy and financial leadership, the rotation thesis weakens.

What the Setup Suggests

In plain terms, the repair is broadening: above-50 breadth at 39.5% (+3.2 points on the day), A+B accumulation at 35.2%, D+E distribution at 39.6%, and earnings quality near its best readings in more than a decade. Against that, breadth remains below the 50% above-50 confirmation level, the thrust is still not volume-confirmed (up/down breadth 44.7%), the long tail trails the indices by a historically wide margin, and the distribution scan still finds 75 names near their highs with declining flow. The trajectory carries the argument — and the trajectory is being built away from the old AI-hardware leadership, not by it.

The levels to watch: confirmation would be the share above the 50-day average pushing through 50% with the D-plus-E share dropping below 35%. Invalidation would be the A-plus-B share stalling and rolling below about 30% while the fresh-bearish-Bongo list broadens beyond tech into the new energy and health care leadership — the path that would convert the thrust into a 2018-style break.

Historical Analogues

Matching today's breadth fingerprint against the warehouse's full history gives 5 close analogues. Across them, the median stock returned -1.5% over the following 21 sessions, +0.0% over 63 and -0.1% over 126, with 2 of 5 positive at each horizon. The closest single match is September 2018 (similarity 0.65).

ANALOGUE	SIMILARITY	MEDIAN STOCK, +21 SESSIONS	+63 SESSIONS	+126 SESSIONS

September 2018	0.65	-10.9%	-22.4%	—
April 2026	0.56	+1.9%	+5.9%	-0.1%
All 5 analogues (median)		-1.5%	+0.0%	-0.1%

About this report

Written by Trade8. The data is provided solely by the HGSI warehouse — nothing more. Universe: the 4,735 stocks with a Sector assigned (funds and ETFs with no sector are excluded). Changes are measured against the prior sessions' exports on file.

This report is an editorial read built from HGSI warehouse data for educational purposes. It is not investment advice, a recommendation to buy or sell any security, or a forecast of future returns.