

Chart of the Day

The Communication Services sector is setting up. \$XLC

December 16, 2025

Scott's "Chart of the Day" is the Communication Services Sector ETF (XLC). He highlights this sector as a standout because it is showing significant relative strength by holding above all key moving averages—something the broader SPY and QQQ indices are failing to do in the current market environment.

Next Steps:

1. The Trigger: A break above and—crucially—a close above the downward sloping trendline.
2. The Confirmation: The move must be accompanied by high volume.
3. Key Level/Alert: Set an alert at approximately \$117.60.
4. The Goal: A successful close above this level signals that the communications sector is a primary area for capital allocation due to its resilient technical structure.

Transcript:

0:01: Hey, everybody, good evening.

0:03: It's Scott at Scott Trades on X with Stockmarket mentor.com and your chart of the day.

0:10: Want to take a look at the State Street Communications Services sector ETF.

0:15: This is Ticker XLC.

0:18: Now, XLC is doing something that some of the major indexes aren't doing.

0:23: It's holding up in this market and above all the key moving averages.

0:27: You can't say that about Spy, and you can't say that about the Qs.

0:32: And so XLC is showing a lot of strength right now as it's consolidating in and around the eight-day exponential period moving average.

0:41: Now, I actually see a bit of a down or something trend line here on this chart.

0:48: And we have clear resistance being shown for us.

0:51: You know, we can't really get above this downward sloping trend line.

0:54: Resistance, resistance, all the way back down here, resistance, resistance.

0:58: And so what I want to see from this chart is we need to see a break above and a close above this downward sloping trend line coming.

1:06: On volume.

1:07: So I would have an alert on XLC at around 1:1760.

1:13: Look for a mover and a close above 11,760 coming on volume.

1:19: I'm going to set one just below that level here, and that's what I think you want to look for on XLC and that'll tell us that the communications sector is a sector that you want to be involved in and one that's showing a lot of relative strength in this market.

1:35: So that's just one of many things we're looking at tonight at stockmarketmentor.com.

1:40: I hope that video is helpful.

1:42: I'll see you next time.