

The Repair Accelerates, Consumer Discretionary Leads

OCTOBER 29, 2026 • FROM THE HGSI WAREHOUSE EXPORT — 4,738 SECTOR-ASSIGNED STOCKS

Breadth moved on the day: 40.8% of stocks now sit above their 50-day average (+4.0 points on the session), Bongo Daily reads 64.0% Yes, and A/D accumulation (A+B) stands at 33.6%. 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 -14.2% 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 40.8%, A-plus-B accumulation from 18.0% to 33.6%, and the Bongo Daily share from 34.0% to 64.0%, with equal weight ahead of cap weight by +9.1 points over 21 sessions.

ABOVE 50-DMA	A/D ACCUMULATION	BONGO DAILY SHARE
23.8% → 40.8%	18.0% → 33.6%	34.0% → 64.0%

+4.0 today

FROM OCTOBER 14

+3.1 today

FROM OCTOBER 14

+3.8 today

FROM OCTOBER 14

Measured from the October 14 low where this repair began: 40.8% Above 50-day average (from 23.8%), 33.6% A/D accumulation (from 18.0%), 64.0% 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: 40.8% of stocks sit above their 50-day average and 43.9% above the 200-day. The one wrinkle is institutional: the A-plus-B accumulation share sits at 33.6%, while the D-plus-E distribution share of 39.4% remains elevated.

One session earlier, above-50DMA breadth was 36.8%, A+B accumulation 30.5%, and the Bongo Yes share 60.2% — so the day moved breadth +4.0 points, accumulation +3.1 points, Bongo +3.8 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) → 40.8% (Oct 29), and Bongo 50.6% → 51.2% → 56.2% → 60.2% → 64.0% — October 29, 2026 is the highest of the sessions on file for both gauges.

Three Gauges

Above 50-DMA — 40.8%. A/D accumulation — 33.6% (A 333, B 1258, C 1278, D 1562, E 307).

Bongo Daily — 64.0% of names with a Bongo reading. The median stock gained **+0.6%** on the day, **+1.0%** over 5 sessions, **+0.2%** over 21 sessions and **-3.9%** over three months. Day moves vs Oct 28: breadth +4.0 points (from 36.8%), accumulation +3.1 (from 30.5%), Bongo +3.8 (from 60.2%). Distribution on the day: D-plus-E 42.9% → 39.4%.

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

40.8%, 33.6% and 64.0%. Bongo sits 14.5 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 40.8% and 39.4%.

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%	40.8%	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%	64.0%	ABOVE MEDIAN Record median 49.5%; 14.5 pts above it, and above the 90th percentile of both its regimes.
A/D ACCUMULATION (A+B) Oct 14 anchor 18.0%	33.6%	BUILDING Confirmation on this framework: the above-50 share through 50% with D+E below 35%.
D+E DISTRIBUTION	39.4%	ABOVE MEDIAN Record median 35.2%; still above it.
UP/DOWN VOLUME ABOVE 1.0	44.4%	BELOW MEDIAN Record median 55.1%; reclaiming 55% is confirmation.
FRESH BEARISH BONGO FLIPS	3.6%	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	26.6% / 23.0%	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	26.7%	BELOW 10TH PCT Full-record 10th pct 29.7% — below it.
MEDIAN STOCK, 21 SESSIONS / 3 MONTHS	0.2% / -3.9%	STILL NEGATIVE The long tail trails the indices.
<i>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.</i>		

Equal Weight Confirms; the Long Tail Does Not

The indices mask the repair job underneath. SPY sits at 98.4% 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 **+0.2%** over 21 sessions and **-3.9%** over three months, and only 26.7% 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 **+1.6%** and biotech **-0.5%**, while the median stock across the universe rose 0.6%.

INDEX / SECTOR ETF	% OF 52-WEEK HIGH	21-SESSION CHANGE
SPY	98.4%	+0.9%
RSP	98.5%	+5.8%
XLE	98.4%	+11.7%
XLK	92.9%	-3.6%
XLC	84.1%	-8.8%
DIA	95.6%	+2.8%
QQQ	93.8%	-3.3%

IWM

93.1%

+2.2%

+9.1^{pts}*The equal-weight / cap-weight gap, 21 sessions*

RSP, the equal-weight S&P 500, is +5.8% over 21 sessions and sits at 98.5% of its high; QQQ is -3.3% at 93.8% of its high. Inside the S&P 500 the typical stock is beating the index — the inverse of the usual narrowness complaint.

XLE is +11.7% over 21 sessions and at 98.4% of its high, while XLK is -3.6% and XLC -8.8% 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 +1.6%, 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 44.1% on today's export). One-day breadth movers: Financials +8.7, Consumer Discretionary +6.4, Materials +5.6, Industrials +5.5; laggards: Energy +1.8, Health Care +1.3, Technology -2.2.

LEADING THE ROTATION

Δ WITHIN 5% OF HIGH

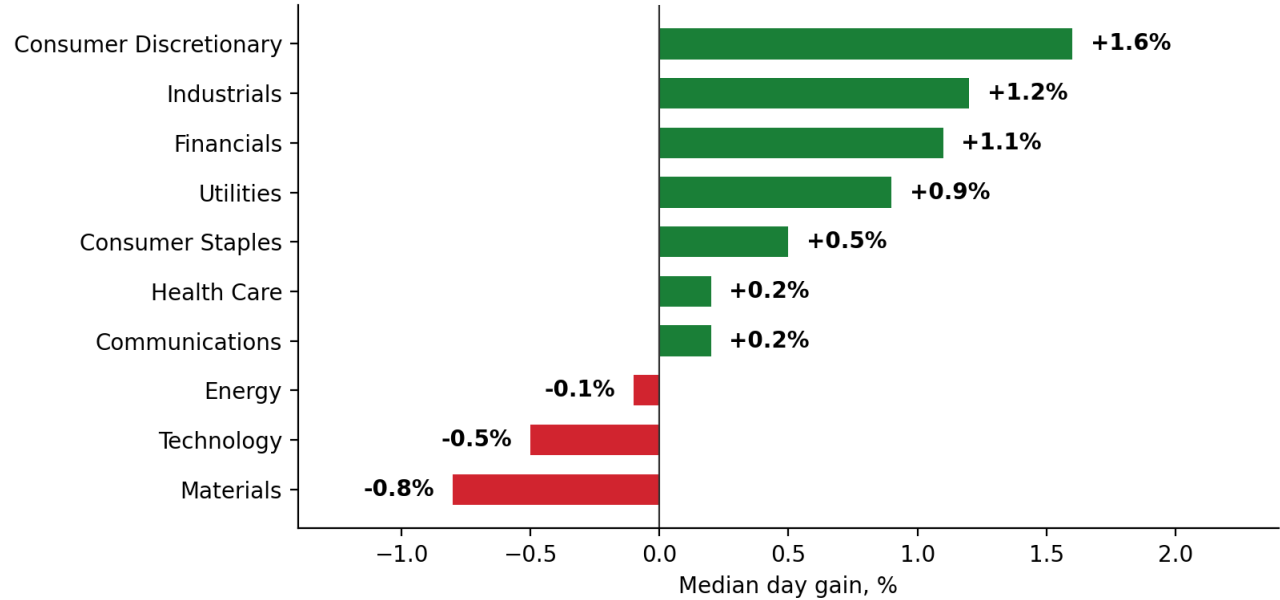
Utilities	+11.0
Financials	+8.0
Health Care	+4.2
Energy	+4.0

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 29, 2026



SECTOR	MEDIAN DAY GAIN	ABOVE 50-DAY	WITHIN 5% OF 52-WEEK HIGH	Δ NEAR-HIGH, 10 SESSIONS*
Consumer Discretionary	+1.6%	47.1%	11.8%	—
Industrials	+1.2%	38.3%	8.8%	—
Financials	+1.1%	44.1%	18.8%	+8.0
Utilities	+0.9%	57.7%	18.3%	+11.0
Consumer Staples	+0.5%	47.6%	11.2%	+2.9
Communications	+0.2%	32.6%	6.0%	-1.8
Health Care	+0.2%	34.8%	10.8%	+4.2
Energy	-0.1%	48.0%	16.7%	+4.0
Technology	-0.5%	41.2%	9.7%	+1.5
Materials	-0.8%	29.3%	6.1%	+2.9

* 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 Apparel Footwear & Acc Design +3.4% (n=29), Specialty Apparel Stores +3.2% (n=32), Homebuilders +2.8% (n=21), Other Spec Retail - Discr +2.7% (n=36), Defense Primes +2.7% (n=36); laggards were Base Metals -1.5% (n=22), Computer Hardware & Storage -2.0% (n=20), Precious Metal Mining -2.7% (n=79). Semiconductor manufacturers bounced **-1.5%** 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 16 stocks (0.3%) closed within 0.1% of their 52-week high, and 37 (0.8%) closed at a new 52-week low; 161 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 36.7% of names with a reading, far below the daily 64.0% — 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 95.1% and 99.4% of their 52-week highs, with 21-session changes from **+5.1%** to **+27.5%**.

STOCK	% OF 52-WEEK HIGH	21-SESSION CHANGE	A/D RATING
XOM	99.1%	+12.6%	B
CVX	98.9%	+13.3%	B
COP	98.2%	+19.9%	B
EOG	98.2%	+17.8%	B
APA	98.3%	+24.0%	B
OVV	97.2%	+23.8%	B

CNQ	99.3%	+17.0%	A
SU	96.7%	+14.4%	B
V	99.0%	+14.3%	B
MA	99.1%	+15.3%	B
NDAQ	97.8%	+14.8%	B
CRL	99.1%	+27.5%	A
HALO	99.0%	+18.8%	A
WST	95.1%	+12.4%	A
HNGE	99.4%	+20.2%	A
A	99.0%	+5.1%	C

The Old Engine, Being Sold

The typical semiconductor stock stands at -14.2% over 21 sessions, and the typical semiconductor manufacturer at -17.5%. At the top of the dollar-volume table, the former leaders sit off their highs: AAPL at 99.2% of its high with A/D direction up and velocity +3.1%, MSFT at 96.2% with a D rating and velocity -27.8%, NVDA at 87.8% with a D rating, and META carrying an E rating and -3.7% over the past five sessions. The broken former leaders sit deeper still: MU 126 days past its last high (its 52-week high dates to June 25) at 74.4% of that high, and SNDK at 56.5% of its high.

The dollar-volume leaderboard shows the mix directly:

STOCK	DOLLAR VOLUME	DAY	% OF HIGH	A/D
NVDA	\$24.4B	-0.8%	87.8%	D
MU	\$23.9B	-5.0%	74.4%	C
TSLA	\$15.3B	-0.2%	80.8%	A
AAPL	\$14.0B	+1.5%	99.2%	B
META	\$13.6B	+2.0%	80.1%	E

SPCX	\$13.3B	-0.9%	63.8%	D
SNDK	\$12.4B	-5.3%	56.5%	D
MSFT	\$11.4B	-0.2%	96.2%	D
AMD	\$11.2B	-2.1%	86.0%	C
INTC	\$9.2B	-3.6%	64.7%	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 43 names and is headed by MCK, PGR, VEEV: names printing near 52-week highs while institutional flow declines beneath them.

STOCK	% OF HIGH	A/D RATING	VELOCITY
MCK	95.2%	B	-15.3%
PGR	96.2%	B	-5.9%
VEEV	95.2%	B	-5.9%
KMI	97.6%	B	-4.7%
SU	96.7%	B	-0.6%
BIIB	96.5%	C	-14.7%
ESTC	95.6%	B	-2.2%
BRZE	99.7%	B	-5.9%
HST	99.3%	B	-9.7%
ZBRA	96.1%	C	-22.2%
SIG	97.0%	C	-1.9%
ITGR	99.8%	D	-10.9%
RGA	96.7%	C	-34.1%
CDNA	97.4%	C	-21.9%

DSGX	95.6%	B	-2.8%
SG	97.4%	B	-2.8%
IDT	96.7%	B	-21.6%
PLUS	97.2%	B	-15.0%
CRVL	96.5%	C	-18.8%
PAYO	99.0%	D	-1.6%

Fresh bearish Bongo flips numbered 169 (3.6% of the universe), against 355 fresh bullish flips. By dollar volume, the bearish flips are led by: MRVL (-13.2%), NET (-2.6%), DDOG (-4.5%), HONA (-9.6%), WDAY (-4.4%), ORLY (-2.6%), HPQ (-1.9%), BKR (-0.3%), CBOE (-1.9%), HUBS (-3.8%), CF (-1.5%), EXE (-1.2%), ALNY (-25.1%), FIG (-3.8%), TOST (-1.4%), DOCU (-2.5%), IOT (-3.2%), JBHT (-0.5%), QSR (-2.0%), ZETA (-2.1%).

Still, the universe-wide fresh-flip share of 3.6% sits below the record's median of 4.9% — normal churn rather than a regime break.

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 (26.6% of stocks, $ADX \geq 25$ with negative DI direction) still outnumber strong uptrends (23.0%), and only 44.4% 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 60.3% of stocks, above the median, and A/D velocity is improving for 2,441 names. They are rotating, not broadly buying.

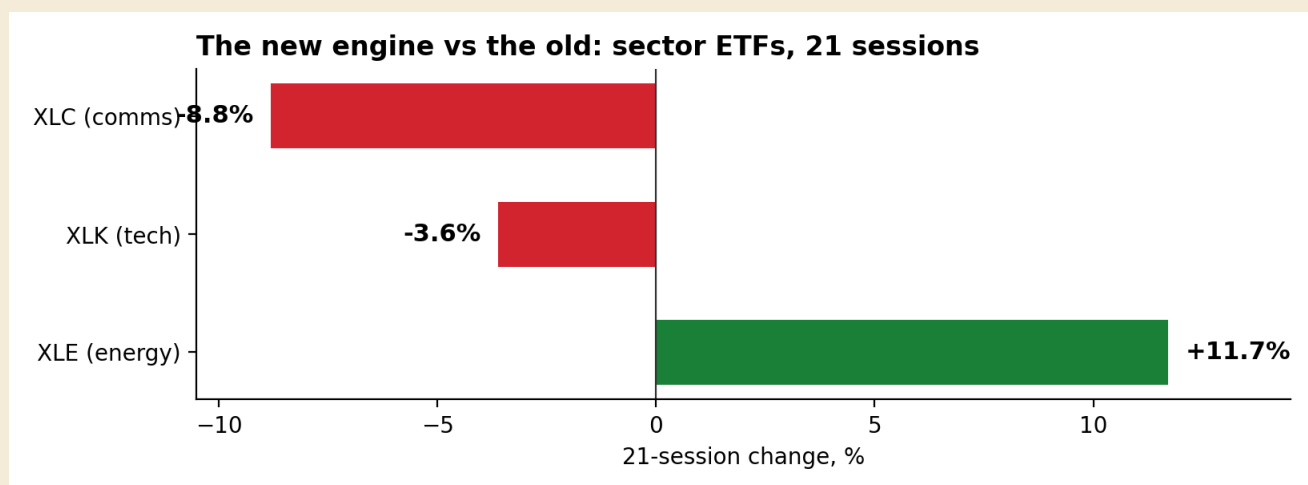
Quality Up, Price Down

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. 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. **372 names** — heaviest in Oil Gas & Coal (54), Biotech & Pharma (45), Software (40), Medical Equipment & Devices (23), Health Care Facilities & Svcs (17). The results skew toward Application Software (31), Biotech (30), Exploration & Production (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 170 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. **1098 names** on that base. Watch the top of today's non-confirmation list — MCK, PGR, VEEV: 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 40.8% (+4.0 points on the day), A+B accumulation at 33.6%, D+E distribution at 39.4%, 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 44.4%), the long tail trails the indices by a historically wide margin, and the distribution scan still finds 43 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 4,738 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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