Chart of the Day

The Financials are setting up here. $XLF

August 25, 2026

Scott McGregor evaluates the Financial Select Sector SPDR Fund (XLF) ETF, noting that bank stocks are establishing a very clean technical setup. Scott McGregor highlights that the XLF remains in a firm uptrend above all its key moving averages, recently emerging from a cupping pattern to form a high handle consolidation. Pointing to near-term support around 56.90 and resistance at 58.41, Scott McGregor outlines a clear trade thesis that targets a breakout buy if the ETF moves through and closes above 58.41.

Next Steps:

1. Set Technical Alerts: Place a breakout alert on the XLF ETF for a move through and close above the 58.41 resistance level.
2. Establish Stop-Loss Limits: Define initial risk parameters by placing a stop-loss near the 56.90 support level to accommodate potential whipsaws.
3. Review Individual Bank Equities: Stalk individual bank stocks setting up within the financial sector over at stockmarketmentor.com.
4. Explore Community Resources: Click the provided trial link on Stock Market Mentor to access further video analysis and trade setups.

Transcript:

[0:00] Hey everyone, good evening. It's Scott

[0:02] at Scott Trades on X with Stock Market

[0:05] Mentor and your chart of the day. Want

[0:08] to take a look at the XLF ETF and the

[0:11] financials because the banks are setting

[0:14] up nicely here. We have XLF in an

[0:16] uptrend and above all the key moving

[0:18] averages. And you can see how it's

[0:19] coming out of this cupping pattern here

[0:22] and finally giving us a bit of a high

[0:24] handle near-term support down around

[0:27] 5690 and resistance at 5841.

[0:32] And so I want to look for a move through

[0:34] and a close above 5841 here on XLF to

[0:38] buy a potential breakout in the

[0:41] financials. And so that's what I'm

[0:43] looking for right now. That's where my

[0:45] alert is. And I think you could take

[0:47] that trade and again put a stop down

[0:49] near 56.90 for at least some good wiggle

[0:52] room if this does whip around. But I

[0:55] like the way the financials are holding

[0:57] up in this market. And I certainly think

[0:59] it's a sector worth watching. I know we

[1:02] are. And I'm going to be looking at a

[1:04] handful of bank stocks and more tonight

[1:07] at stockarketmentor.com.

[1:09] I hope to see you there. Click the link,

[1:11] take a trial and maybe I'll see you on

[1:13] the other side.