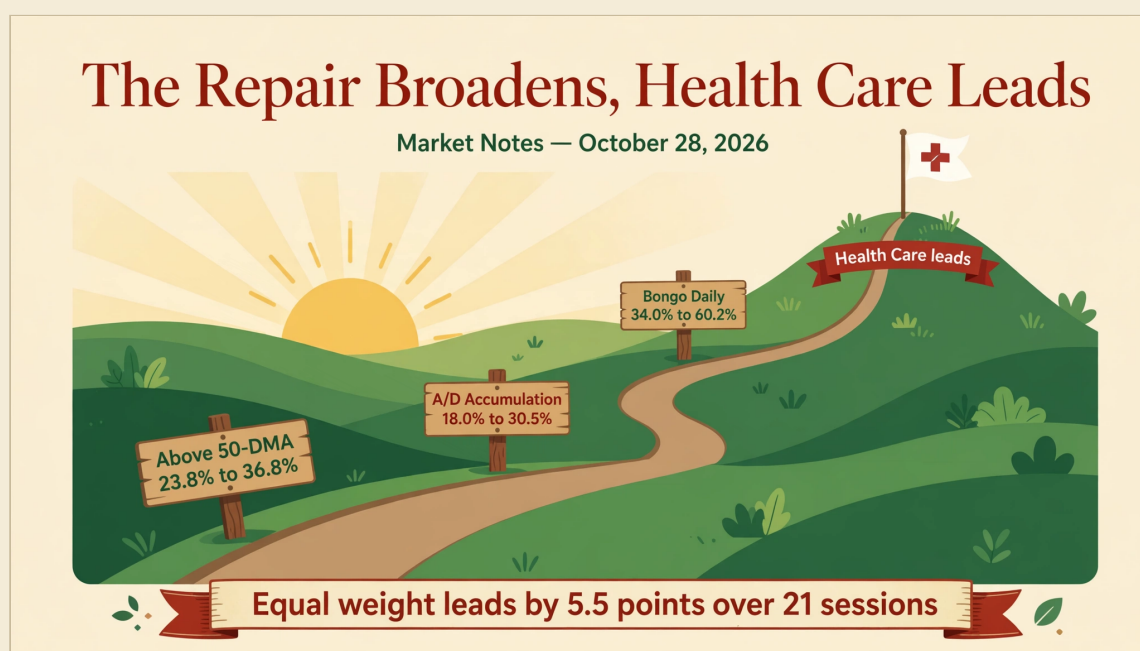


The Repair Broadens, Health Care Leads

OCTOBER 28, 2026 • FROM THE HGSI WAREHOUSE EXPORT — 4,735 SECTOR-ASSIGNED STOCKS

Breadth moved on the day: 36.8% of stocks now sit above their 50-day average (+1.2 points on the session), Bongo Daily reads 60.2% Yes, and A/D accumulation (A+B) stands at 30.5%. Health Care led the day's sectors, and Energy and Financials hold the most stocks near their 52-week highs. The typical semiconductor stock stands at -11.7% 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 36.8%, A-plus-B accumulation from 18.0% to 30.5%, and the Bongo Daily share from 34.0% to 60.2%, with equal weight ahead of cap weight by +5.5 points over 21 sessions.

ABOVE 50-DMA	A/D ACCUMULATION	BONGO DAILY SHARE
23.8% → 36.8%	18.0% → 30.5%	34.0% → 60.2%

+1.2 today

FROM OCTOBER 14

-0.7 today

FROM OCTOBER 14

+4.0 today

FROM OCTOBER 14

Measured from the October 14 low where this repair began: 36.8% Above 50-day average (from 23.8%), 30.5% A/D accumulation (from 18.0%), 60.2% 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: 36.8% of stocks sit above their 50-day average and 42.1% above the 200-day. The one wrinkle is institutional: the A-plus-B accumulation share sits at 30.5%, while the D-plus-E distribution share of 42.9% remains elevated.

One session earlier, above-50DMA breadth was 35.6%, A+B accumulation 31.2%, and the Bongo Yes share 56.2% — so the day moved breadth +1.2 points, accumulation -0.7 points, Bongo +4.0 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 repair has risen every session: above-50 breadth 33.6% (Oct 23) → 34.0% (Oct 26) → 35.6% (Oct 27) → 36.8% (Oct 28), and Bongo 50.6% → 51.2% → 56.2% → 60.2% — October 28, 2026 is the highest of the sessions on file for both gauges.

Three Gauges

Above 50-DMA — 36.8%. A/D accumulation — 30.5% (A 309, B 1133, C 1262, D 1649, E 382).

Bongo Daily — 60.2% of names with a Bongo reading. The median stock gained **+0.2%** on the day, **+0.6%** over 5 sessions, **-1.1%** over 21 sessions and **-6.1%** over three months. Day moves vs Oct 27: breadth +1.2 points (from 35.6%), accumulation -0.7 (from 31.2%), Bongo +4.0 (from 56.2%). Distribution on the day: D-plus-E 44.2% → 42.9%.

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 36.8%, 30.5% and 60.2%. Bongo sits 10.7 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 36.8% and 42.9%.

Where the Series Stand

<i>Where the Series Stand</i> TODAY'S READINGS VS THE OCTOBER 14 ANCHORS AND THE FULL RECORD		
ABOVE 50-DAY AVERAGE Oct 14 anchor 23.8%	36.8%	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%	60.2%	ABOVE MEDIAN Record median 49.5%; 10.7 pts above it, and above the 90th percentile of both its regimes.
A/D ACCUMULATION (A+B) Oct 14 anchor 18.0%	30.5%	BUILDING Confirmation on this framework: the above-50 share through 50% with D+E below 35%.
D+E DISTRIBUTION	42.9%	ABOVE MEDIAN Record median 35.2%; still above it.
UP/DOWN VOLUME ABOVE 1.0	44.0%	BELOW MEDIAN Record median 55.1%; reclaiming 55% is confirmation.
FRESH BEARISH BONGO FLIPS	4.2%	BELOW MEDIAN 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	29.2% / 21.4%	DOWNTRENDS LEAD Strong downtrends (ADX ≥ 25, negative DI direction) against strong uptrends.
HGS BOXES 1-4	12.8%	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	25.6%	BELOW 10TH PCT	Full-record 10th pct 29.7% — below it.
MEDIAN STOCK, 21 SESSIONS / 3 MONTHS	-1.1% / -6.1%	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 98.8% of its 52-week high and, importantly, the equal-weight RSP at 97.3% — so breadth inside the S&P 500 is confirming. The narrowness lives between the indices and the long tail: the median stock stands at **-1.1%** over 21 sessions and **-6.1%** over three months, and only 25.6% 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, Health Care led with a median gain of **+1.7%** and biotech **+2.2%**, while the median stock across the universe rose 0.2%.

INDEX / SECTOR ETF	% OF 52-WEEK HIGH	21-SESSION CHANGE
SPY	98.8%	+1.1%
RSP	97.3%	+3.8%
XLE	98.0%	+11.2%
XLK	94.0%	-1.8%
XLC	85.7%	-7.5%
DIA	96.0%	+2.3%
QQQ	95.1%	-1.7%
IWM	92.2%	+0.8%

+5.5pts

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

RSP, the equal-weight S&P 500, is **+3.8%** over 21 sessions and sits at 97.3% of its high; QQQ is **-1.7%** at 95.1% of its high. Inside the S&P 500 the typical stock is beating the index — the inverse of the usual narrowness complaint.

XLE is **+11.2%** over 21 sessions and at 98.0% of its high, while XLK is **-1.8%** and XLC **-7.5%** over the same span — the rotation out of the old AI-hardware leadership continues.

Where the Breadth Went

Health Care led with a median gain of **+1.7%**, and the near-high picture favors value: Energy and Financials 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 35.4% on today's export). One-day breadth movers: Health Care +4.8, Industrials +2.3, Technology +1.3, Energy +1.1; laggards: Communications -1.4, Materials -1.7, Utilities -3.4.

LEADING THE ROTATION

Δ WITHIN 5% OF HIGH

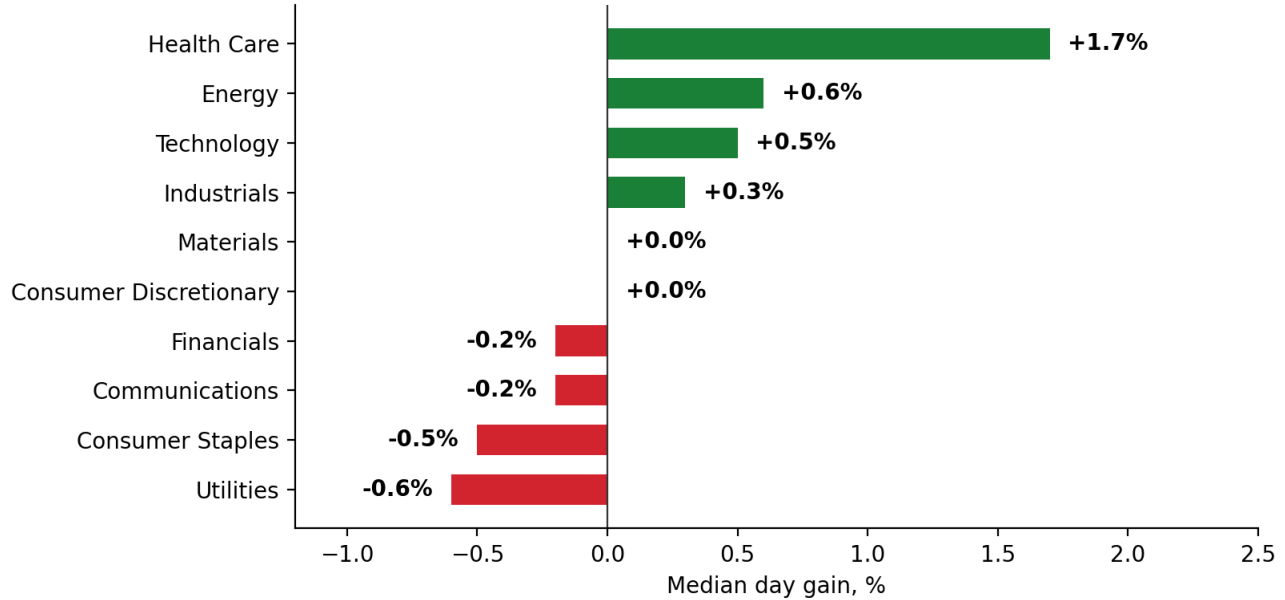
Utilities	+11.0
Financials	+8.0
Health Care	+4.2
Energy	+4.0

TRAILING THE ROTATION

Δ WITHIN 5% OF HIGH

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

Median day gain by sector — October 28, 2026



SECTOR	MEDIAN DAY GAIN	ABOVE 50-DAY	WITHIN 5% OF 52-WEEK HIGH	Δ NEAR-HIGH, 10 SESSIONS*
Health Care	+1.7%	33.5%	9.6%	+4.2
Energy	+0.6%	46.2%	17.5%	+4.0
Technology	+0.5%	43.4%	9.4%	+1.5
Industrials	+0.3%	32.8%	8.2%	—
Consumer Discretionary	0.0%	40.7%	8.0%	—
Materials	0.0%	23.7%	4.7%	+2.9
Communications	-0.2%	29.9%	6.0%	-1.8
Financials	-0.2%	35.4%	16.0%	+8.0
Consumer Staples	-0.5%	44.4%	7.7%	+2.9
Utilities	-0.6%	53.3%	14.3%	+11.0

* 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 Electrical Power Equipment +3.4% (n=25), Semiconductor Mfg +3.3% (n=31), Restaurants +2.7% (n=44), Infrastructure Construction +2.7% (n=15), Medical Equipment +2.2% (n=24); laggards were Real Estate Services -1.3% (n=37), Homebuilders -1.3% (n=21), Educational Services -1.7% (n=39). Semiconductor manufacturers bounced **+3.3%** 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 12 stocks (0.3%) closed within 0.1% of their 52-week high, and 27 (0.6%) closed at a new 52-week low; 108 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 33.8% of names with a reading, far below the daily 60.2% — 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 96.4% and 99.9% of their 52-week highs, with 21-session changes from **+3.7%** to **+26.4%**.

STOCK	% OF 52-WEEK HIGH	21-SESSION CHANGE	A/D RATING
XOM	98.5%	+12.8%	B
CVX	97.9%	+12.1%	B
COP	97.6%	+18.8%	A
EOG	97.5%	+15.2%	A
APA	97.6%	+21.1%	A
OVV	96.9%	+21.3%	B

CNQ	98.8%	+16.2%	A
SU	96.6%	+14.9%	B
V	96.6%	+9.5%	B
MA	96.4%	+8.3%	B
NDAQ	99.9%	+14.9%	B
CRL	98.9%	+26.4%	A
HALO	99.8%	+16.6%	B
WST	99.7%	+7.2%	A
HNGE	99.4%	+21.1%	A
A	99.2%	+3.7%	C

The Old Engine, Being Sold

The typical semiconductor stock stands at -11.7% over 21 sessions, and the typical semiconductor manufacturer at -17.7%. At the top of the dollar-volume table, the former leaders sit off their highs: AAPL at 97.8% of its high with A/D direction down and velocity **-17.5%**, MSFT at 95.9% with a D rating and velocity **-27.2%**, NVDA at 88.5% with a D rating, and META carrying an E rating and **-12.2%** over the past five sessions. The broken former leaders sit deeper still: MU 125 days past its last high (its 52-week high dates to June 25) at 78.3% of that high, and SNDK at 59.7% of its high.

The dollar-volume leaderboard shows the mix directly:

STOCK	DOLLAR VOLUME	DAY	% OF HIGH	A/D
MU	\$25.3B	+5.9%	78.3%	D
NVDA	\$24.6B	-1.2%	88.5%	D
TSLA	\$15.4B	-0.8%	81.0%	A
AAPL	\$13.8B	-0.9%	97.8%	C
SPCX	\$13.4B	-2.3%	64.4%	D

SNDK	\$13.3B	+7.7%	59.7%	D
META	\$13.2B	-1.2%	78.5%	E
AMD	\$11.5B	+3.2%	87.8%	C
MSFT	\$11.2B	-0.1%	95.9%	D
INTC	\$9.5B	+1.9%	67.1%	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 73 names and is headed by AAPL, MSFT, LLY: names printing near 52-week highs while institutional flow declines beneath them.

STOCK	% OF HIGH	A/D RATING	VELOCITY
AAPL	97.8%	C	-17.5%
MSFT	95.9%	D	-27.2%
LLY	97.5%	C	-22.2%
MA	96.4%	B	-5.9%
AMGN	99.4%	B	-10.9%
GILD	99.0%	C	-26.3%
PM	96.3%	B	-10.3%
KMI	96.4%	B	-3.4%
A	99.2%	C	-17.8%
MTD	98.6%	B	-15.0%
MET	96.1%	B	-10.6%
WSM	95.8%	B	-6.6%
IOVA	96.4%	B	-14.1%
TEVA	95.1%	D	-37.5%

CHD	96.2%	B	-4.7%
VLTO	97.3%	B	-11.3%
PAYC	95.5%	B	-5.0%
VTRS	99.2%	C	-3.1%
AMG	98.6%	C	-29.7%
COKE	95.8%	D	-14.4%

Fresh bearish Bongo flips numbered 201 (4.2% of the universe), against 391 fresh bullish flips. By dollar volume, the bearish flips are led by: AAPL (-0.9%), COST (-0.9%), NOW (-3.0%), PFE (-1.2%), DIS (-1.1%), SPOT (-3.1%), BSX (-5.8%), FTNT (-5.9%), CVS (-1.3%), ADP (-2.6%), WM (-4.5%), PLD (-1.0%), ZTS (-0.5%), ODFL (-7.3%), WSM (-0.1%), TYL (-4.7%), BIIB (-3.4%), GRMN (-5.8%), HSY (-0.4%), UL (-1.7%).

Still, the universe-wide fresh-flip share of 4.2% sits below the record's median of 4.9% — normal churn rather than a regime break. One session earlier it was V and MA, flipping bearish on the prior session.

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 (29.2% of stocks, ADX $\geq$ 25 with negative DI direction) still outnumber strong uptrends (21.4%), and only 44.0% 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 48.1% of stocks, above the median, and A/D velocity is improving for 2,698 names. They are rotating, not broadly buying.

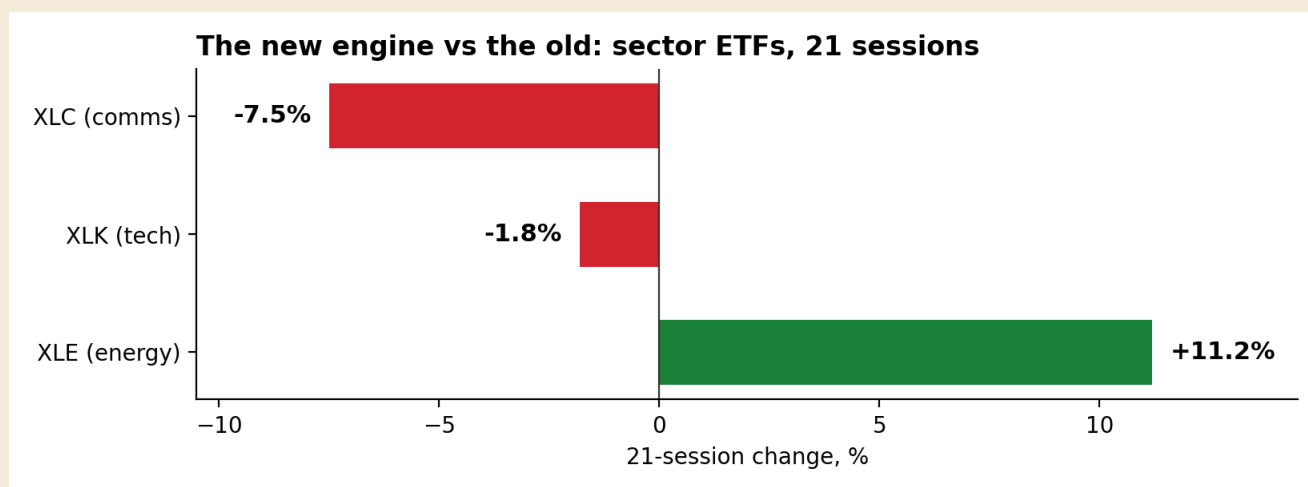
Quality Up, Price Down

Earnings quality is the quiet bull case. Boxes 1–4 hold 12.8% 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, 23.8%, 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. 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. **340 names** — heaviest in Oil Gas & Coal (56), Biotech & Pharma (42), Software (35), Medical Equipment & Devices (23), Health Care Facilities & Svcs (15). The results skew toward Exploration & Production (29), Application Software (28), Biotech (27). 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 144 names.

- **Moderate — pair earnings quality with trend confirmation.** HGS Boxes 1–4, an ERG of 240 or better, and Bongo Daily = Yes. **62 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. **953 names** on that base. Watch the top of today's non-confirmation list — AAPL, MSFT, LLY: 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 36.8% (+1.2 points on the day), A+B accumulation at 30.5%, D+E distribution at 42.9%, 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 44.0%), the long tail trails the indices by a historically wide margin, and the distribution scan still finds 73 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.

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.

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