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TURNING POINT REPORT



Consumer Discretionary's Technical Profile Is Turning Increasingly Bearish

By Dean Christians

September 10, 2026



Key points:

- A substantial number of consumer discretionary stocks registered 21-day lows
- Similar expansions in new lows preceded an unfavorable outlook for the sector
- The discretionary sector showed a consistent bias to underperform the broader market

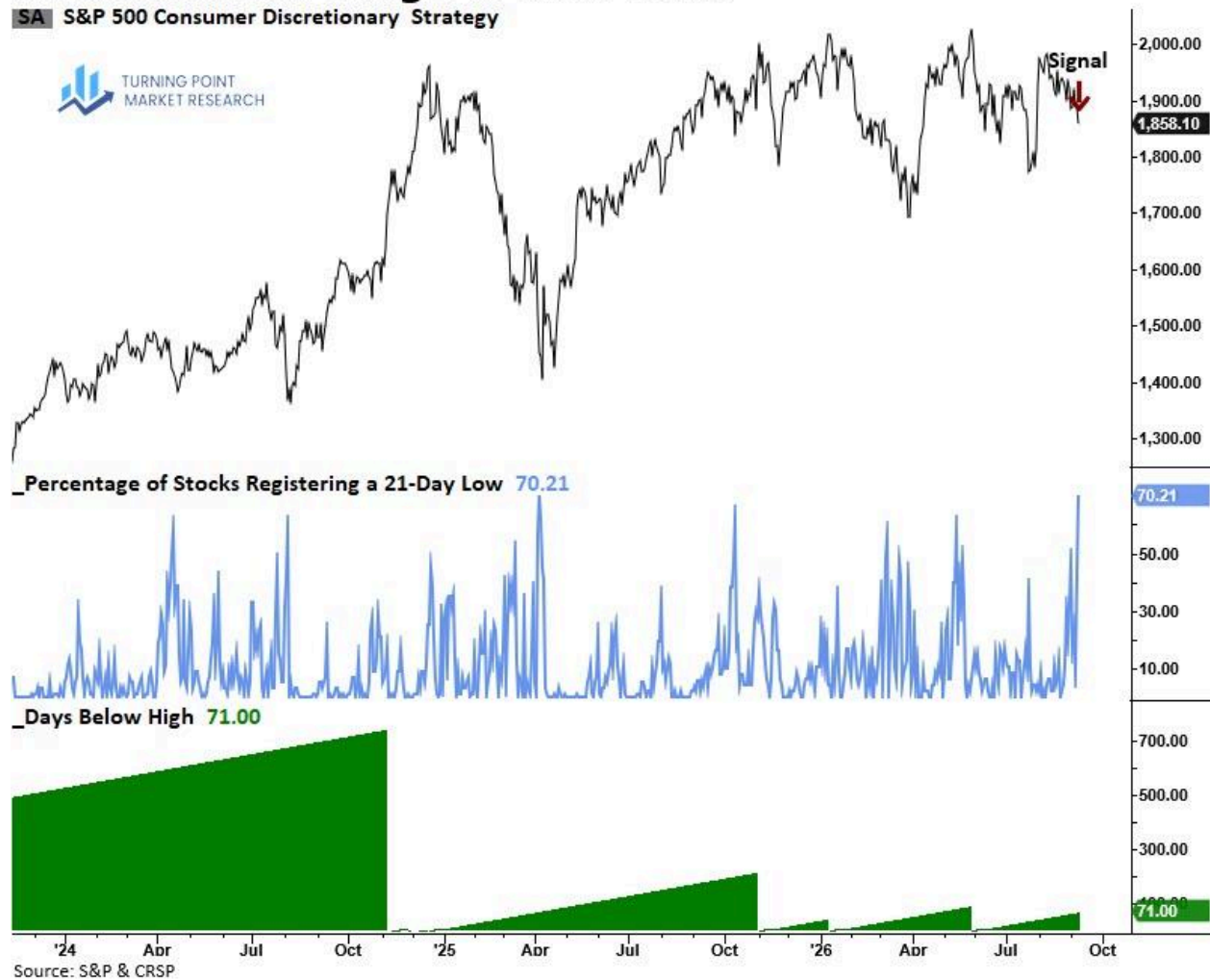
Discretionary stocks feel the squeeze from oil and rates

Crude oil has surged 34.5% over the past two months, a move seen only 16 other times since 1986. The rally has been a powerful tailwind for energy stocks but a significant headwind for other areas, as discussed in last week's industrials report.

The weakness has now spread further into consumer discretionary, where more than 70% of stocks registered a 21-day low on Wednesday—the first time that threshold has been reached since September 2022, during the final leg of the 2022 bear market.

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A substantial surge in new lows

SA S&P 500 Consumer Discretionary Strategy

New lows across S&P 500 consumer discretionary stocks point to broad weakness spanning apparel, auto, housing, travel, and restaurants, all of which are sensitive to household purchasing power and vulnerable to the squeeze from higher oil prices and interest rates.

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S&P 500 Consumer Discretionary Stocks that Registered New Lows on Wednesday

Symbol	Name	Sub-Industry	21-Day Low	63-Day Low	252-Day Low
TJX	TJX Companies	Apparel Retail	New Low	New Low	New Low
LULU	Lululemon Athletica	Apparel, Accessories & Luxury Goods	New Low	New Low	New Low
NKE	Nike, Inc.	Apparel, Accessories & Luxury Goods	New Low	New Low	New Low
TPR	Tapestry, Inc.	Apparel, Accessories & Luxury Goods	New Low	New Low	22.27%
F	Ford Motor Company	Automobile Manufacturers	New Low	1.74%	21.06%
APT	Aptiv	Automotive Parts & Equipment	New Low	New Low	New Low
AZO	AutoZone	Automotive Retail	New Low	New Low	New Low
ORLY	O'Reilly Automotive	Automotive Retail	New Low	4.23%	4.23%
AMZN	Amazon	Broadline Retail	New Low	11.90%	28.78%
LVS	Las Vegas Sands	Casinos & Gaming	New Low	New Low	New Low
MGM	MGM Resorts	Casinos & Gaming	New Low	New Low	39.29%
DECK	Deckers Brands	Footwear	New Low	New Low	1.67%
LOW	Lowe's	Home Improvement Retail	New Low	New Low	New Low
HD	Home Depot (The)	Home Improvement Retail	New Low	New Low	7.38%
LEN	Lennar	Homebuilding	New Low	New Low	New Low
PHM	PulteGroup	Homebuilding	New Low	New Low	9.62%
DHI	D. R. Horton	Homebuilding	New Low	New Low	5.45%
CCL	Carnival Corporation	Hotels, Resorts & Cruise Lines	New Low	New Low	New Low
MAR	Marriott International	Hotels, Resorts & Cruise Lines	New Low	New Low	29.12%
HLT	Hilton Worldwide	Hotels, Resorts & Cruise Lines	New Low	New Low	21.08%
RCL	Royal Caribbean Group	Hotels, Resorts & Cruise Lines	New Low	New Low	11.92%
NCLH	Norwegian Cruise Line Holdings	Hotels, Resorts & Cruise Lines	New Low	New Low	2.20%
ABNB	Airbnb	Hotels, Resorts & Cruise Lines	New Low	33.33%	53.08%
EXPE	Expedia Group	Hotels, Resorts & Cruise Lines	New Low	26.10%	47.08%
BKNG	Booking Holdings	Hotels, Resorts & Cruise Lines	New Low	9.68%	15.51%
HAS	Hasbro	Leisure Products	New Low	18.33%	28.01%
TSCO	Tractor Supply	Other Specialty Retail	New Low	17.53%	19.89%
MCD	McDonald's	Restaurants	New Low	New Low	New Low
YUM	Yum! Brands	Restaurants	New Low	New Low	5.70%
DPZ	Domino's	Restaurants	New Low	13.99%	13.99%
DRI	Darden Restaurants	Restaurants	New Low	9.66%	23.92%
SBUX	Starbucks	Restaurants	New Low	3.24%	28.27%
DASH	DoorDash	Specialized Consumer Services	New Low	35.00%	37.65%

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Several of the sub-industry groups highlighted in the new-lows table rank among the 30 most negatively correlated assets to crude oil, meaning they tend to move in the opposite direction of oil prices.

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Rolling Correlations Versus Crude Oil - Bottom 30 Assets

Asset	21-Day Correlation	42-Day Correlation	63-Day Correlation	Average of 21, 42, and 63-Day
Leisure Products	-0.36	-0.39	-0.32	-0.36
Personal Products	-0.40	-0.32	-0.35	-0.36
Asset Management & Custody Banks	-0.29	-0.44	-0.35	-0.36
Restaurants	-0.41	-0.30	-0.37	-0.36
Building Products	-0.46	-0.33	-0.30	-0.36
Paper Packaging	-0.37	-0.34	-0.39	-0.37
Industrial Conglomerates	-0.48	-0.30	-0.33	-0.37
Specialized Consumer Services	-0.45	-0.33	-0.34	-0.37
Office REITs	-0.59	-0.30	-0.24	-0.38
S&P 500 Index	-0.39	-0.45	-0.30	-0.38
Aerospace & Defense	-0.37	-0.39	-0.41	-0.39
Distributors	-0.50	-0.34	-0.35	-0.40
Other Specialized REITs	-0.52	-0.39	-0.28	-0.40
Russell 2000	-0.35	-0.49	-0.36	-0.40
Metal, Glass & Plastic Containers	-0.47	-0.33	-0.42	-0.41
Office Services & Supplies	-0.48	-0.39	-0.37	-0.41
Hotel & Resort REITs	-0.49	-0.40	-0.38	-0.42
Cable & Satellite	-0.56	-0.47	-0.25	-0.43
Home Improvement Retail	-0.40	-0.44	-0.45	-0.43
Homebuilding	-0.45	-0.42	-0.43	-0.43
Homefurnishing Retail	-0.40	-0.48	-0.43	-0.44
Home Furnishings	-0.32	-0.51	-0.49	-0.44
Real Estate Services	-0.50	-0.45	-0.38	-0.45
Diversified Banks	-0.52	-0.43	-0.40	-0.45
Consumer Finance	-0.45	-0.49	-0.53	-0.49
Commercial Printing	-0.68	-0.50	-0.34	-0.51
Hotels, Resorts & Cruise Lines	-0.59	-0.51	-0.53	-0.54
Specialty Chemicals	-0.52	-0.57	-0.54	-0.54
S&P 500 Financials	-0.57	-0.56	-0.53	-0.55
Passenger Airlines	-0.66	-0.74	-0.68	-0.69
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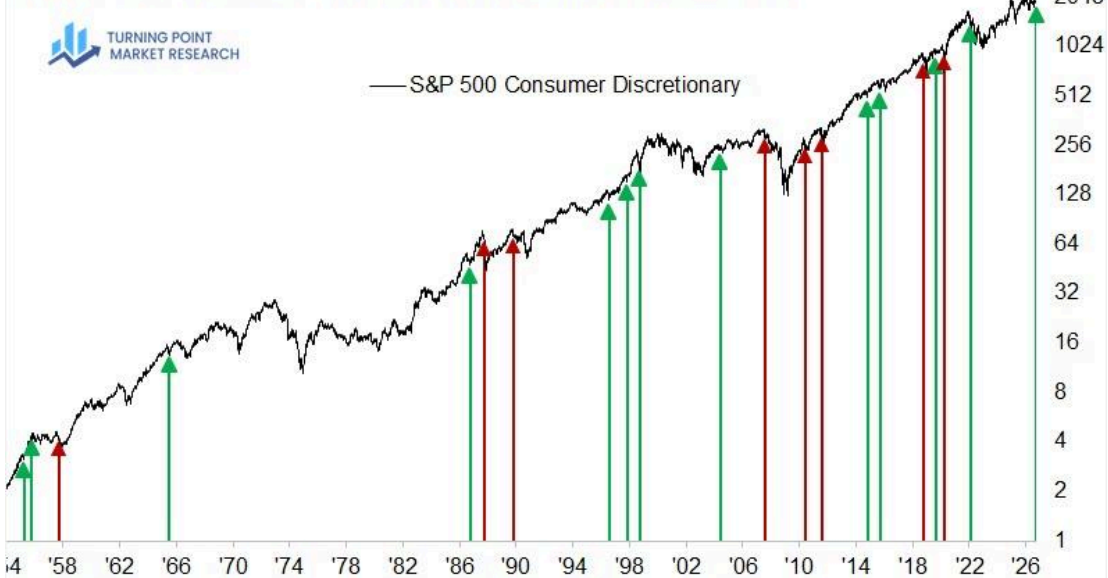
Mostly below average results

When a significant number of consumer cyclical stocks register 21-day lows for the first time after a multi-year high, the discretionary sector has generally experienced lackluster performance over the following few months, with the most pronounced weakness occurring five to six weeks later.

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S&P 500 Consumer Discretionary after 70% of stocks reached a 21-day low, and it was the first time after a multi-year high



Dates of 20 Signals	1 Week Later (%)	2 Weeks Later (%)	3 Weeks Later (%)	4 Weeks Later (%)	5 Weeks Later (%)	6 Weeks Later (%)	7 Weeks Later (%)	8 Weeks Later (%)
1955-03-14	0.9	3.1	2.8	4.4	6.6	6.9	5.0	4.1
1955-09-26	-3.0	-6.2	-9.2	-5.9	-7.6	-4.3	4.1	2.1
1957-08-26	1.6	-0.5	-0.5	-3.3	-3.5	-4.7	-5.9	-8.2
1965-06-15	1.4	-4.1	1.4	2.3	-0.6	-0.5	2.1	3.3
1986-09-11	-1.6	-0.7	0.7	2.1	4.0	4.8	7.4	9.1
1987-09-08	1.4	-0.3	-0.4	-2.5	-8.5	-24.4	-34.1	-26.9
1989-10-16	0.3	-3.6	-4.9	-3.3	-4.2	-3.8	-2.8	-4.0
1996-07-16	1.4	3.1	7.2	8.2	8.3	8.6	4.8	9.5
1997-10-27	8.6	7.4	9.9	9.4	11.9	11.7	11.5	7.2
1998-08-31	7.3	6.1	4.5	-0.9	-4.8	-1.3	7.8	8.5
2004-05-10	-0.1	2.5	5.1	6.3	6.3	6.4	4.8	2.8
2007-07-26	-0.8	-3.2	-6.8	-2.1	-1.5	-5.3	-3.3	-3.4
2010-05-06	2.5	-5.0	-0.1	-5.8	-1.7	-1.7	-6.6	-8.9
2011-08-03	-10.9	-5.1	-5.8	-3.2	-7.7	-1.3	-6.5	-11.4
2014-10-13	2.5	5.1	7.7	7.8	9.5	12.0	12.7	11.0
2015-08-24	5.1	5.8	6.2	5.2	4.3	7.7	7.9	11.3
2018-10-11	1.0	0.5	0.4	2.8	-1.1	-2.9	3.0	-2.3
2019-08-05	1.4	2.1	2.0	4.1	6.4	5.9	4.5	2.3
2020-02-26	-0.5	-11.7	-26.5	-15.0	-20.5	-10.9	-3.9	-3.0
2022-01-21	-1.0	2.9	0.6	-2.8	-2.7	-9.1	-5.5	2.0
2026-09-09								
Median	1.2	0.1	0.7	0.6	-1.3	-1.3	3.5	2.2
Mean	0.9	-0.1	-0.3	0.4	-0.4	-0.3	0.4	0.3
% Positive	65%	50%	60%	50%	40%	40%	60%	60%
Study Mean	0.2	0.4	0.7	0.9	1.2	1.4	1.6	1.9
Study % Positive	56%	58%	60%	61%	61%	62%	63%	63%
Significance	0.8	-0.5	-0.5	-0.4	-0.9	-0.9	-0.6	-0.8

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Green arrow positive after 8 weeks, red arrow negative

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Over the following eight weeks, the odds of a maximum 5% loss or gain were evenly balanced, while the distribution for a 10% move was slightly skewed toward losses.

S&P 500 Consumer Discretionary after 70% of stocks reached a 21-day low, and it was the first time after a multi-year high

Dates of 20 Signals	1 Week		2 Weeks		3 Weeks		4 Weeks		5 Weeks		6 Weeks		7 Weeks		8 Weeks	
	Max Loss	Max Gain	Max Loss	Max Gain	Max Loss	Max Gain	Max Loss	Max Gain	Max Loss	Max Gain	Max Loss	Max Gain	Max Loss	Max Gain	Max Loss	Max Gain
1955-03-14	-2.5	0.9	-2.5	3.1	-2.5	3.1	-2.5	4.4	-2.5	6.9	-2.5	7.2	-2.5	7.2	-2.5	7.2
1955-09-26	-6.4	0.0	-6.4	0.0	-9.6	0.0	-9.6	0.0	-9.6	0.0	-9.6	0.0	-9.6	4.1	-9.6	4.1
1957-08-26	-0.9	1.6	-0.9	2.1	-1.2	2.1	-3.5	2.1	-4.5	2.1	-4.7	2.1	-6.6	2.1	-12.2	2.1
1965-06-15	0.0	2.6	-4.1	2.6	-4.1	2.6	-4.1	2.6	-4.1	2.6	-4.1	2.6	-4.1	2.6	-4.1	3.3
1986-09-11	-2.4	0.0	-2.4	0.9	-2.4	0.9	-2.4	2.3	-2.4	4.1	-2.4	5.6	-2.4	7.7	-2.4	9.1
1987-09-08	0.0	3.1	-2.8	3.1	-2.8	3.1	-2.8	3.1	-8.5	3.1	-33.5	3.1	-35.7	3.1	-35.7	3.1
1989-10-16	-1.0	0.8	-3.6	0.8	-4.9	0.8	-4.9	0.8	-4.9	0.8	-4.9	0.8	-4.9	0.8	-4.9	0.8
1996-07-16	0.0	5.0	0.0	5.0	0.0	7.2	0.0	8.8	0.0	8.9	0.0	9.4	0.0	9.4	0.0	9.5
1997-10-27	0.0	8.6	0.0	9.1	0.0	9.9	0.0	10.6	0.0	12.4	0.0	12.4	0.0	12.4	0.0	12.4
1998-08-31	0.0	7.3	0.0	7.3	0.0	7.3	-0.9	7.3	-4.8	7.3	-7.7	7.3	-7.7	7.8	-7.7	9.4
2004-05-10	-0.1	1.5	-0.1	2.5	-0.1	5.3	-0.1	7.2	-0.1	7.2	-0.1	7.2	-0.1	7.2	-0.1	7.2
2007-07-26	-1.7	0.0	-3.4	0.0	-6.9	0.0	-6.9	0.0	-6.9	0.0	-6.9	0.0	-6.9	0.0	-6.9	0.2
2010-05-06	-1.9	4.7	-5.0	4.7	-5.0	4.7	-5.8	4.7	-5.8	4.7	-5.8	4.7	-6.6	4.7	-11.4	4.7
2011-08-03	-11.1	0.0	-11.1	0.0	-11.1	0.0	-11.1	0.0	-11.1	0.0	-11.1	0.0	-11.1	0.0	-11.4	0.0
2014-10-13	-0.1	2.5	-0.1	5.1	-0.1	7.7	-0.1	7.8	-0.1	9.5	-0.1	12.0	-0.1	13.3	-0.1	13.3
2015-08-24	-0.4	5.9	-0.4	5.9	-0.4	6.2	-0.4	7.7	-0.4	7.7	-0.4	8.1	-0.4	9.7	-0.4	11.3
2018-10-11	0.0	3.9	-2.8	3.9	-4.6	3.9	-4.6	4.3	-4.6	4.3	-5.9	4.3	-5.9	4.3	-5.9	4.3
2019-08-05	0.0	3.8	-0.2	3.8	-0.2	3.9	-0.2	4.2	-0.2	6.6	-0.2	7.0	-0.2	7.0	-0.2	7.0
2020-02-26	-4.8	0.0	-11.7	0.0	-26.5	0.0	-26.5	0.0	-26.5	0.0	-26.5	0.0	-26.5	0.0	-26.5	0.0
2022-01-21	-3.2	1.2	-3.2	3.5	-3.2	5.4	-3.2	5.4	-6.2	5.4	-9.1	5.4	-9.1	5.4	-9.1	5.4
2026-09-09																
Mean	-1.8	2.7	-3.0	3.2	-4.3	3.7	-4.5	4.2	-5.2	4.7	-6.8	5.0	-7.0	5.4	-7.6	5.7
Median	-0.7	2.1	-2.6	3.1	-2.6	3.5	-3.0	4.3	-4.5	4.5	-4.8	5.0	-5.4	5.0	-5.4	5.0
+/- 5%	2	4	4	5	5	7	5	7	7	9	9	10	10	10	10	10
+/- 10%	1	0	2	0	2	0	2	1	2	1	3	2	3	2	5	3
Min/Max	-11.1	8.6	-11.7	9.1	-26.5	9.9	-26.5	10.6	-26.5	12.4	-33.5	12.4	-35.7	13.3	-35.7	13.3

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The consumer discretionary sector lagged the S&P 500 in 6 of 8 intervals over the subsequent two months.

Excess Return: Sector compared to the S&P 500

	1 Week	2 Weeks	3 Weeks	4 Weeks	5 Weeks	6 Weeks	7 Weeks	8 Weeks
Median % Return	Later	Later	Later	Later	Later	Later	Later	Later
Communication Services	-0.3	-0.6	-0.4	-1.8	-0.3	-1.4	-2.2	-2.6
Consumer Discretionary	0.1	-0.3	-0.1	-0.9	-1.2	-2.1	0.7	-0.3
Consumer Staples	0.4	0.6	-0.2	-0.3	1.5	1.5	-0.9	1.8
Energy	-0.7	-1.2	0.5	-1.8	1.7	0.9	-0.1	-1.1
Financials	-0.4	0.3	0.2	-0.3	-0.3	-1.3	-2.0	-1.7
Health Care	0.2	-1.0	-0.2	-0.4	1.4	-0.1	0.2	0.7
Industrials	-0.5	-0.7	-0.6	-1.2	-1.2	-0.8	-1.2	-0.3
Information Technology	0.6	0.7	1.1	0.7	-0.8	-1.6	-3.5	-3.9
Materials	-0.5	-1.3	-0.7	-1.5	-0.9	-0.5	-1.0	-1.1
Real Estate	-0.8	-1.9	-1.5	-2.0	0.1	-1.1	-3.2	-2.6
Utilities	-0.7	0.0	-0.4	0.7	0.9	1.4	-0.1	1.2

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Unfavorable relative strength

Across sectors and sub-industries, spanning different market caps and weighting methodologies, the dual trend system picture is broadly bearish for consumer-related groups. Moreover, the relative backdrop for most groups has deteriorated further of late, as reflected in the elevated number of relative breakdowns over the past week.

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Dual Trend System Signals for Consumer Discretionary Sectors and Sub-Industries - Relative to the S&P 500

Sector	LT Signal	Signal Days	Trend Score	Rel Score	ST Signal	Signal Days	Trend Score	Rel Score	# 2-Month Rel Highs	# 2-Month Rel Lows
S&P 500 Consumer Discretionary	Bearish	202	30	0	Bearish	149	30	0	0	0
S&P 500 EW Consumer Discretionary	Bearish	243	30	0	Bearish	6	10	0	0	4
S&P 400 Consumer Discretionary	Bearish	526	20	0	Bearish	17	0	0	0	3
S&P 600 Consumer Discretionary	Bearish	1	70	30	Bearish	9	10	10	0	3
Advertising	Bearish	563	0	0	Bearish	24	0	0	0	0
Apparel Retail	Bearish	92	0	0	Bearish	19	0	0	0	5
Apparel, Accessories & Luxury Goods	Bearish	15	30	0	Bearish	17	0	0	0	4
Auto Parts & Equipment	Bearish	133	10	10	Bearish	45	60	60	1	0
Automobile Manufacturers	Bearish	27	30	0	Bearish	45	0	0	0	0
Automotive Retail	Bearish	233	10	0	Bearish	9	20	20	0	0
Cable & Satellite	Bearish	95	0	0	Bearish	1	20	10	1	1
Casinos & Gaming	Bearish	234	0	0	Bearish	27	0	0	0	1
Computer & Electronics Retail	Bearish	24	100	80	Bullish	3	70	70	0	0
Consumer Electronics	Bullish	30	90	80	Bullish	39	60	60	0	0
Distributors	Bearish	586	50	30	Bullish	52	60	70	0	0
Education Services	Bearish	286	40	20	Bearish	21	20	0	0	0
Footwear	Bearish	616	0	0	Bearish	133	0	0	0	3
Home Furnishings	Bearish	131	10	0	Bearish	30	30	30	0	0
Home Improvement Retail	Bearish	391	10	0	Bearish	34	0	0	0	4
Homebuilding	Bearish	126	10	0	Bearish	36	0	0	0	3
Homefurnishing Retail	Bullish	23	80	70	Bearish	7	30	10	0	2
Hotels, Resorts & Cruise Lines	Bearish	137	50	40	Bullish	39	60	60	0	0
Household Appliances	Bullish	27	90	90	Bullish	64	90	90	0	0
Housewares & Specialties	Bearish	3	50	10	Bearish	3	20	10	0	3
Leisure Products	Bearish	102	30	0	Bearish	13	10	10	0	3
Movies & Entertainment	Bearish	237	30	20	Bullish	15	60	60	0	0
Publishing	Bullish	30	80	20	Bullish	30	60	60	0	0
Restaurants	Bearish	793	30	10	Bearish	3	30	20	0	3
Specialized Consumer Services	Bearish	428	90	50	Bearish	1	50	50	0	2
Specialty Stores	Bearish	124	20	0	Bearish	9	40	20	0	0
Tires & Rubber	Bearish	136	10	10	Bearish	23	10	0	0	2

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Weak breadth

On Wednesday, consumer discretionary posted the highest proportion of new lows across multiple time frames. Furthermore, the percentage of stocks above their 200-day averages ranks second-worst, ahead of only utilities, while the percentage in a bear market trails only technology.

Overall, the discretionary sector remains broadly unattractive from a technical perspective.

A sector-by-sector examination of market breadth indicators

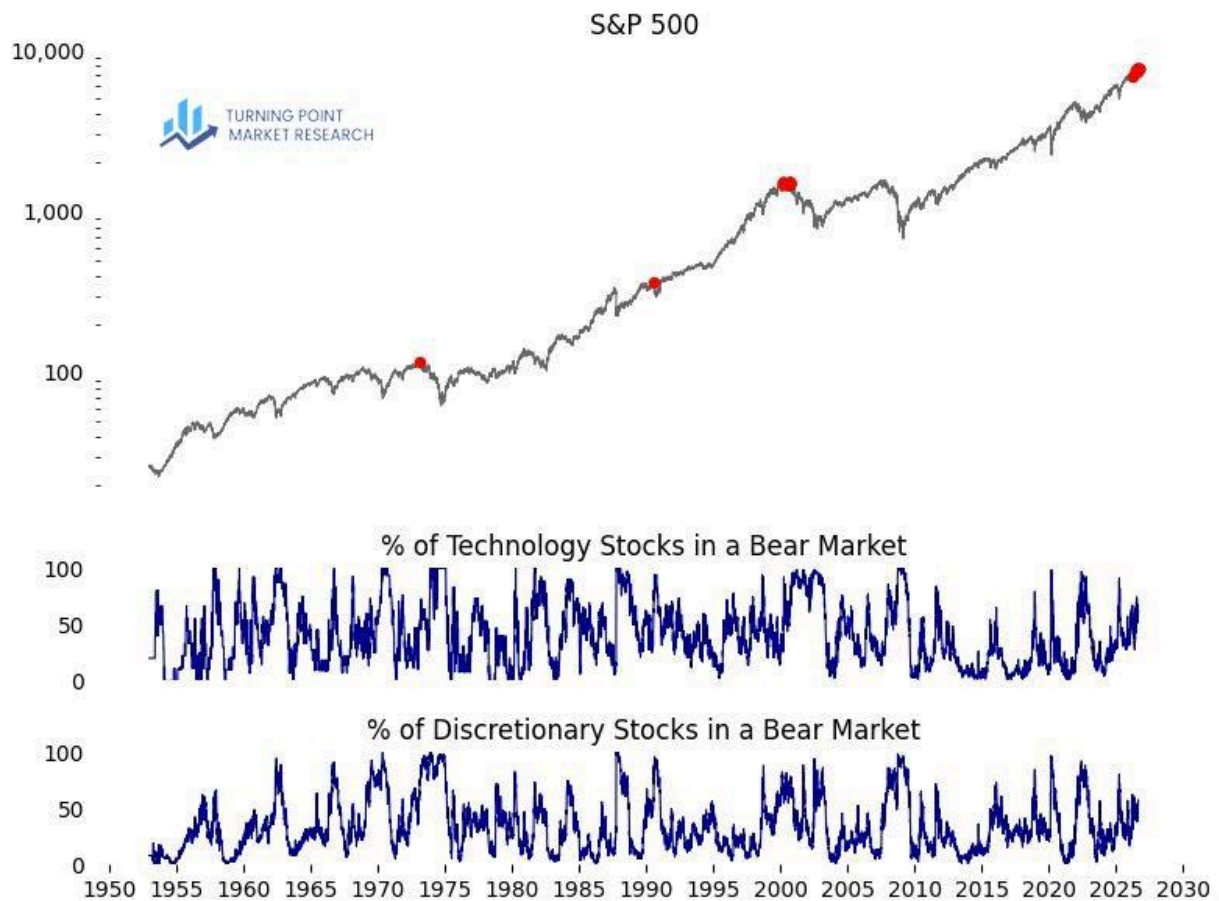
Index/Sector	% 21-Day Low	% 63-Day Low	% 252-Day Low	% Above 50-Day Avg	% Above 200-Day Avg	% in a Bear Market
S&P 500	34.88	13.1	5.04	37.1	55.85	35.69
S&P 500 Communication Services	33.33	0	0	57.14	52.38	28.57
S&P 500 Consumer Discretionary	70.21	44.68	21.28	19.15	31.91	57.45
S&P 500 Consumer Staples	42.86	17.14	5.71	28.57	42.86	42.86
S&P 500 Energy	0	0	0	90.48	85.71	9.52
S&P 500 Financials	32	2.67	1.33	42.67	77.33	20
S&P 500 Health Care	28.81	8.47	3.39	59.32	72.88	25.42
S&P 500 Industrials	45.57	15.19	6.33	16.46	46.84	45.57
S&P 500 Information Technology	9.46	4.05	0	54.05	60.81	60.81
S&P 500 Materials	57.69	19.23	11.54	30.77	53.85	30.77
S&P 500 Real Estate	62.07	34.48	3.45	10.34	48.28	13.79
S&P 500 Utilities	3.23	3.23	3.23	12.9	22.58	16.13
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A concerning scenario

With more than 50% of stocks in both the technology and consumer discretionary sectors in a bear market while the S&P 500 sits less than 3% below its record high, I wanted to see when a similar setup has occurred historically. As the red dots highlight, 1973, 1990, and 2000 stand out as comparable periods. Notably, two of the three coincided with significant oil spikes.

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What the research tells us...

Consumer discretionary has been under pressure for some time, with deterioration intensifying as oil prices and interest rates continue to rise, culminating in a massive spike in 21-day lows—the highest level since the 2022 bear market. While similar expansions in new lows have not historically been overwhelmingly bearish in absolute terms, they have generally been associated with relative underperformance. That argues for maintaining a significant underweight, if not avoiding the group altogether in a portfolio. From a tactical trading perspective, however, the setup is becoming more interesting as the sector shows



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signs of being oversold. Keep a close eye on oil and rates, as a reversal in either could trigger a sharp countertrend bounce.