

## S&P500 - Further extension of Bull Rise before a 4-year cycle low in Autumn of 2026

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Let's update our view for the rest of 2026, which is a midterm election year in the U.S. and often a low in the 3.5 to 4-year cycle. Our BestView of January 2026 had envisioned a major top rise to 7225, a major Gann level. The current momentum measure of the S&P500 is so strong that it appears likely the top of the year in 2026 may extend to a top between 7225 and 7569 (possibly in Q2), before various cycles may induce a decline toward the traditional 4-year cycle low due in the Autumn of 2026.

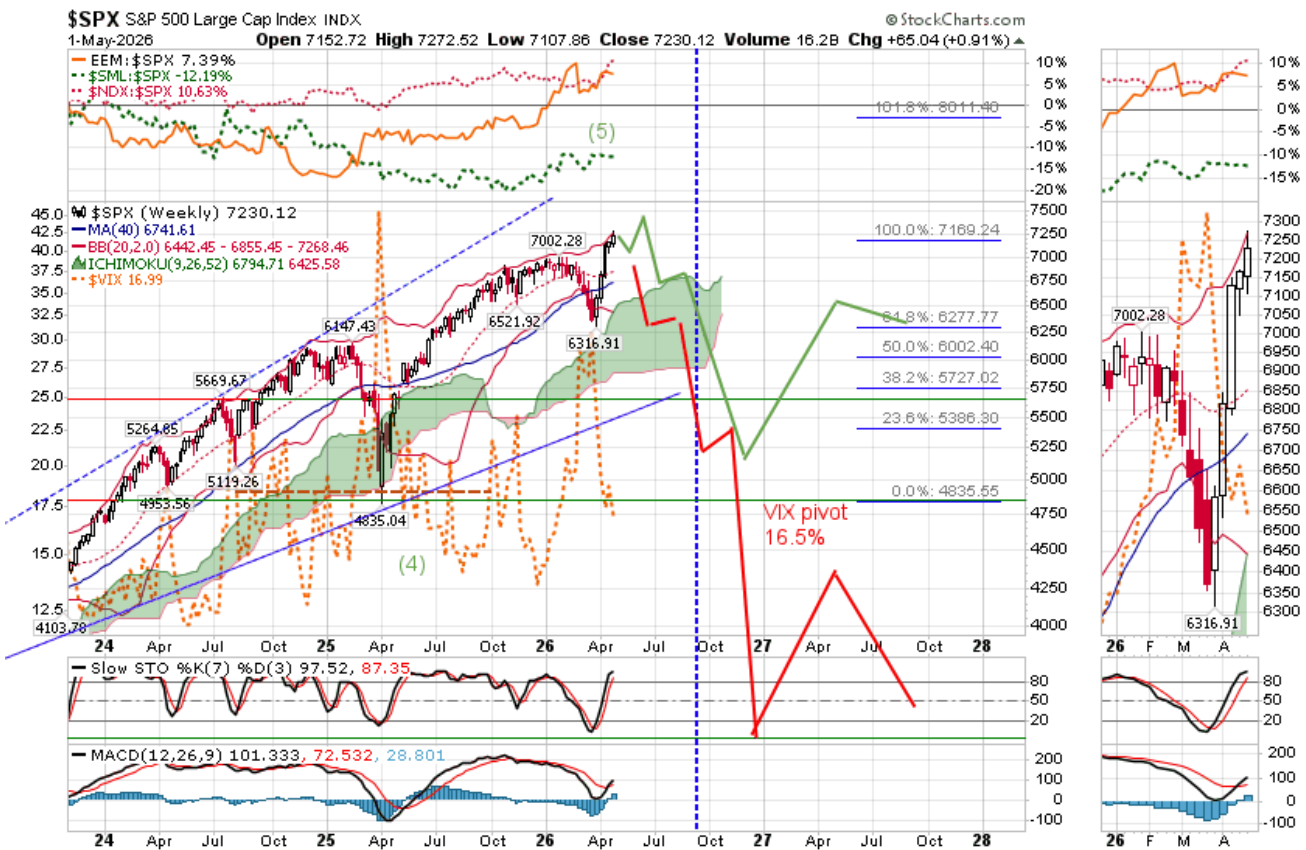
Further, the strength of the recent upward momentum is such that the top could become a blow-off top and, therefore, may not be signaled by any divergences. Think about something similar to the recent Gold

top. Of course, this would be a rather unlikely pattern for an equity index, but the recent strength is indeed very powerful, as the 40-wk MA (6741) and the 20-wk MA (6855) are reaccelerating upward, while the VIX (17%) is declining well below 20%.

It is clear that the strength of the S&P500 is due to the recent outperformance of the Nasdaq v. the S&P500, particularly the Magnificent 7, which had undergone almost 2 quarters of underperformance v. the S&P500. This new outperformance of Technology and Magnificent 7, in particular, should make everyone aware that it may be prudent to wait for a confirmed Weekly Reversal Pattern before calling the top in 2026.

### S&P 500 - from December 2023 in weekly candles with Ichimoku cloud.

The orange dotted line represents VIX (17%) which declined below its previous low.



**UPPER PANEL:** In green dotted line, the Relative Strength (RS) of Small Caps v. S&P500 has paused flat in the last 4 weeks. During same period the red dotted line of the RS line of Nasdaq 100 v. S&P500 is rising to ATH, while in gold solid line the RS of ETF EEM - Emerging Markets v. S&P500 is pausing flat.

All the lines drawn on the right of the actual date by BEST are for educational purposes assuming some ebbs and flows and sector rotation out of Mag 7 into the 493 other stocks. We look at 2 main potential cases:

**GREEN Path** envisions a higher high between 7250 and 7570 in Q1 of 2026

followed by a correction into the Q3 of 2026 to find support near 5250.

**RED Path** envisions a deep decline from current top, finding support at the previous low of April 2025.

**LOWER PANEL:** as of May 1, 2026, the momentum indicators hint about the current situation of the S&P500. The long-term weekly MACD has just crossed up again, indicating rising momentum. The weekly STO is rising in an overbought area, but has not yet crossed down to call a pull back.

The vertical lines in blue are set in October 2026 for the theoretical lows of the US Presidential cycle (near midterm election).