

When the news turned on Big Tech

On 7 October the MoodVector news score for US indices dropped from neutral to deep negative. It stayed there while the Nasdaq slid for nine days. On 16 October the strategy closed its US longs and turned short. Here is the story, headline by headline, with every trade you can check on MQL5.

Times are UTC unless marked “MQL5 time” (broker server time, UTC+3). Account results are shown as a percentage of account equity.

S&P 500 news score, 7 Oct

50 → 23

turned bearish at 20:00 UTC

Nasdaq 100, Wed 7 → Fri 16 Oct

-6.3%

S&P 500 -1.8%, Dow +1.6%

Further fall avoided on US longs*

≈ 15%

of equity, from exit to Friday close

New sells, open

+0.72%

of equity, floating at Friday close

01 · THE STORY

Nine days of warnings, one decision

US stocks started the month at record highs. Then the headlines changed. First Treasury yields, then a Fed governor talking about more hikes, then a hot inflation report and a rout in chip and AI stocks. MoodVector reads these headlines as they arrive and scores each one for its likely impact on every index it tracks. This is what it saw.

WED 7 OCT · 20:10 UTC

S&P score 50 → 23

Off record highs as Treasury yields climb

“US market ends lower, off record highs, as Treasury yields climb” · “Wall Street falls as Treasury yields climb”

The S&P 500, Nasdaq and Dow scores all dropped into the low 20s within an hour. Strategy: held its US longs and watched.

THU 8 OCT

S&P score 23 → 31

A Fed governor says more hikes are needed

“Fed’s Waller says more hikes needed” · “S&P 500, Nasdaq end lower as crude prices jump, chip stocks weigh”

The score stayed deep in negative territory. Strategy: held.

FRI 9 OCT

Nasdaq score briefly ~80

A short-lived AI bounce, then the Middle East

“Data Center Accelerator Market to reach \$605 billion by 2035” · evening: “Houthi attacks on Riyadh airport kill 3”

Positive AI headlines lifted the scores for a few hours. Attacks on Saudi Arabia pushed them back down over the weekend. A good reminder that one headline can move the score, so the strategy waits for it to persist.

MON 12 – TUE 13 OCT

scores 25–35

AI-bubble talk and an escalating conflict

“AI’s circular financing loop ... 2008 comparisons are back” · “Beware the A.I./data center bubble” · “Saudi Arabia strikes Sanaa, Houthis threaten retaliation on Aramco facilities”

Some good news (Microsoft back at a \$4 trillion market value) was outweighed. The scores never got back to neutral.

The hot inflation report

“US equity indexes fall as Big Tech sinks after hot inflation report lifts odds of three Fed rate increases” · “Chip stocks head for 7th straight losing session” · “Stocks drop to their worst day since July”

This was the turning point for the strategy. Its combined score for the US indices (news, crowd mood and price) fell to about 25, and the crowd moved into fear.

The AI unwind spreads, and the Dow decouples

“Korea stocks tumble 8% as investors rush to unwind AI exposure” · “84% of S&P 500 stocks are now in correction territory” · “Dow jumps 450 points as yields dive”

Money rotated out of tech into the Dow. **Strategy:** overnight its target for the S&P 500 and Nasdaq turned short. It closed the Dow long at 23:59 UTC, near the top of that rally.

Exit, then turn

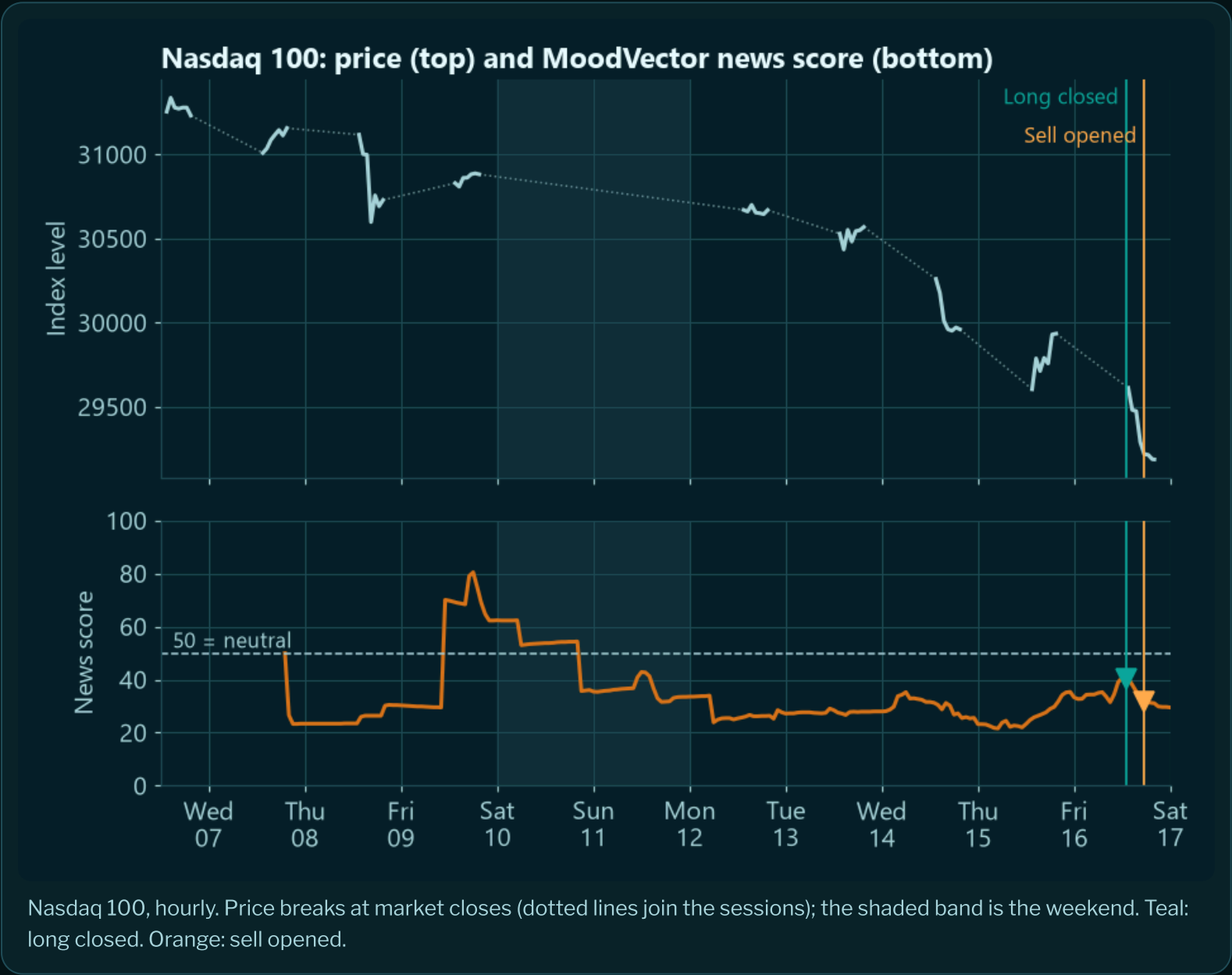
“There’s a 35% chance the Fed hikes at least 4 times by September 2027” · “S&P 500, Nasdaq break key levels as CoreWeave, Dell dive” · “The Nasdaq saw its worst week in months”

12:49 / 12:59 UTC: S&P 500 and Nasdaq longs closed. **17:24 / 17:33 UTC:** as the crowd slid into extreme fear, sells opened in both. The Nasdaq closed the week about 680 points below the exit.

02 · THE SIGNAL ON THE CHART

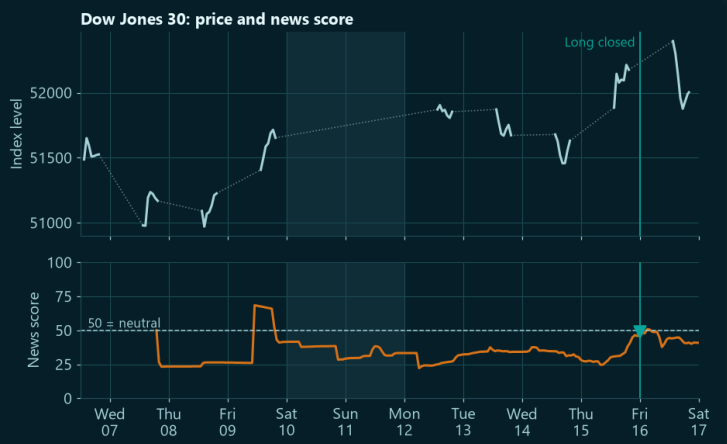
Score first, price after

The orange line is the MoodVector news score: below 50 means the news flow is negative for that index. The score turned on Wednesday evening and never got back above neutral, apart from Friday’s brief AI bounce. The Nasdaq ground lower for the rest of the period.





S&P 500: the same pattern, a smaller fall (~1.8%).



Dow 30: the score was negative, but the Dow rallied as money left tech. The long was closed near Thursday's high.



The crowd caught up later. The CNN Fear & Greed index stayed between about 38 and 48 until the inflation report, then fell into extreme fear on Friday, when the sells were opened.

Every trade, as shown on MQL5

These are the US trades of the public MoodVector Navigator signal, exactly as they appear in its trading history on MQL5. The longs had been built over the summer and were closed in full.

MQL5 time	Index	Action	Price	Result, % of equity
16 Oct 02:59	Dow 30	Long closed	52,403.33	-0.20%
16 Oct 04:01 → 14:29	Dow 30	Small buy, then closed	52,257.70 → 52,399.90	+0.13%
16 Oct 15:49	S&P 500	Long closed	7,703.15	+0.19%
16 Oct 15:59	Nasdaq 100	Long closed	29,889.96	-0.65%
16 Oct 20:24	S&P 500	Sell opened	7,662.62	-0.01% open
16 Oct 20:33	Nasdaq 100	Sell opened	29,349.52	+0.73% open

Closed: the US trades closed at roughly break-even on price (-0.53% of equity in total). Holding them since the summer also cost -1.59% in overnight financing (swaps).

Avoided: had the longs simply been held to Friday’s close, they would have lost a further ≈ 15% of equity: Nasdaq ≈ 9.5%, Dow ≈ 3.5%, S&P 500 ≈ 1.9%.*

Open: the new S&P 500 and Nasdaq sells were +0.72% at Friday’s close.

What worked, and what didn’t

- **The warning came early.** The news score turned bearish on 7 October, while the S&P 500 was still near its record. That was nine days before the exit.
- **The exit came later.** The strategy waits for its combined score and the crowd to confirm. That kept it from reacting to every headline, but the Nasdaq had already fallen about 4% from 7 October by the time the long was closed. The remaining 2.3% of the fall was avoided.
- **Not every index followed the news.** The Dow rose 1.6% over the same days as money rotated out of tech. Closing it near Thursday’s high still worked out, but the score alone did not call that move.
- **One headline is not a trend.** Friday 9 October’s AI-optimism spike lasted hours. The strategy ignored it, which was the right call.

Next week

- Fed rate-hike expectations after the hot inflation print, and any guidance from the Fed.
- Whether the rotation out of AI and chip stocks continues, or the “washout rally” calls prove right.
- The Middle East: attacks on Saudi Arabia and shipping in the Strait of Hormuz, and what they do to oil.
- The sells stay open only while the scores keep confirming.

Follow the live signal on [MQL5](#) · live sentiment for every market at [moodvector-strategy.com/sentiment](#) · info@moodvector-strategy.com

*“Avoided” figures are hypothetical: they compare each long’s exit price with the index CFD’s price at Friday’s close (Dow estimated from the cash index) and are not realised results. Open positions are floating and can change. Trading CFDs involves substantial risk of loss and is not suitable for everyone. Past performance is not indicative of future results. This newsletter is for information only and is not investment advice. Sentiment data: MoodVector engine; prices: index data and the signal’s MQL5 trading history.