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8 Signs A Market Is Losing Momentum Before The Breakdown

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On the following page you will find an article that is a summary of the [Crowd Forecast News Episode #537 panel discussion](#).

The article is an attempt to distill the most important points from the episode down to a single, brief article.



Recorded: 07/20/2026 at 4PM ET
Duration (video & podcast): 57 minutes

Highlights:
- Market ledge analysis before major earnings catalysts
- SPY triangle levels for breakout or breakdown
- VIX thresholds clarifying volatility risk
- Sideways-market discipline from Sunny Bands signals
- Cash-position lessons for choppy trading conditions
- Former tech leaders showing rollover risks
- Semiconductor and quantum weakness beneath headline indexes
- Bank, insurance, and biotech leadership rotation clues
- IPO speculation lessons from fading excitement
- Momentum-screening ideas from the Landry 100

Lineup for this Episode:
- Sunny Harris of MoneyMentor.com
- Dave Landry of DaveLandry.com
- The Option Professor of OptionProfessor.com

[Click here to watch the full episode.](#)

[AD] **eBook: [NVDA Options (Strategy Guide for Options Traders)](#)**

The article below is a summary of the recent CFN panel discussion. The quotes are statements directly from the panelists on the show; click the link above to watch the full episode!

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[AD] **eBook: NVDA Options (Strategy Guide for Options Traders)**

Title: 8 Signs A Market Is Losing Momentum Before The Breakdown

Strong markets rarely collapse without warning. More often, they start flashing subtle signs that buyers are losing control, leadership is narrowing, and former winners are no longer carrying the trend. Traders who recognize these signals early can reduce exposure, avoid forcing weak setups, and prepare for better opportunities when direction becomes clearer.

Sign 1: Price Stalls At A Critical Decision Zone

When a major index stops advancing and begins hovering near important moving averages or support zones, momentum may be fading. A market that was previously trending cleanly can suddenly become indecisive, forcing traders to wait for confirmation instead of assuming the prior trend will continue.

“it's it's it's right at the dynamic moving average on my Sunny bands.”

Sign 2: Breakout Patterns Lose Direction

Triangles, ranges, and compression patterns can signal that a major move is coming, but they do not reveal direction by themselves. When price compresses without follow-through, traders should prepare for either outcome and avoid committing too early.

“we've got a triangle that's on the spy that's gonna break out one way or the other, and there's no way to know which.”

Sign 3: The Market Goes Sideways For Too Long

A healthy uptrend tends to make progress. When prices stop advancing for weeks or months, the market may be digesting gains or quietly losing sponsorship. Sideways action after a strong rally can become a warning that buyers are no longer pressing the advantage.

“we have at least two months of sideways trading.”

Sign 4: Topping Patterns Begin To Appear

Not every topping pattern works, but traders should respect them when they appear after an extended run. Complex head-and-shoulders structures, failed breakouts, and repeated lower highs can show that sellers are becoming more active near resistance.

“it kind of has a look of a complex head and shoulders look to it.”

Sign 5: Former Leaders Start Breaking Down

Leadership matters. When the stocks or sectors that powered the last advance begin rolling over, the broader market may become more vulnerable. Traders should watch semiconductors, high-growth themes, and other former leaders for signs that institutional demand is weakening.

“your prior leaders like the semiconductors”

Sign 6: Moving Averages Flip From Support To Resistance

Moving averages can help define trend direction. When shorter-term averages roll below longer-term averages, or price repeatedly fails at key averages, the market may be transitioning from an uptrend into a downtrend.

“when they flip back over, you're in a downtrend.”

Sign 7: Clean Setups Become Harder To Find

One of the most practical warnings comes from the opportunity set itself. When strong charts become scarce and traders must stretch to find valid setups, the market may be telling them to slow down.

“I really haven't seen a whole lot of setups.”

Sign 8: Cash Starts Looking Like The Smartest Trade

Momentum traders often feel pressure to stay active, but choppy markets punish impatience. When direction is unclear and volatility can cut both ways, cash is not a failure to act. It is a deliberate risk-management choice.

“sometimes the best action is no new action.”

[AD] More Current Education Offers:

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🚨 **PDF: QQQ Options Playbook**

⚡ **eBook: TSLA Options Trader (Complete Strategy Guide)**

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