



## The StockCharts.com Market Message

Featuring our commentators, John Murphy and Arthur Hill

Mon, Feb 25 2019 11:34 AM ET

### CISCO, INTEL, AND MICROSOFT LEAD DOW HIGHER -- TECHNOLOGY SECTOR SHOWS NEW LEADERSHIP -- FINANCIAL SPDR IS TRADING OVER ITS 200-DAY AVERAGE -- CHINA LEADS EMERGING MARKET STOCKS HIGHER -- CHINESE STOCKS ARE NOW DOING BETTER THAN THE U.S.

By John Murphy

**CISCO, INTEL, AND MICROSOFT ARE DOW LEADERS ...** A glance at today's most actives list for the Dow shows three stocks attracting a lot of the buying. Chart 1 shows **Cisco (CSCO)** surging to an all-time high. Its rising relative strength line (upper box) shows it leading the Dow higher since the start of August. Chart 2 shows **Intel (INTC)** surging to the highest level since last July. Its relative strength line has been climbing since the end October. Intel is part of the strong resurgence in semiconductor stocks. Chart 3 shows **Microsoft (MSFT)** nearing a test of its early December peak, after clearing a trendline drawn over its October/December highs. Its relative strength line (upper box) has just starting climbing (see circle), which qualifies it as a new Dow leader. All three stocks are from the technology sector which has emerged as a new market leader.



Chart 1



(click to view a live version of this chart)

Chart 2



Chart 3

**TECHNOLOGY SPDR SHOWS LEADERSHIP -- XLF CLEARS 200-DAY LINE...** Chart 4 shows the **Technology SPDR (XLK)** surging to the highest level in more than four months. The XLK has already cleared its 200-day average (red line). It's also showing new market leadership. That can be seen by the rising **XLK/SPX ratio** in the upper box. Technology is today's second strongest sector. Financials are the strongest. Chart 5 shows the **Financial Sector SPDR (XLF)** crossing over its 200-day line today. Financials have been market laggards, but are starting to play catch up.





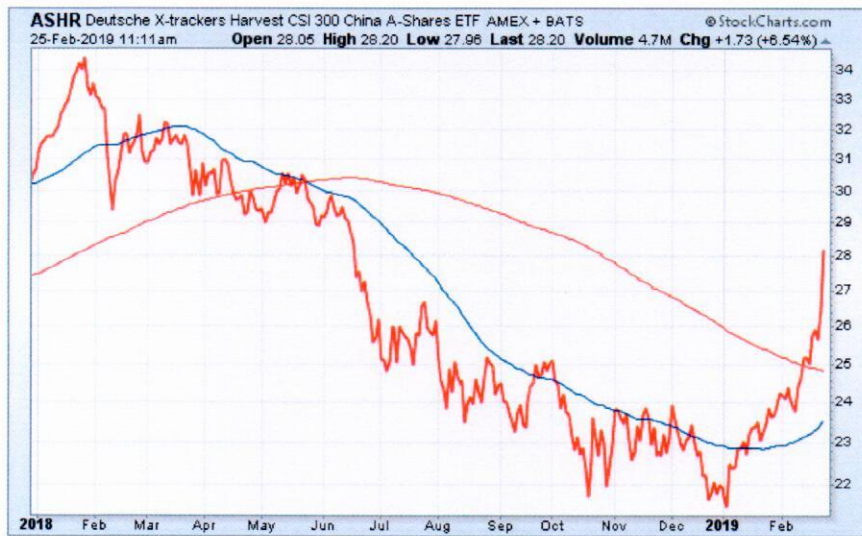
Chart 4



Chart 5

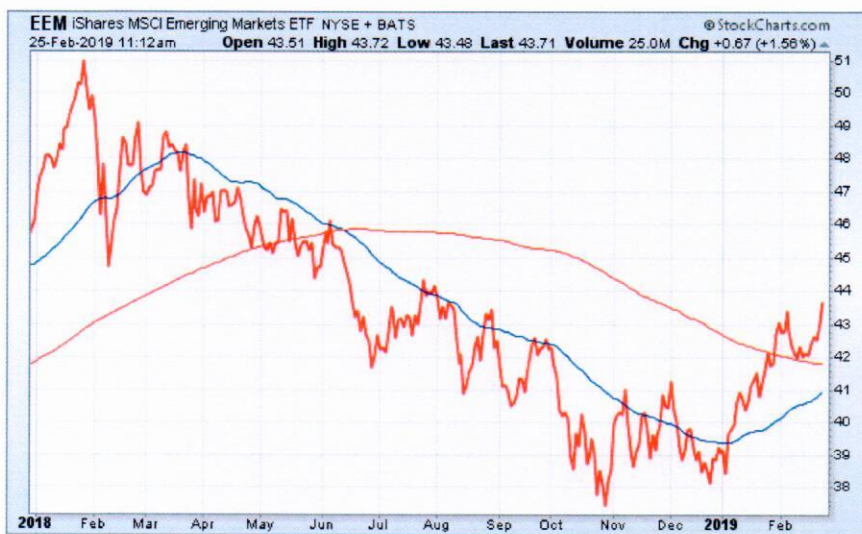
**CHINESE STOCKS LEAD EMERGING MARKETS HIGHER...** A delay on raising tariffs on Chinese imports this coming Friday, and increased hopes for a trade deal between China and the U.S., are giving a big boost to Chinese stocks and emerging markets. Chart 6 shows the **Deutsche X-trackers CSI 300 China A-Shares ETF (ASHR)** surging more than 6% today to the highest level in eight months. The ASHR is composed of stocks traded in mainland China. That buying is behind today's strong rally in emerging market stocks. Chart 7 shows **MSCI Emerging Markets iShares (EEM)** climbing to a new six-month high. The EEM cleared its 200-day average a month ago. That's helping fuel a rally in other global stock markets with China in the lead.

**NEW CHINESE LEADERSHIP:** For the first time in a year, Chinese stocks are doing better than other global stocks, including the United States. Chart 8 shows the **CSI 300 China A-Shares (ASHR)** divided by the **S&P 500** since the start of last year. That rising relative strength ratio has now reached the highest level since last June. That's a pretty dramatic reversal of roles.



(click to view a live version of this chart)

Chart 6



(click to view a live version of this chart)

Chart 7



Chart 8

**Copyright © StockCharts.com, Inc. All rights reserved.**

*You may not republish or redistribute this article in any manner without our prior written permission. Use of this article for any purpose other than your own personal, non-commercial use is a violation of our copyright and can subject you to legal liability.*

Books and Instructional Videos by John Murphy

---

Data provided by: [Interactive Data Corp.](#)

Unless otherwise indicated, all data is delayed by 15 minutes

© 1999-2019 StockCharts.com. All Rights Reserved.