

7/1/25

Ross LaDuke, CMT
Global Strategist
612-482-8442
Ross@vermilioncap.com

David Nicoski, CMT
Chief Investment Officer
612-682-1900
Dave@vermilioncap.com

Joseph Jasper, CFA
President
612-712-1300
Joe@vermilioncap.com

Eric Anderson
Research Sales
612-482-6622
Eric@vermilioncap.com

Sean Cusick
Director of Quant Systems
612-712-1400
Sean@vermilioncap.com

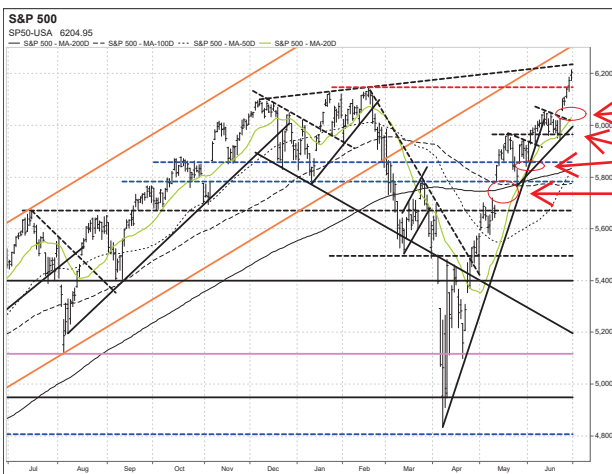
Vermilion Research LLC
920 2nd Ave S, Ste. 1225
Minneapolis, MN 55402

Blue Sky Territory; Bullish Outlook Intact

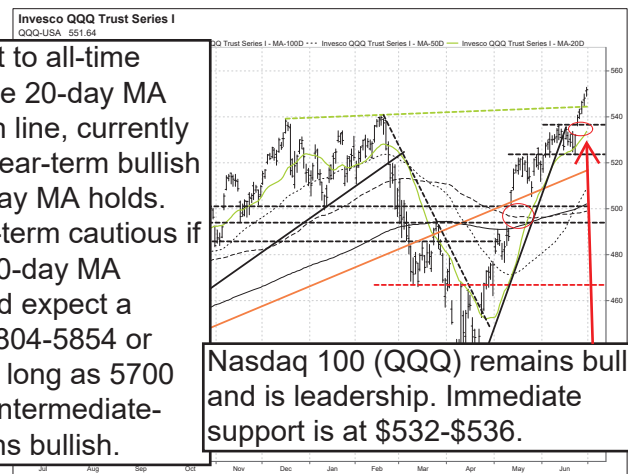
We remain near-term bullish since our 4/22/25 *Compass*, and our intermediate-term outlook remains bullish as well (as of our 5/14/25 *Compass*). Our *near-term* bullish outlook will remain in place long as the S&P 500 (SPX), Nasdaq 100 (QQQ), and Russell 2000 (IWM) are above their 20-day MAs. We will maintain our bullish *intermediate-term* outlook as long as market dynamics remain healthy and the SPX is above 5700-5785. Short-term support on SPX is at 6028-6059 and the 20-day MA, with additional supports at 5804-5854 and 5700-5785.

- **Index Overview.** The Nasdaq 100 (QQQ) and SPX are breaking out to all-time highs, with the QQQ leading the way. As if this wasn't bullish enough, even laggard areas including the DJIA is breaking above 42,822 resistance, and the S&P Mid-Cap 400 (IJH) is breaking above \$61.50 resistance. The Russell 2000 (IWM) is the last to break out, but it is on the cusp of a breakout above \$215-\$216... *see charts below*.
- **Market Dynamics Remain Risk-On.** In addition to bullish technicals at the index level, other risk-on market dynamics supporting our bullish outlook include: (1) High yield spreads are well-below the important 355bps level. (2) Defensive Sectors (Staples, Utilities, Health Care, Real Estate) are at 3.5+ month RS lows, while (3) Technology (XLK), semiconductors (SMH), speculative growth areas (ARKW, ARKQ, ARKX, ARKF, ARKK, etc.), and big banks/broker-dealers/exchanges (JPM, GS, MS, C, BAC, IAI) remain leadership. (4) The 10-year Treasury yield is moving lower, as expected, after failing to break above 4.50%. (5) Interest rate volatility (MOVE index) remains near 3-year lows. (6) The U.S. dollar (DXY) remains weak, a clear risk-on signal for global equities. Speaking of global equities, (7) MSCI ACWI (ACWI), ACWI ex-U.S. (ACWX), EAFE (EFA), EM (EEM), and ACWI ex-U.S. Small-Caps (local currency) all remain above major base supports. (8) Breadth remains healthy. This risk-on list of the things that matter most all continue to point to more upside ahead... *see pages 3-4*.
- **Sectors Breaking Out to All-Time Highs.** With the S&P 500 and Nasdaq 100 breaking out to all-time highs, it is no surprise that many Sectors are doing the same, including Technology (XLK, RSPT), Communications (XLC, RSPC), Industrials (XLI), and Financials (XLF).

In today's report we highlight attractive Groups and stocks within Materials and Technology: MA-01 Metals, Steel, Integrated. U.S., MA-23 Copper, and TE-19 Network Infrastructure, Small-Cap... *see pages 12-21*.



SPX is breaking out to all-time highs, holding above 20-day MA support (solid green line, currently 6030); we remain near-term bullish as long as the 20-day MA holds. We would get near-term cautious if 6028-6059 or the 20-day MA breaks, as we would expect a pullback to 5950, 5804-5854 or 5700-5785. Still, as long as 5700 support holds, our intermediate-term outlook remains bullish.



Nasdaq 100 (QQQ) remains bullish and is leadership. Immediate support is at \$532-\$536.

Sector Relative Strength Rankings & Weighting Recommendations

Sector Relative Strength Rankings (RSR)

Technology remains atop our relative strength rankings -- remain overweight. The XLK is breaking out to all-time highs, above \$243 resistance, and RS is at 11-month highs; buy any pullbacks. Semiconductors (**SMH, SOXX, NVDA, ARM, AEHR**, etc.) and software (**IGV, SOUN, CRWV, MSFT, PLTR, RBLX**, etc.) both remain leadership and there is no shortage of attractive Groups and stocks. We will continue to reiterate that there really is nothing more bullish for the SPX and QQQ than leadership from semiconductors/Technology and large-cap banks/investment banks (see below).

When both semiconductors and **Financials** are in uptrends, there really is no better signal of strong risk appetites. Specifically, within Financials, we are referring to the large-cap banks/investment banks (**JPM, GS, MS, C, BAC**) which are bullish and remain leadership. Also, we discussed last week how we were monitoring a bullish short-term RS reversal for insurance stocks (ETF: **KIE**), which was potentially concerning considering they are largely defensive and they tend to outperform during market stress. It turns out it was nothing, and the KIE is back at new RS lows. We want to continue to avoid insurance names.

RS on *cap-weighted* **Energy (XLE)** is back to test potential support at 3.5-year *lows*, and we are monitoring for a potential downgrade to underweight. We just discussed last week (6/24/25 *Compass*) how odds are high that WTI crude oil stays below \$77 for the foreseeable future, which could mean renewed underperformance from the Energy Sector. Be very selective or avoid the Sector entirely.

No Weighting Changes

Recent changes:

6/10/25 *U.S. Macro Vision*: Upgraded Technology to Overweight (from Market Weight)

6/10/25 *U.S. Macro Vision*: Downgraded Financials to Market Weight (from Overweight)

Relative Strength Ranking: Sector Summary

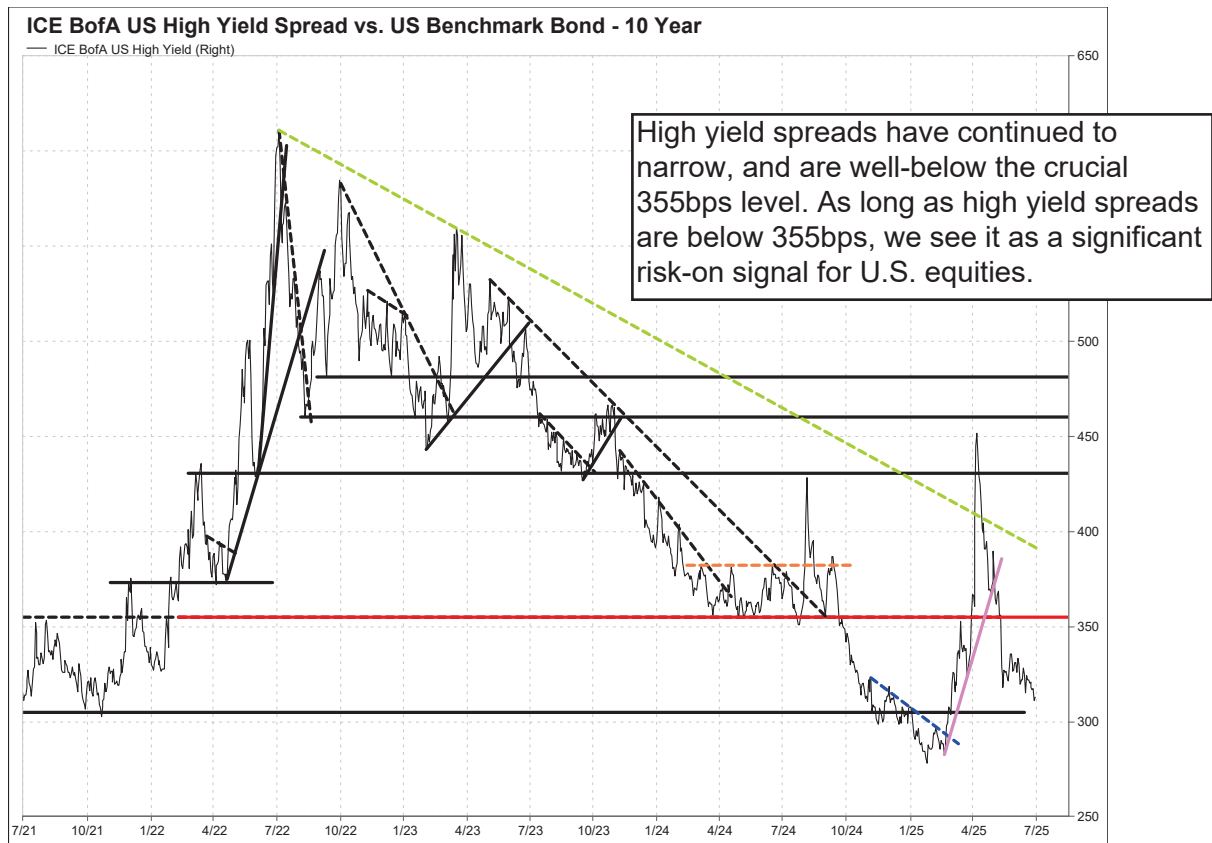
Vermilion Sector	06/27	06/20	06/13	06/06	05/30	05/23	05/16	05/09	05/02	04/25
TE Technology(CAP)	5	8	8	8	9	10	9	15	14	16
MF Manufacturing(AVG)	7	10	10	10	10	11	11	14	16	17
MF Manufacturing(CAP)	8	10	9	8	8	8	7	9	9	10
CO Communications(CAP)	9	13	11	9	9	8	11	12	9	10
FN Financials(CAP)	10	10	11	8	6	6	7	7	6	6
TE Technology(AVG)	10	14	15	14	17	16	17	19	20	20
CO Communications(AVG)	11	11	12	11	9	9	10	7	8	7
FN Financials(AVG)	13	15	15	13	11	12	12	10	9	10
MA Materials(AVG)	13	13	10	11	13	13	18	14	15	13
MA Materials(CAP)	13	13	10	11	10	8	11	8	7	7
UT Utilities(AVG)	13	12	11	11	8	6	8	5	5	4
UT Utilities(CAP)	13	12	11	11	8	6	8	5	5	4
CD Consumer Disc(CAP)	15	17	16	15	11	11	11	13	12	11
TR Transportation(CAP)	16	18	17	15	15	14	12	17	17	19
CS Consumer Staples(CAP)	17	13	12	11	6	6	9	5	3	3
SV Services(AVG)	17	19	19	16	18	18	19	19	21	21
TR Transportation(AVG)	17	16	13	14	15	16	15	18	19	20
SV Services(CAP)	18	19	15	11	10	11	10	9	9	10
EN Energy(AVG)	19	11	11	22	24	22	24	23	24	21
RE Real Estate(CAP)	19	16	15	15	13	16	13	12	9	10
CD Consumer Disc(AVG)	20	22	23	21	20	22	20	22	23	23
CS Consumer Staples(AVG)	20	16	15	14	10	11	12	9	8	7
HC Health Care(AVG)	20	20	18	14	22	22	24	23	17	18
RE Real Estate(AVG)	20	17	17	18	18	19	18	15	15	15
EN Energy(CAP)	21	13	13	21	22	19	20	18	18	13
HC Health Care(CAP)	25	24	20	23	22	22	24	20	13	11

Sector Weighting Recommendations

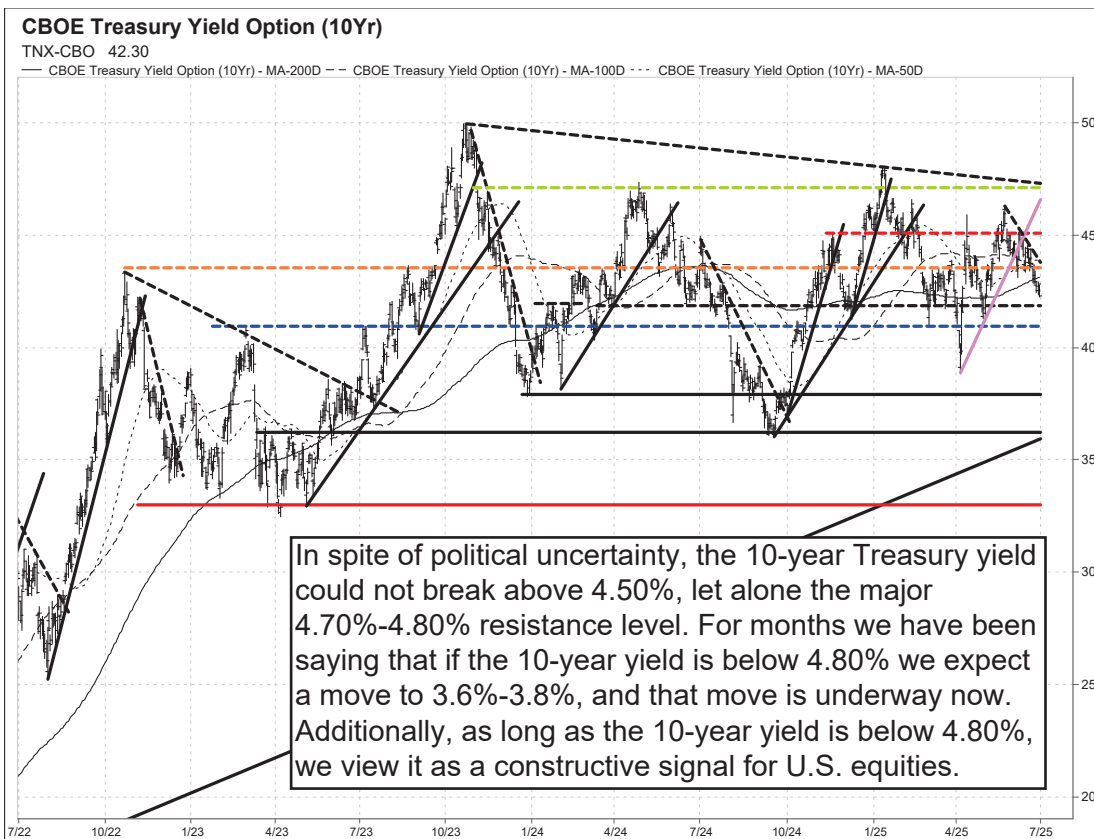
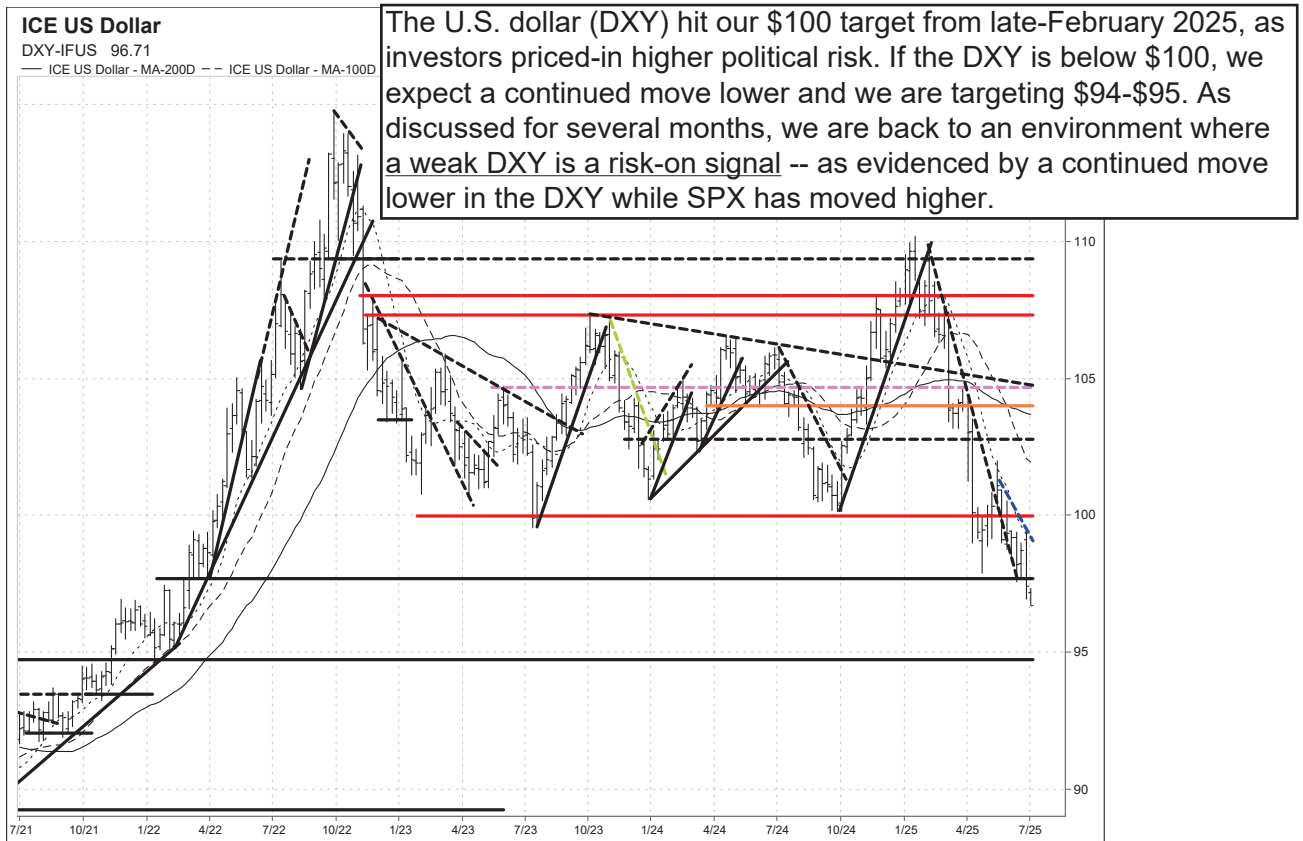
Vermilion Sector	Under-Weight	Market-Weight	Over-Weight
Communications			X
Cons. Discretionary			X
Consumer Staples		X	
Energy		X	
Financials		X	
Health Care	X		
Materials	X		
Manufacturing		X	
Real Estate		X	
Services			X
Technology			X
Transportation	X		
Utilities			X

See attached Sector commentary for Group and individual stock recommendations.

Risk-On: High Yield Spreads Narrowing; Big Banks and Semiconductors Leading



Risk-On: U.S. Dollar (DXY) Remains Weak, 10-Year Treasury Yield Heading Lower



Communications: Overweight

- Group CO-01 Broadcasting has several bullish names that have built bases and some that are moving up and to the right. Attractive names include: **SPOT, NXST, PARA, TV, GTN, EVC, and SGA.**
- Group CO-05 Movies, Entertainment, Programming, Large/Mid-Cap is developing as leadership. Attractive names include: **DIS, PARA, WBD, TKO, and LYV.**
- Group CO-08 Publishing is developing bullishly. Attractive names include: **RELX, TRI, and NPSNY.**
- Group CO-10 Telecomm Services, South America is developing as a leadership Group. Attractive names include: **TEF, VIV, and TIMB.**
- Group CO-11 Telecomm Services, North America is developing into a leadership Group. Attractive names include: **AMX, RCI, and TU.**
- Group CO-12 Telecomm Svcs., Europe/U.K. has many issues that are bullish, but it is not across the group. Attractive names include: **ORAN, SCMWY, TLGPY, TEF, VOD, TELNY, KKPNY, HLTOY, TIGO, THAY, MYTAY, and TIAIY.**
- Group CO-13 Telecomm Svcs., Asia/Pacific Rim has a few technically attractive stocks including: **CHT, KT, TLK, SKM, HKTVY, SPKKY, and PCCWY.**
- Group CO-19 Cellular Towers is a Relative Strength leadership Group. Attractive names: **AMT, CCI, and SBAC.**
- Group CO-20 Movie Theaters is a leadership Group. Attractive names include: **EPR, and IMAX.**
- Group CO-24 Internet Content/Commerce has many names showing good technical improvement. Attractive names include: **MELI, EBAY, ROKU, RDFN, GRPN, TCX, and XNET.**
- **Group CO-25 Social Networking has several leadership names in it including: META, PINS, YY, WB, and MOMO.**

Consumer Discretionary: Overweight

- We recently upgraded cap-weighted Consumer Discretionary (XLY) to overweight – add exposure. Price on the XLY remains bullish after reversing the 3-month downtrend and breaking above its 200-day MA, and RS is reversing above the 5-month downtrend. RS also remains in a pattern of higher lows since August 2024. We have discussed for weeks how we will need to see XLY, TSLA, and AMZN reclaim their 200-day MAs in order to believe a bottom is in, and this is happening. TSLA and AMZN are top picks, but many areas within the Sector (hotels/resorts, restaurants, retail, cruises, etc.) are bottoming as well. A break below \$208 on the XLY would be a time to get near-term cautious, **but the more likely outcome is a breakout above \$218.**
- Group CD-01 Major Auto Manufacturers displays price and RS pullbacks – be selective. Attractive names include: **RYCEY, TSLA** (recommended buying TSLA in our 4/29/25 *U.S. Macro Vision*), and **XPEV.**
- Group CD-45 Retailers, Discount/Variety is emerging as leadership – add exposure. Attractive names include: **OLLI, DG, DLTR, and FIVE.**
- Group CD-50 Internet Retailers (**IBUY**) reclaimed the crucial \$59 level – add exposure. Attractive names include: **AMZN, NFLX, CPNG, EBAY, CHWY, TDUP, WRBY, and W.**
- Equal-weighted retail (ETF: **XRT**) appears to be stalling-out in terms of price and RS in the short-term – be selective. Attractive retail names (in addition to those listed above) include: **URBN, CVNA** (we remain bullish on this massive winner that we started recommending in May of 2023, **EYE, CTRN, SIG, ULTA, and HAS.**
- Group CD-19 Education Services, Small-Cap remains at new RS highs and price remains constructive; remain overweight/add exposure. Attractive names include: **UTI, LRN, DUOL, DAO, ATGE, LAUR, PRDO, LINC, and APEI.**
- Group CD-22 Cruises displays bullish price and RS inflections – add exposure. Attractive names include **RCL, VIK, and CCL.**
- Restaurant names are bottoming – add exposure. Attractive restaurant stocks: **PLAY, WING, SHAK, EAT, TXRH, DRI, CAKE, NATH, BJRI, BH, YUM, and bottom-fishing candidates CBRL, PZZA, KRUS, and LOCO.**
- A bottoms-up approach to stock selection uncovers additional opportunities within the Sector. With this in mind, attractive names: **DASH, GENI, AS, ARLO, RSI, PLNT, TOST, SRAD, TPR, NTDOY, SGI, LTH, RL, HLT, BKNG, SGHC, OWLT, BYD, TRMB, and bottom-fishing candidates RIVN, GOOS, ROKU, SN, and CRMT.**

Consumer Staples: Market Weight

- RS on cap-weighted Consumer Staples (**XLP**) is at fresh 5-month lows. Remain underweight and be extremely selective.
- Group CS-03 Hypermarkets & Super Centers has stalled in terms of price and RS – be selective. Attractive names include: **COST** and **WMT**.
- Group CS-06 Food Distributors continues to outperform – overweight/add exposure. Attractive names include: **USFD**, **PFGC**, and **CHEF**.
- Group CS-21 Tobacco, Large-Cap displays price and RS consolidation and is no longer leadership – be selective. Attractive names include: **IMBBY**, **PM**, **MO**, and **BTI**.
- A bottoms-up approach to stock selection uncovers some of our favorite opportunities within the Sector. With this in mind, attractive names include: **CELH**, **MNST**, **BROS**, **TPB**, **CASY**, **SFM**, **VLGEA**, **LRLCY**, **ELF**, **ODD**, **CCHGY**, **SENEA**, **SENEB**, and bottom-fishing candidates **EL** and **ADM**.

Energy: Market Weight

- WTI crude oil recently broke above the \$65.29 level which was former resistance. We view this area as an attractive pullback opportunity.
- Group EN-01 Oil & Gas Global, Mega-Cap is reflecting strong RS. It appears investors are willing to diversify despite the recent bounce. Attractive names include: **XOM**, **SHEL**, **BP**, **SSL**, and **TTE**.
- Group EN-02 Oil & Gas, Global, Large-Cap is emerging is reflecting improving RS. Attractive names on a RS basis are: **EQNR**, **CNQ**, **WDS**, **PBR**, and **REPY**.
- Group EN-04 Oil & Gas, South America is a leadership Group. Attractive names include: **EC**, **REPY**, and **UGP**.
- Group EN-05 Oil & Gas E&P, Canadian. This Group is reflecting strong RS. Attractive names include: **CNQ**, **SU**, **CVE**, **OVV**, and **IMO**.
- Group EN-06 Oil & Gas, Pacific Rim/Far East is a leadership Group and price and RS uptrends remain intact. Names include: **SSLZY** and **INDO**.
- Group EN-10 Oil & Gas E&P, Domestic, Small-Cap is constructive. The more attractive names include: **RRC**, and **CRK**.
- Group EN-12 Energy Trusts has many leadership names in terms of RS. Attractive names include: **AAVF**, **BCX**, **PBT**, **SJT**, **PRT**, **NRT**, and **ECTM**.
- Group EN-13 Natural Gas Integrated/Diversified has a few names that are technically attractive. Natural gas prices continue to develop positively and indicate RS leadership in the Energy patch. Attractive names: **WMB** and **QT**.
- Group EN-17 Drilling, Offshore is emerging into a leadership Group. Many of these names have H&S bottoms in place and we would be buyers on pullbacks. This Group is highlighted in today's Compass. Attractive names include: **VAL**, **NE**, **SDRL** and **RIG**.
- Group EN-20 Refining has several names that appear to be bottoming and staging reversals in price and RS or have hit major support levels. Attractive names include: **PSX**, **MPC**, **VLO**, **DINO**, **PBF**, **CLMT**, **CVI**, and **DK**.
- Group EN-25 Gas Transmission & Delivery has several compelling names technically. This is a much less volatile group in the Energy Sector. Attractive names include: **ENB**, **KMI**, **TRP**, **DKL**, **GLP**, and **GEL**.
- Group EN-26 Gas Processing/Storage/Distribution – Midstream is a leadership Group. This Group often represents a safety trade in the Sector. Attractive names include: **EPD**, **MPLX**, **WES**, **AM**, **HESM**, and **SUN**.
- Group EN-27 Propane/LNG is a leadership Group. Attractive names include: **LNG**, **CQP**, and **GASS**.

Financials: Market weight (downgraded 6/10/25 from Overweight in our U.S. Macro Vision)

- The Financial Sector ETF **XLF** broke the 11-month RS uptrend in early-June, prompting our downgrade. With that said, the large-cap banks/investment banks (**JPM**, **GS**, **MS**, **C**, **WFC**, **BAC**) are bullish and remain leadership. This is a bullish sign for the broad market.

Financials (cont.): Market weight (downgraded 6/10/25 from Overweight in our U.S. Macro Vision)

- Group FN-01 European Banks is a leadership Group. Attractive names include: **HSBC**, **SAN**, **BBVA**, and **DB**.
- Group FN-02 U.K. Banks is a leadership Group. Attractive names include: **BCS**, **LYG**, and **NWG**.
- Group FN-03 Canadian Banks is a leadership Group. Attractive names include: **RY**, **BNS**, **BMO** and **TD**.
- Group FN-04 Asian Banks is a leadership Group. Attractive names include: **MUFG**, **HDB**, **IBN**, **NABZY**, **KB**, **SHG**, and **WF**.
- Group FN-05 Latin/South American Banks does have several technically attractive names including: **ITUB**, **BSBR**, **BAP**, **BCH**, **BBD**, **BBDO**, **BSAC**, and **BLX**.
- Group FN-20 Mortgage Insurance is a leadership Group. Attractive names include: **MTG**, **ESNT**, **RDN**, **NMIH**.
- Group FN-28 Education Finance is a leadership Group. Attractive names include: **SLM**, **NAVI**, and **NNI**.
- Group FN-30 Investment Banking & Brokerage, Large-Cap remains a leadership Group. Attractive names include: **JPM**, **MS**, **GS**, **SCHW**, **NMR**, and **C**.
- Group FN-34 Electronic Exchanges/Markets is a leadership Group. Attractive names include: **CME**, **ICE**, **NDAQ**, and **CBOE**.
- Group FN-36 Life & Health Insurance, Large-Cap is a leadership Group. Attractive names include: **SLF**, **PUK**, **CRBG**, **EQH**, and **AEG**.
- Group FN-38 Multi-Line Insurance, Large-Cap is a leadership Group. Attractive names include: **ZURVY**, **AXA-HY**, **TKOMY**, **ING**, **AIG**, **FRFHF**, and **HIG**.
- Group FN-39 Multi-Line Insurance, Mid/Small-Cap is a leadership Group. Attractive names include: **AIG**, **HIG**, **L**, **GNW**, and **HMN**.
- Group FN-41 Property & Casualty Insurance, Mid-Cap is a leadership Group. Attractive names include: **WRB**, **AXS**, **PRA**, and **MCY**.
- Group FN-43 Reinsurance is a leadership Group. Attractive names include: **SPNT**, **JRVR**, and **MHLD**.

Health Care: Underweight

- RS for Health Care is breaking to new YTD lows on the *cap-weighted XLV* and *equal-weighted RSPH*. Remain underweight.
- Group HC-04 Pharmaceuticals, Small-Cap displays bullish short-term price and RS reversals within a longer-term bottoming process – add exposure. Attractive names include: **CORT**, **HROW** (bottom-fishing candidate), and **DBVT**.
- Biotechnology (ETFs: **IBB**, **XBI**, Groups HC-06, -07, -08, and -09) continues to underperform (and are significant laggards) as determined by the XBI ETF. Be extremely selective. Attractive names include: **GRAL**, **VRNA**, **MAZE**, **TGTX**, **ADPT**, **EXEL**, **XERS**, **RYTM**, **ALNY**, **ATYR**, **AKBA**, **PTGX**, **MRUS**, **LENZ**, **ACAD**, **TBPH**, and bottom-fishing candidates **UPB**, **ZBIO**, **TSHA**, **SION**, **SEPN**, **IDYA**, **EYPT**, and **CRSP**.
- Group HC-15 Diagnostic & Test Services displays price and RS deterioration as this is a defensive Group – be selective. Attractive names include: **FMS**, **DGX**, **GH**, **LH**, and **NTRA**.
- Group HC-23 Health Care Distributors displays a 1-year bullish RS reversal – add exposure. Attractive names include: **COR**, **MCK**, and **CAH**.
- Group HC-32 Rehab Services displays bullish price and RS inflections – overweight/add exposure. Attractive names include: **FMS**, **THC**, **EHC**, and **ENSG**.
- Group HC-33 Nursing Homes & Assisted Living displays bullish price and RS inflections –add exposure. Attractive names include: **NHC** (bottom-fishing candidate), **ENSG**, and **BKD**.
- Health care services and providers (**XHS**, **IHF**) continue to underperform following RS uptrend violations that we highlighted in April – be very selective. Attractive names (in addition to those mentioned above) include: **HNGE**, **TEM**, **GRAL**, **PSNL**, **BTSB**, **NUTX**, **NAGE**, **OPRX**, **VEEV**, and **LFMD**.
- Medical devices/equipment (**IHI**) Groups are underperforming again – be very selective. Attractive names include: **BSX**, **IDXX**, and **PODD**.

Manufacturing: Market Weight

- Group MF-01 Industrial, Diversified, Large-Cap is a leadership Group. Many of these are at RS highs. Attractive names include: **GE, SIEGY, ABB, HON, RTX, TT, EMR, MMM, JCI, and PNR.**
- Group MF-02 Industrial, Diversified, Small-Cap is a leadership Group. Attractive names include: **TT, PNR, ITT, SPXC, ST, ATS, FSS, HSC, and AP.**
- Group MF-03 Aero-Defense, Large-Cap has many names with strong RS. We would be buyers on pullbacks only. Attractive names include: **BA, and GD.**
- Group MF-05 This Group is showing stronger RS and appears to be bottoming near-term. Attractive companies are: **BA, TDG, TDY, TXT, and HEI.**
- Group MF-06 Aerospace, Components & Products, Small-Cap is a leadership Group. Attractive names include: **TDY, ERJ, CW, SPR, DCO, TGI, ATRO, and SYPR.**
- Group MF-07 Aerospace, Comm/Electronics, Large-Cap is a leadership Group. Attractive names include: **TDY, LHX, and ESLT.**
- **Group MF-08 Aerospace, Comm./Electronics, Small-Cap is a leadership group. Many names have staged major breakouts. All companies in the Group are participating. GOGO, DCO, and CMTL.**
- Group MF-12 Auto Parts, Large-Cap and MF-13 Auto Parts, Small-Cap is reflecting a price and RS reversal. This is highlighted in today's Compass. Attractive names include: **ETN, JCI, APTV, BWA, ALV, GTES, VC, ADNT, CPS, STRT, MPAA, SRI, and DAN.**
- **Group MF-16 Construction Equipment is indicating RS leadership. Attractive names include: CAT, CAE, TEX, ALG, ASTE, MTW, and NC.**
- Group MF-17 Agricultural equipment is a leadership group. Attractive names include: **DE, CNHI, AGCO, LNN, ARTW, and TITN.**
- Group MF-34 Climate Controls & Systems is a leadership Group. Attractive names include: **TT, FIX, LMB, and HDSN.**
- Group MF-38 Nuclear, Power Generation is a leadership Group. Attractive names include: **OKLO, SMR and NNE.**

Materials: Underweight

- Group MA-01 Metals, Steel, Integrated U.S. is showing signs of bottoming and reflects improving RS. **This Group is highlighted in today's Compass.** Attractive names include: **X, NUE, RS, CMC, WOR, RYI, TMST, and ZEUS.**
- Group MA-02 Metals, Steel, Integrated, Non-U.S. is emerging as a leadership Group on a RS basis. Attractive names include: **RIO, MT, TX, SIM, and SID.**
- Group MA-03 Metals, Specialty has several attractive names including. **CRS, and ATI.**
- Group MA-04 Aluminum is showing an increase in RS. Attractive names include: **RIO, CENX, CSTM, KALU, and HWM.**
- Group MA-11 Cement/Aggregates remains a leadership Group. We have been very bullish in the Engineering and Construction area of the market due to onshoring. We believe this is a secular trend to establish control over the supply chains. This Group is continuing to benefit from this move. Attractive names include: **VMC, MLM, CX, and CPAC.**
- Group MA-14 Fertilizer is emerging as a leadership Group. Attractive names include: **NTR, CF, MOS, ICL, UAN, and IPI.**
- **Group MA-23 Copper is staging a price and RS reversal and Copper is nearing all-time highs. This Group is highlighted in today's Compass. Attractive names include: SCCO, FCX, TECK, LUNMF, and TGB.**
- Group MA-26 Gold, Western Hemisphere, Large-Cap is a leadership Group. Attractive names include: **NEM, AEM, GOLD, and FNV.**
- Group MA-27 Gold, Western Hemisphere remains a leadership Group. Attractive names include: **KGC, AGI, RGLD, IAG, BTG, EGO, BVN, REEMF, USAU, VGZ, and NGD.**

Sector Highlights -- new comments in green

Materials (cont.): Underweight

- Group MA-30 Silver/Platinum is a leadership Group. Attractive names include: **WPM, PAAS, AG, CDE, MAG, SVM, SSRM, FSM, and USAS.**
- Group MA-31 Mining, Uranium is emerging as a leadership Group. Attractive names include: **CCJ, UEC, LEU, DNN, and UUUU.**

Real Estate: Market Weight

- Group RE-01 REITs Real Estate Developers has several names that reflect good RS. Attractive names include: **BN, CKHUY, and FPAFY.**

Services: Overweight

- RS on the Vermilion equal-weighted Services Sector has pulled back to 6-year uptrend support – remain overweight.
- Group SV-02 Data Processing & Outsourcing Svcs., Mid-Cap displays consolidating price and RS – be selective. Attractive names include: **PAY, STNE, FOUR, PAGS, and GDS.**
- Group SV-03 Data Processing & Outsourcing Svcs., Small-Cap remains leadership – remain overweight/add exposure. Attractive names include: **SEZL, INOD, CTEV, CSGS, and III.**
- Group SV-06 Research & Consulting Services displays **consolidating** price and RS – **be selective.** Attractive names include: **STN and VSEC.**
- Group SV-13 Construction & Engineering, Large-Cap displays bullish price and RS reversals within longer-term uptrends – overweight/add exposure. Attractive names include: **PWR, EME, ACM, and MTZ.**
- Group SV-14 Construction & Engineering, Small-Cap displays bullish price and RS reversals within longer-term uptrends – overweight/add exposure. Attractive names include: **IHS, PRIM, IESC, ECG, STRL, BWXT, DY, ROAD, MYRG, WLDN, FLR, AGX, and TPC.**
- **Group SV-26 Crypto: Mining/Trading & Data Svcs. is breaking out to multi-month price and RS highs, as are the crypto-related stock ETFs we follow (WGMI and BITQ) – add exposure. HOOD, COIN, GLXY, CRCL, and MSTR are our favorite longer-term crypto-related stocks. Additional attractive names include IREN, RIOT, HUT, CIFR, WULF, CORZ, CLSK, and ETOR.** In terms of bitcoin, we are constructive long-term as long as it is above \$69,400-\$74,000. We noted a test of this area was likely – and we essentially got it April 7th, 2025, as BTC touched \$74,384. We had been near-term bullish after bitcoin was able to get back above \$92,000 on 4/22/25, but we expected near-term consolidation after bitcoin was not able to sustain a breakout above \$109,880, signaling it likely needs more time to consolidate. We are cautious as long as bitcoin remains below \$109,880.
- A bottoms-up approach to stock selection uncovers additional opportunities within the Sector. With this in mind, attractive names include: **APP, DAVE, NBIS, TSSI, MIR, PBI, CSV, ADT, CTAS, FIX, SOFI, AFRM, OPFI, LMB, ULS, PCT, RBA, IBEX, EVLV, ARMK, ECL, APG, and KD.**

Technology: Overweight (upgraded 6/10/25 from Market Weight in our U.S. Macro Vision)

- We recently upgraded cap-weighted Technology (**XLK**) to overweight with RS breaking above 9.5-month horizontal resistance – add exposure. We have been adding exposure to Technology since early May; we discussed in our 5/6/25 *Compass* how we wanted to be selectively buying software (**IGV**) and semiconductors (**SMH**). Both continue to outperform and are now established leadership – buy pullbacks.
- We discussed in our 5/6/25 *Compass* how Semiconductors and semi-suppliers were starting to show signs of price and RS bottoms with the SMH reclaiming the crucial \$200 level. The SOXX ETF also reclaimed the crucial \$194 level. Overweight/add exposure to semiconductors and semi-suppliers (see below). Attractive semiconductor names (TE-01, TE-02, and TE-03) include: **ALAB, AEVA, NVDA, AVGO, TSM, ARM, MTSI, CIEN, SITM, UMC, MCHP, MU, IFNNY, STM, SIMO, TXN, ALGM,** and bottom-fishing candidates **MPWR, AMD, and INDI.**
- Attractive semiconductor equipment/supplies names (TE-04 and TE-05) include: **AEIS, KLAC, LRCX, BESIY,** and bottom-fishing candidates **ASML, AMAT, MKSI, AEHR, and ACLS.**
- Group TE-08 Data Storage Solutions & Devices, Large-Cap displays bullish price and RS reversals. Attractive names include: **STX, WDC, SNDK, and NTAP** (bottom-fishing candidate).

Technology (cont.): *Overweight (upgraded 6/10/25 from Market Weight in our U.S. Macro Vision)*

- Group TE-10 Electronic Connectors displays improving price and RS – add exposure. Attractive names include: **APH**, **TEL**, and **NVT**.
- Group TE-11 Electronic Manufacturing Services remains in multi-year price and RS uptrends – overweight/add exposure. Attractive names include: **JBL**, **CLS**, **TTMI**, **FLEX**, and **KE** (bottom-fishing candidate).
- Group TE-17 Network Security Services & Software displays bullish price and RS bases – remain overweight/add exposure. Attractive names include: **ZS**, **VRSN**, **CHKP**, **CYBR**, **FTNT**, **NET**, and **RDWR**.
- Software Groups (ETF: **IGV**) display significant price and RS improvement ever since the IGV reclaimed the crucial \$88-\$90 level – overweight/add exposure. Attractive software stocks (in addition to Group TE-17 listed above) include: **PLTR**, **CRWV**, **TEM**, **BBAI**, **MSFT**, **SOUN**, **SAP**, **RBRK**, **SE**, **TTWO**, **RBLX**, **NN**, **GWRE**, **FFIV**, **RDVT**, **PAY**, **MGIC**, **CRWD**, **IBM**, **NOW**, **NTNX**, **PAYC**, **TWLO**, **APPS**, **SHOP**, **LIF**, **ADSK**, **INTU**, **SNOW**, **DOMO**, **PGY**, **VEEV**, **FROG**, **VRNS**, **ORCL**, **QTwo**, **CVLT**, **PRCH**, **NTES**, **DDOG**, **HNGE**, **PEGA**, and **GCT** (bottom-fishing candidate).
- **Quantum stocks (ETF: **QTUM**) are leadership – add exposure.** These are big movers and highly volatile. Attractive names include: **QBTS**, **IONQ**, **QUBT**, **RGTI**, **LAES**, and **ARQQ**.
- Drone stocks are leading – buy. Attractive names include **RCAT**, **AVAV**, and **UMAC**.
- Space-related stocks (**ARKX**) are also leadership. Attractive names: **RKLB**, **LUNR**, **ASTS**, **RDW**, **PL**, and **BKSY**.
- Autonomous driving stocks are leadership. Attractive names include: **AEVA**, **OUST**, **HSAI**, and **INVZ**.
- eVTOL (electric vertical take-off and landing) stocks are starting to lead again – buy. Attractive names include: **EVEX**, **ACHR**, **JOBY**, and **EVTL** (bottom-fishing candidate).
- Group TE-38 Utilities Data Technology displays bullish short-term price and RS reversals at long-term uptrend supports – overweight/add exposure. Attractive names include: **BMI** and **ITRI**.
- A bottoms-up approach to stock selection uncovers additional opportunities. With this in mind, attractive names include: **SYM**, **MVST**, **NBIS**, **SMCI**, **IDCC**, **SATL**, **OSIS**, **IBM**, **MRCY**, **FEIM**, **VRT**, **ANET**, **CRDO**, **UI**, **DELL**, **SOUN**, **LITE**, **ERIC**, **NOK**, **CSCO**, **BB**, **CALX**, **LASR**, **ALLT**, **HTHY**, **NXT**, **ENLT**, **CLFD**, **VSAT**, and **AAOI**.

Transportation: *Underweight*

- Group TR-08 Shipping, Dry-Bulk has many names that have bottomed out. Attractive names include: **KEX**, **SBLK**, **DAC**, **CMRE**, **GSL**, **ESEA**, and **HSHP**.
- Group TR-09 Shipping, Energy is staging a reversal due to the recent sanctions on tankers that have hauled Russian crude; there are plenty of reversals in the group. Attractive names include: **GLNG**, **FRO**, **INSW**, **TNK**, **DHT**, **CPLP**, **TNP**, and **TK**.
- Group TR-15 Airlines, Europe/U.K. is a leadership Group. Attractive names include: **RYAAY**, **ICAGY**, **DLAKY**, and **AFLYY**.
- Group TR-16 Technology Sol. Ridesharing/Transport is a leadership Group. Attractive names: **UBER** and **LYFT**.

Utilities: *Overweight*

- As long as the gradual RS uptrends from the February 2024 lows remain intact on *cap*- and *equal-weighted* Utilities (**XLU**, **RSPU**), our overweight recommendation is appropriate. With that said, recent steep 3.5-month RS uptrend violations in May on the XLU and RSPU could be an early warning sign of more underperformance ahead; indeed, this is our expectation and we are generally avoiding traditional Utility stocks. At the same time, the RS deterioration on the XLU is a bullish risk-on signal for the broad equity market.
- Group UT-18 Independent Power Production displays bullish price and RS inflections – overweight/add exposure. These names tend to outperform during risk-on environments. Attractive names include: **GEV**, **CEG**, **NRG**, **TLN**, **VST**, **GNE**, **CWEN**, **TAC**, **BEP**, **BEPC**, and **ORA**.
- Most other Groups within Utilities look virtually identical to the XLU and RSPU ETFs. Therefore, we prefer to evaluate the Sector from a bottoms-up perspective. Attractive names include: **NFG**, **NI**, **EQT**, **ETR**, **UGI**, **KEN**, **EVRG**, **SBS**, **EBR**, **ELP**, and **ENIC**.

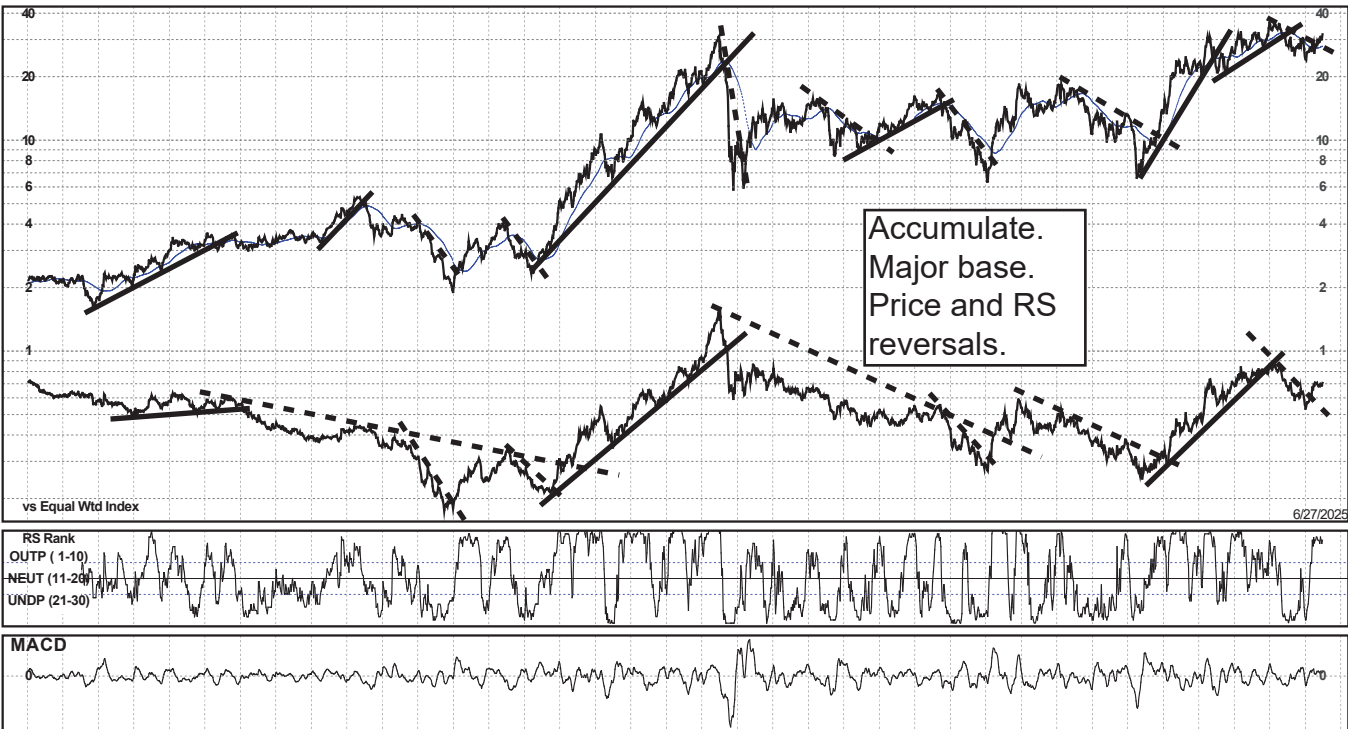
Attractive Groups & Stocks Highlighted

On the following pages we highlight attractive Groups and stocks within Materials and Technology:

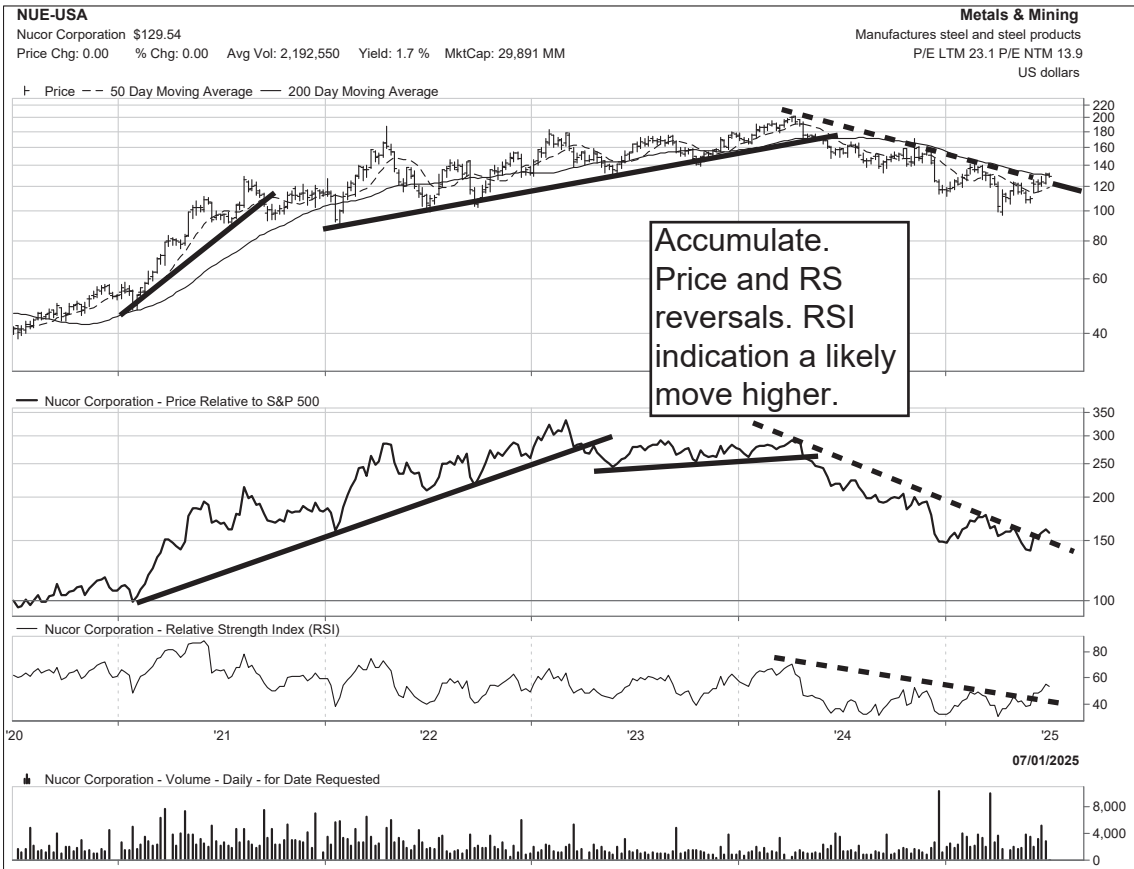
- **MA-01 Metals, Steel, Integrated. U.S. – Stocks highlighted: NUE, RS, CMC, WOR, RYI, TMST, and ZEUS**
- **MA-23 Copper – Stocks highlighted: SCCO, FCX, TECK, LUNMF, and TGB**
- **TE-19 Network Infrastructure, Small-Cap – Stocks highlighted: CALX, EXTR, COMM, DGII, and NTGR**

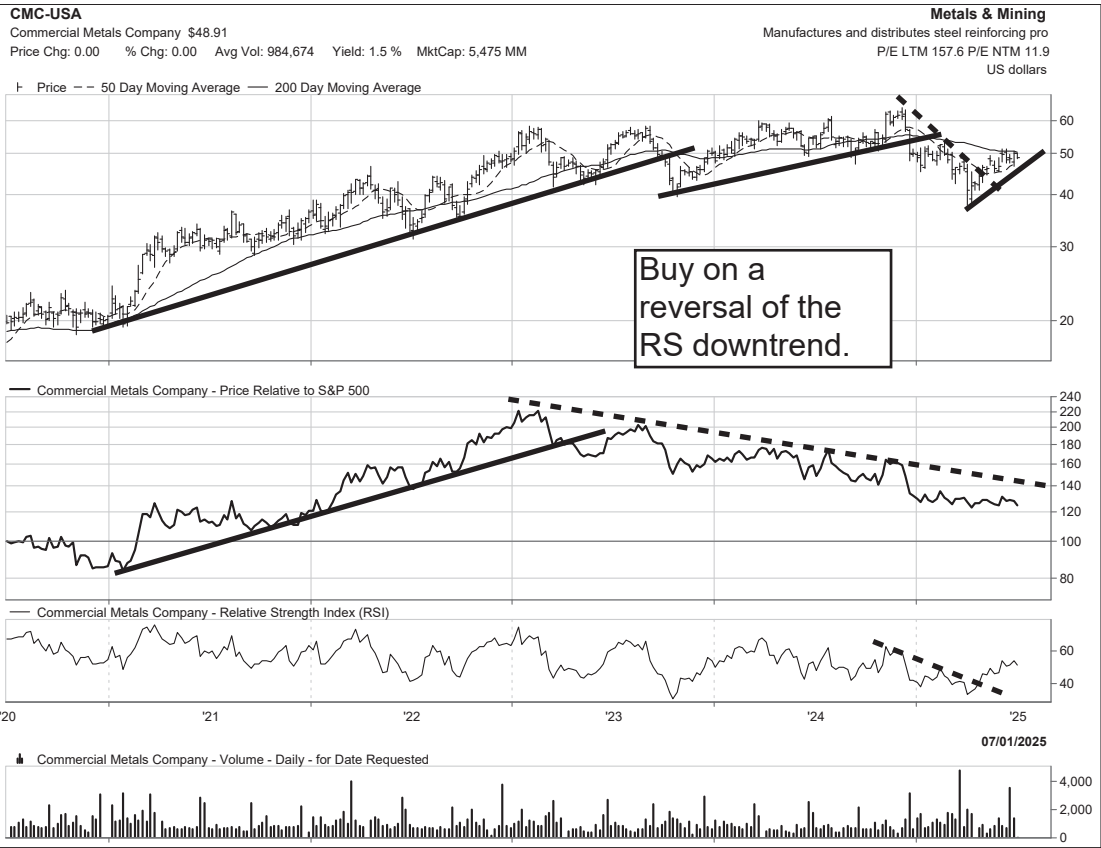
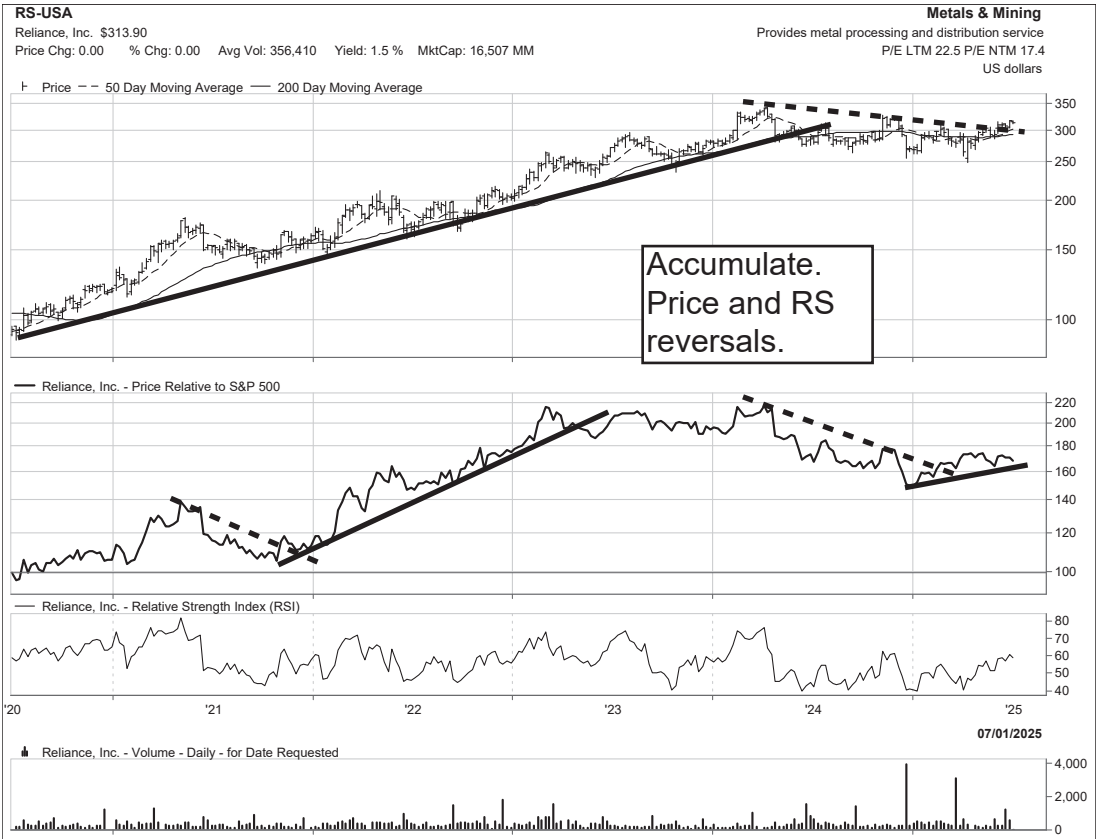
MA-01 Metals, Steel, Integrated, U.S.

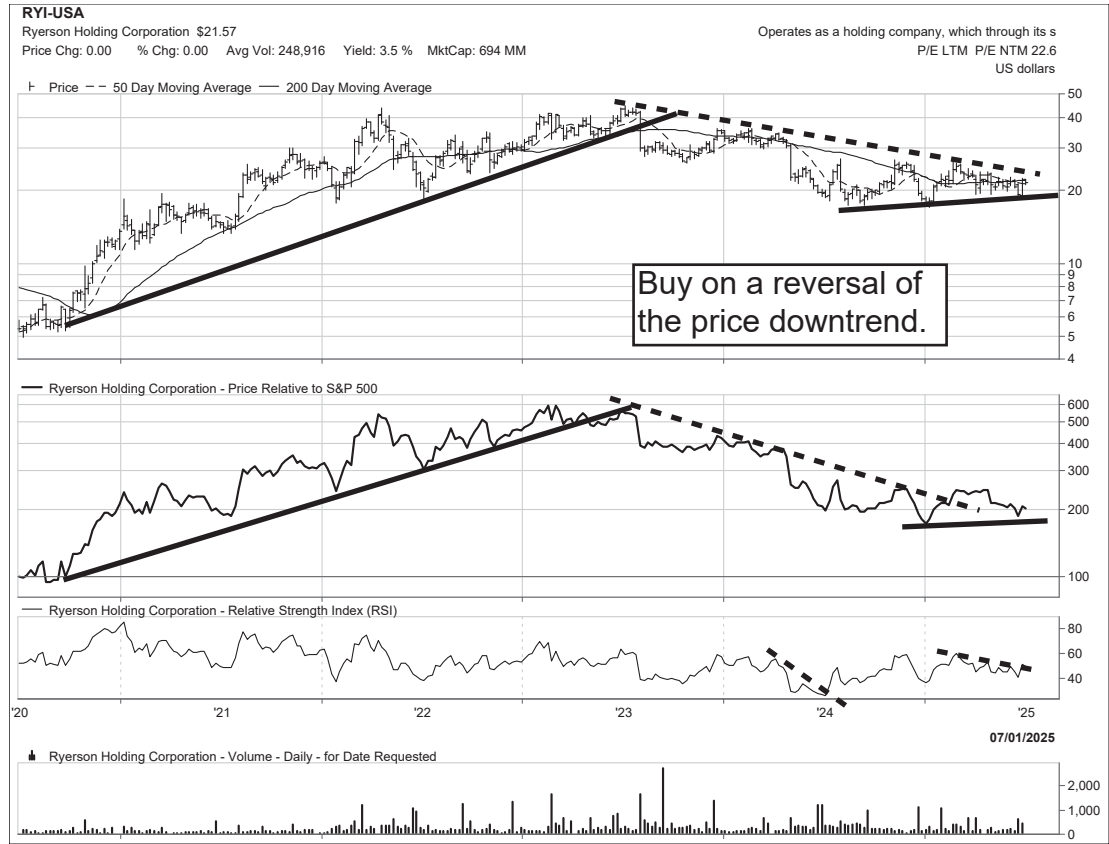
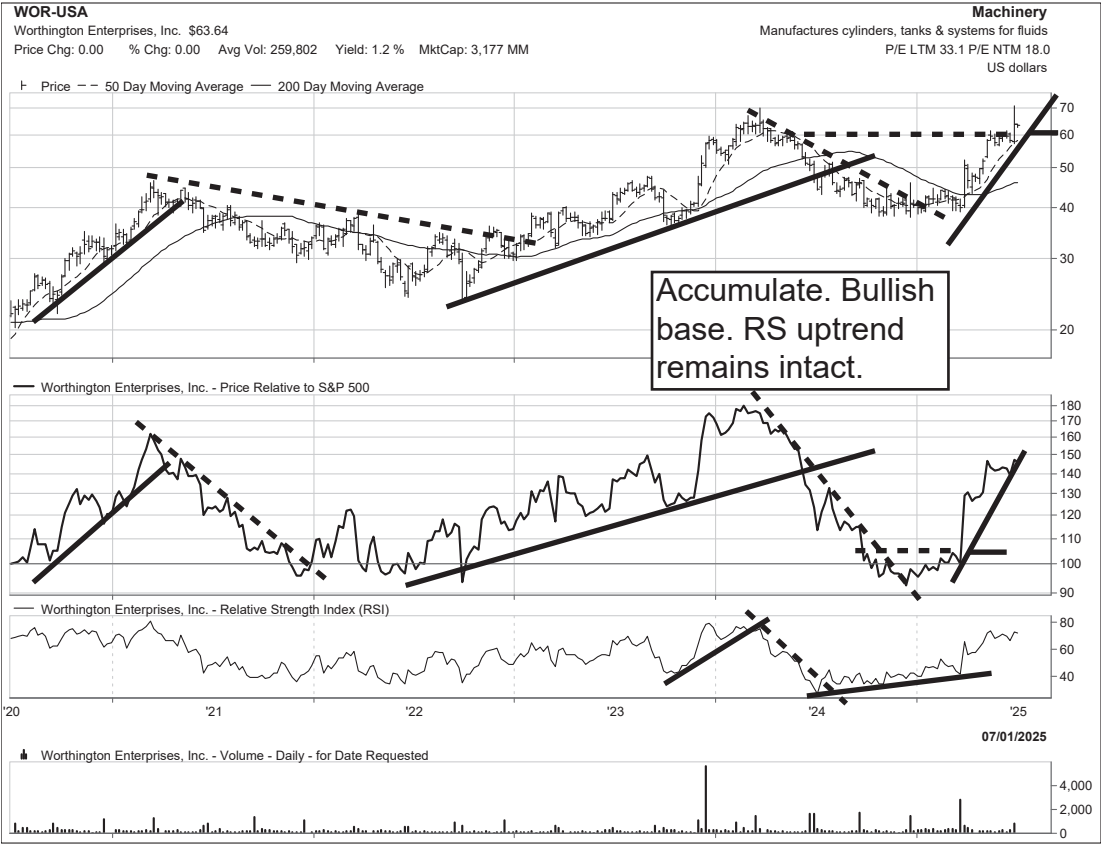
SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
NUE	8	U2	+	WOR	1	U3	+	ZEUS	16	U1	+
STLD	13	U3	+	SMSMY	6	U3	-				
RS	7	U3	+	SCHN	1	U3	-				
X	1	U3	+	RYI	15	D3	-				
CMC	12	U2	+	TMST	5	U2	+				

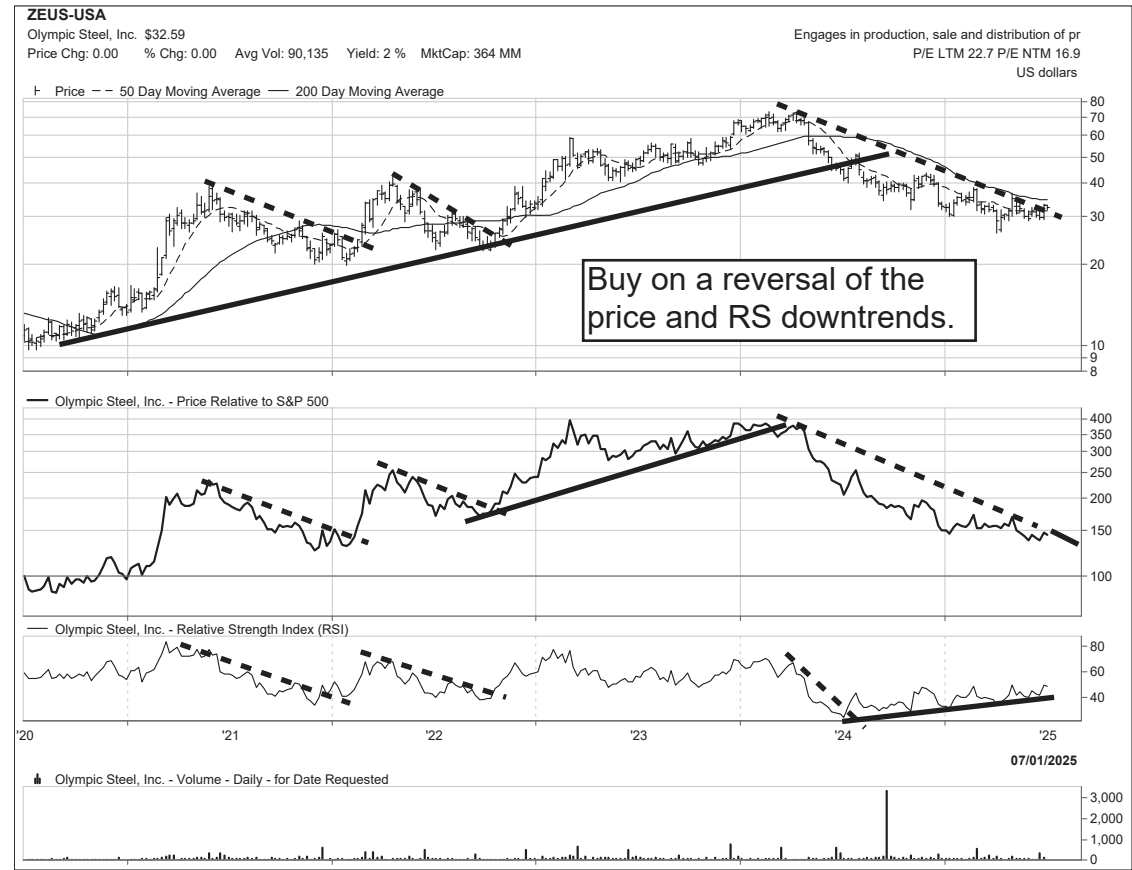
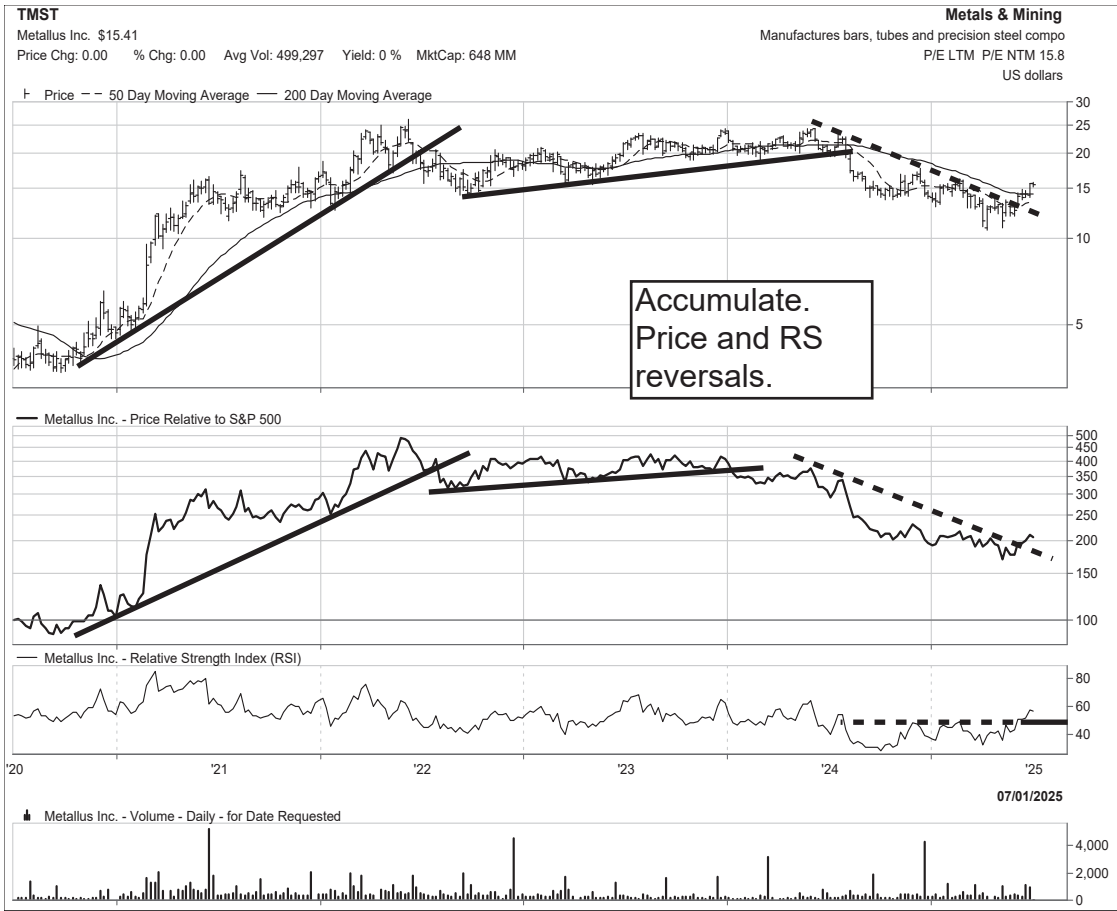


19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

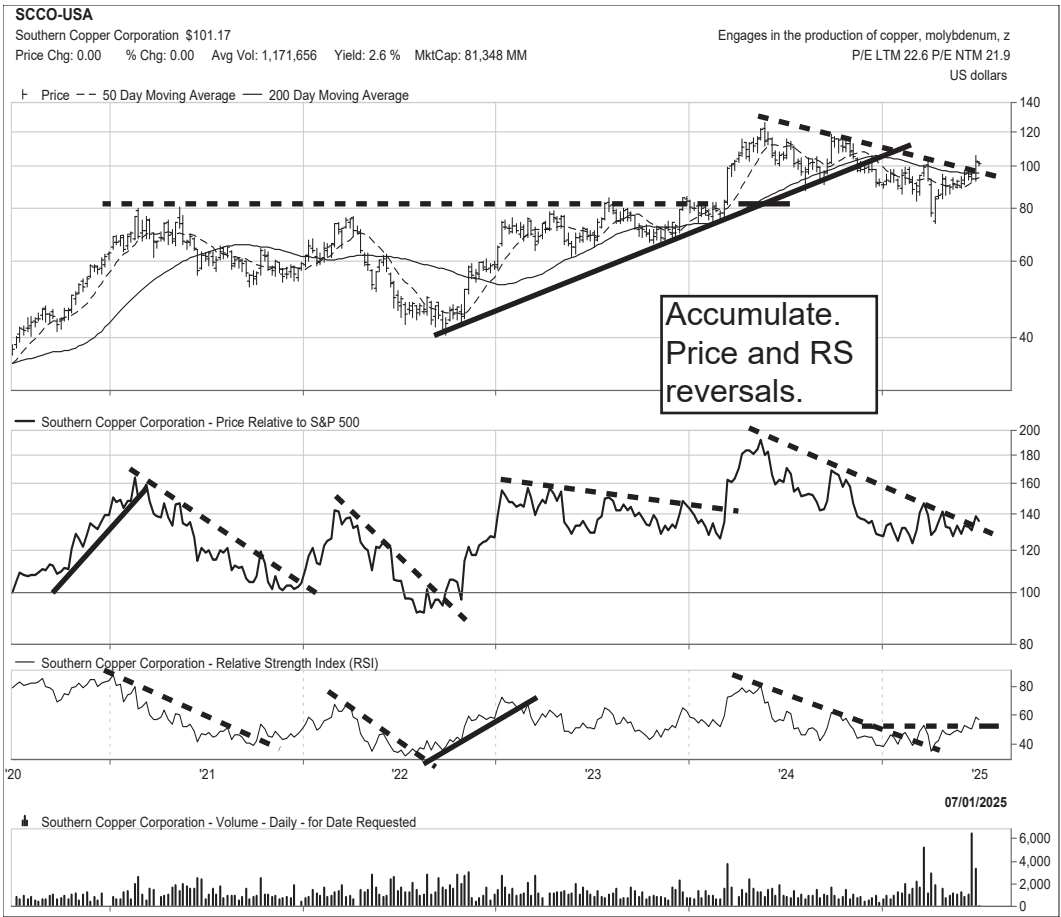
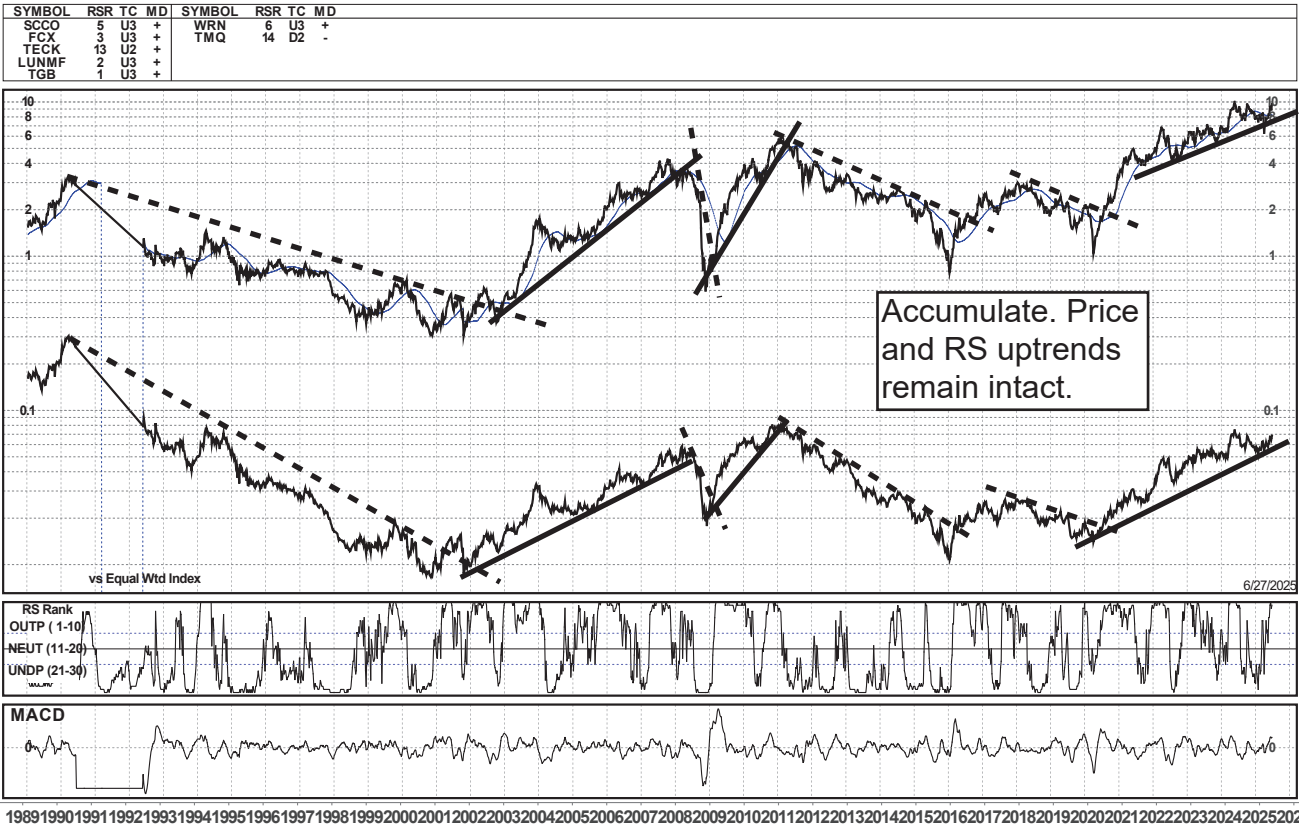


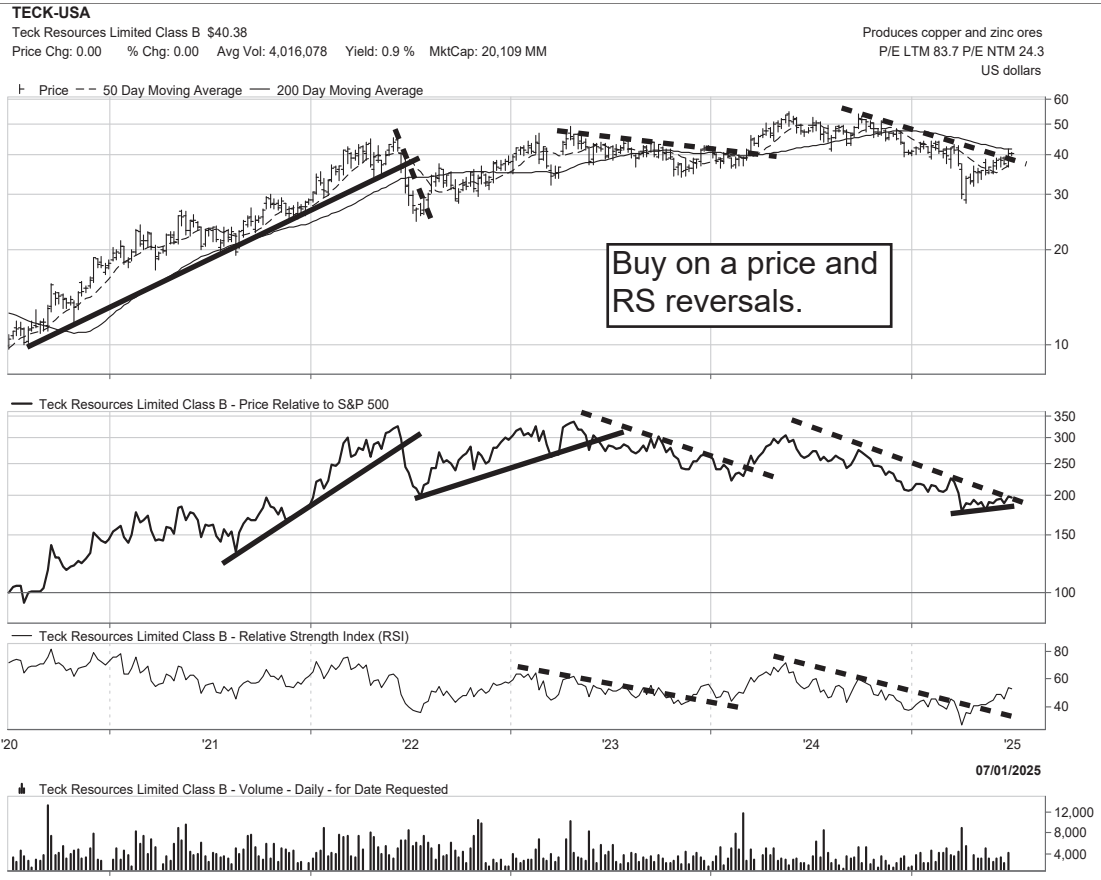
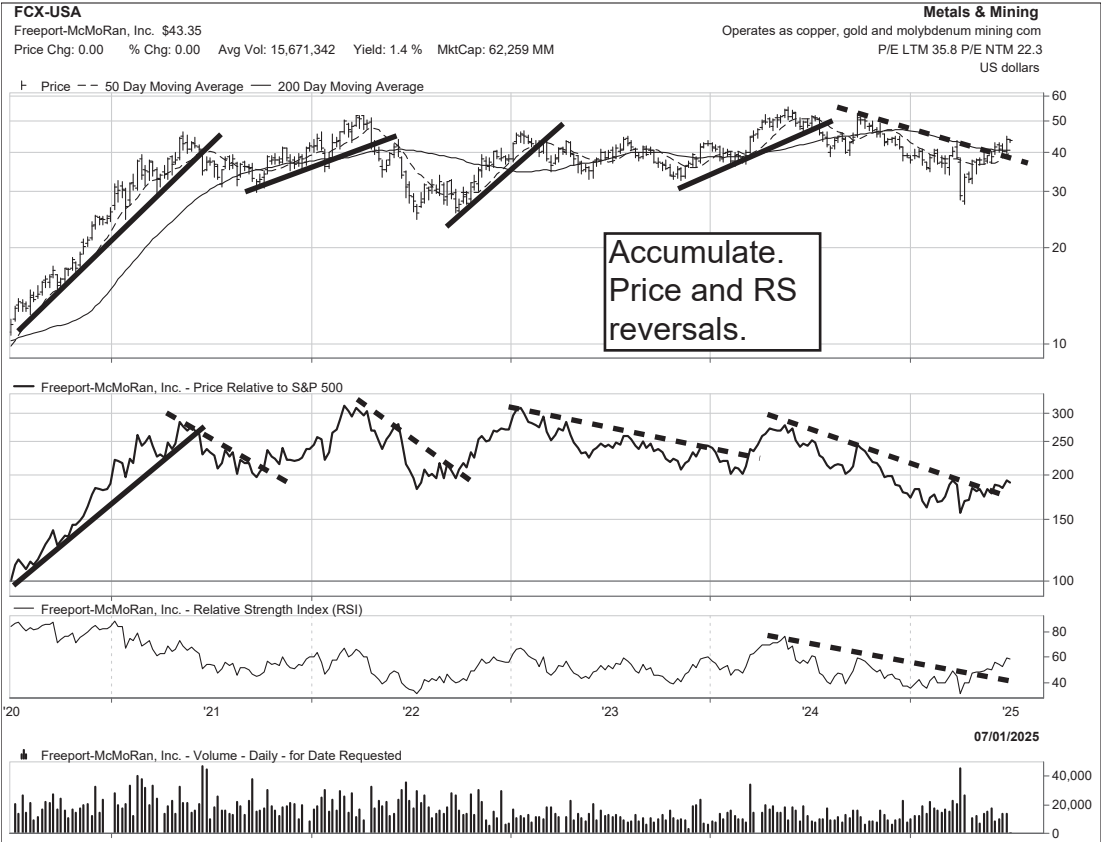




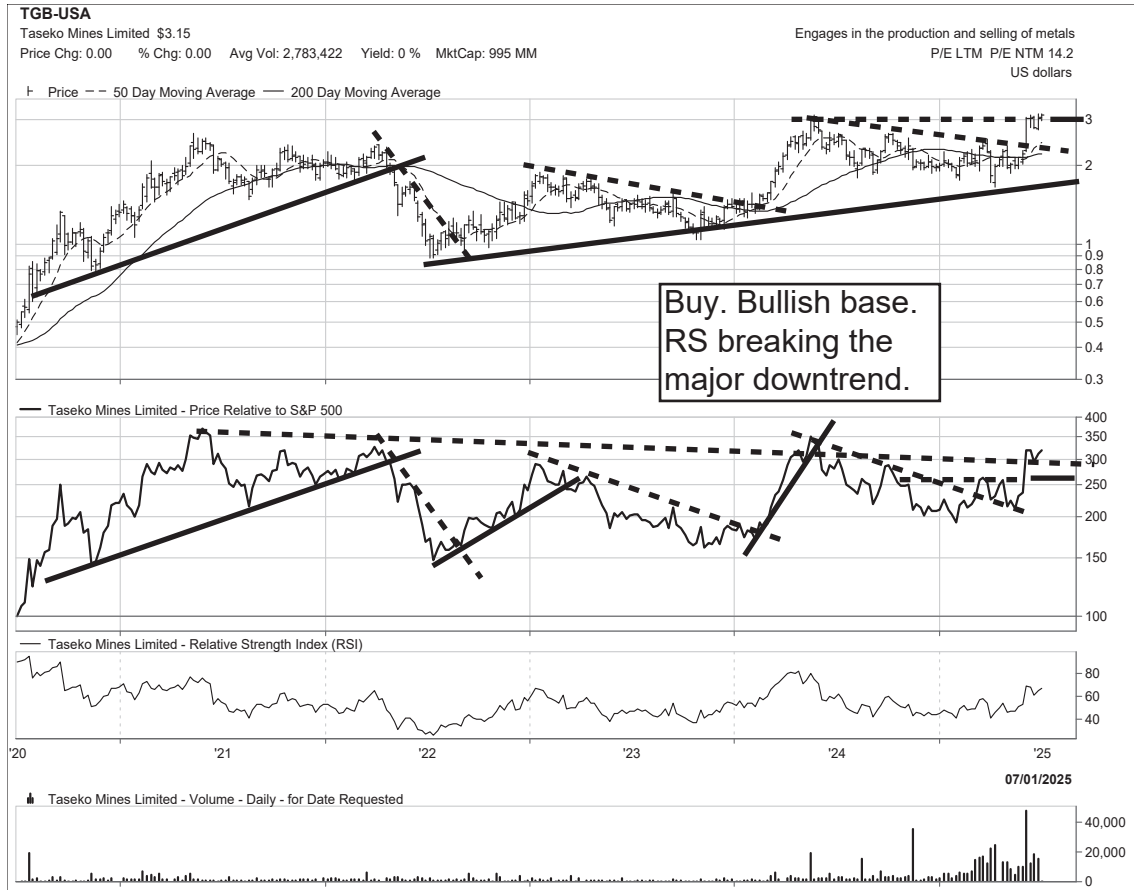
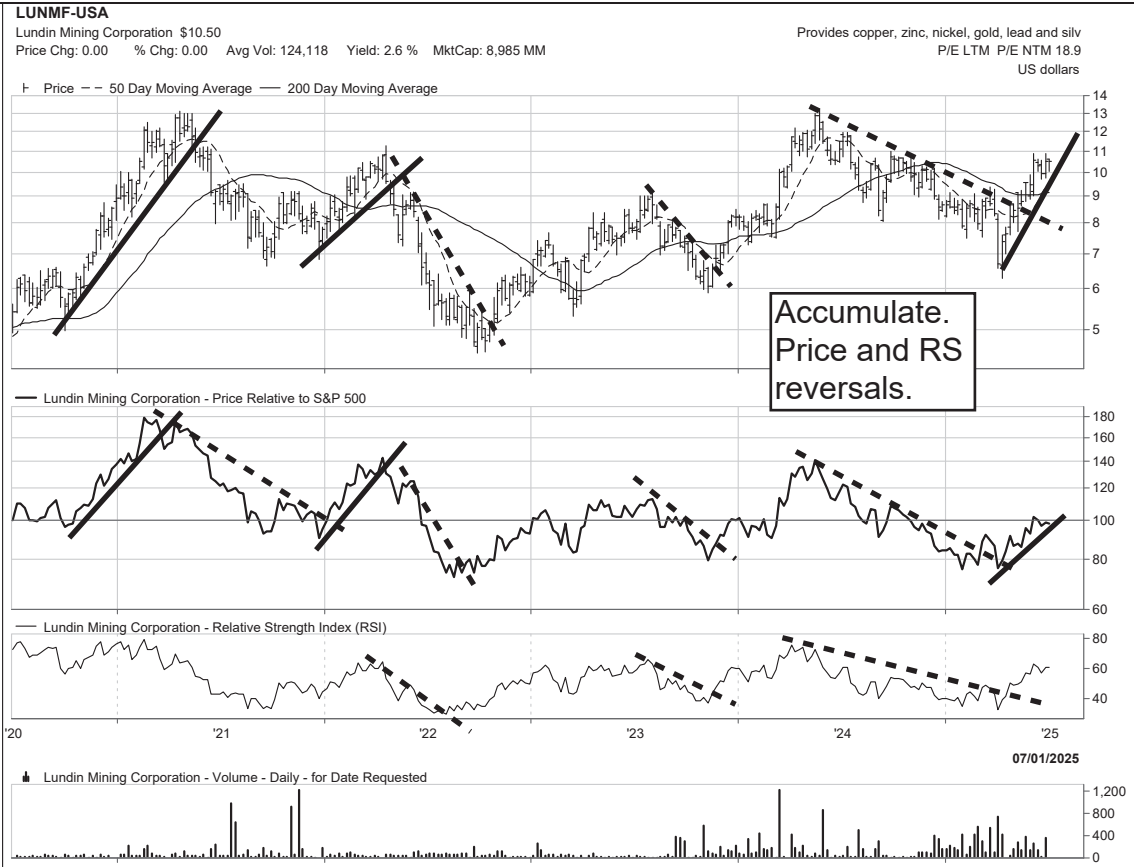


MA-23 Copper





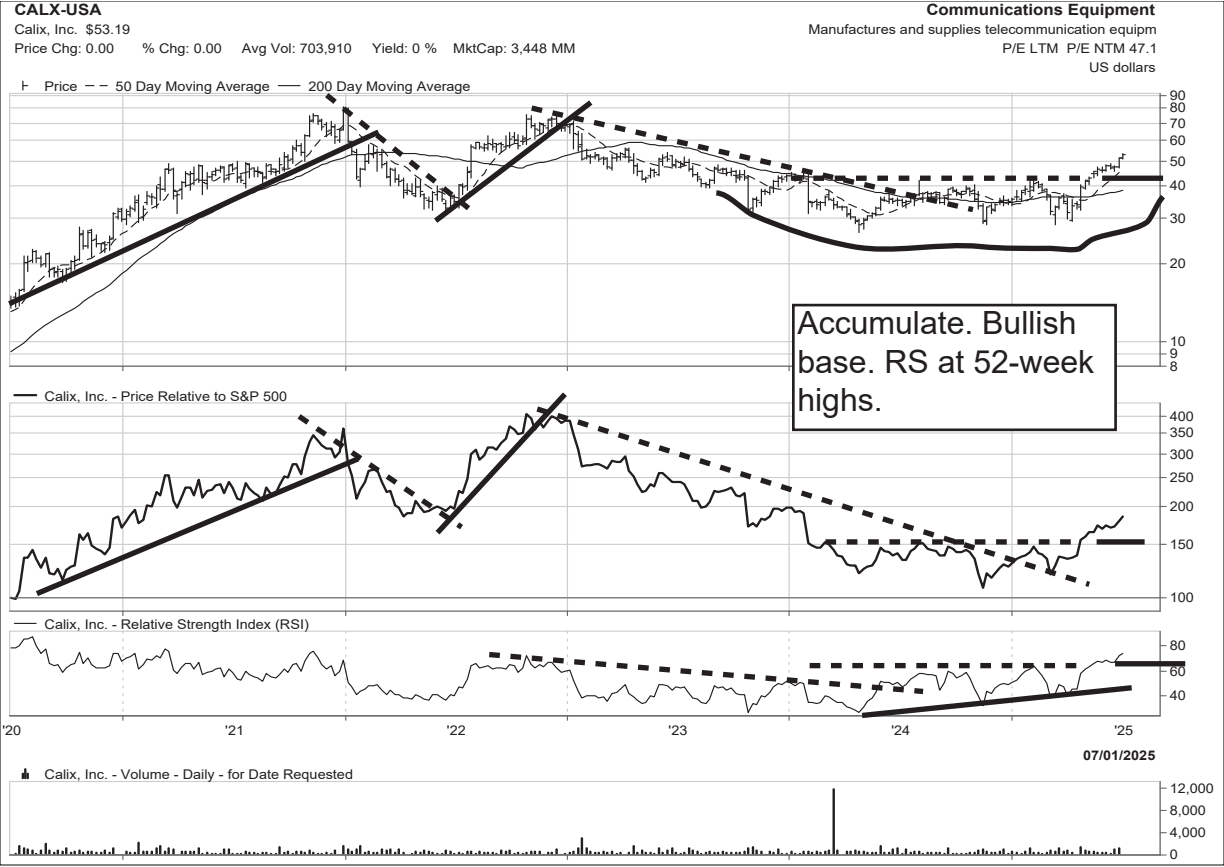
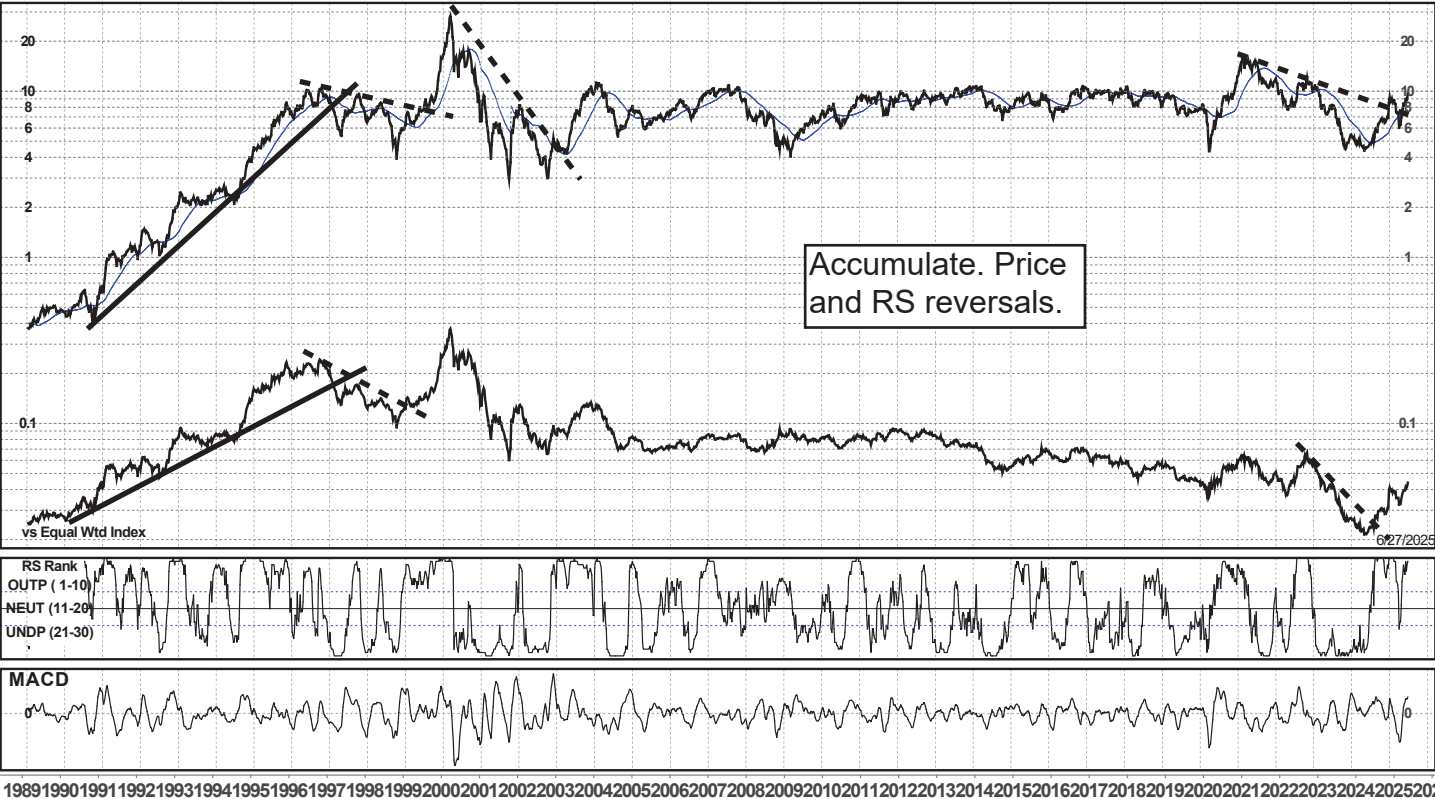
Attractive Groups: MA-23 Copper

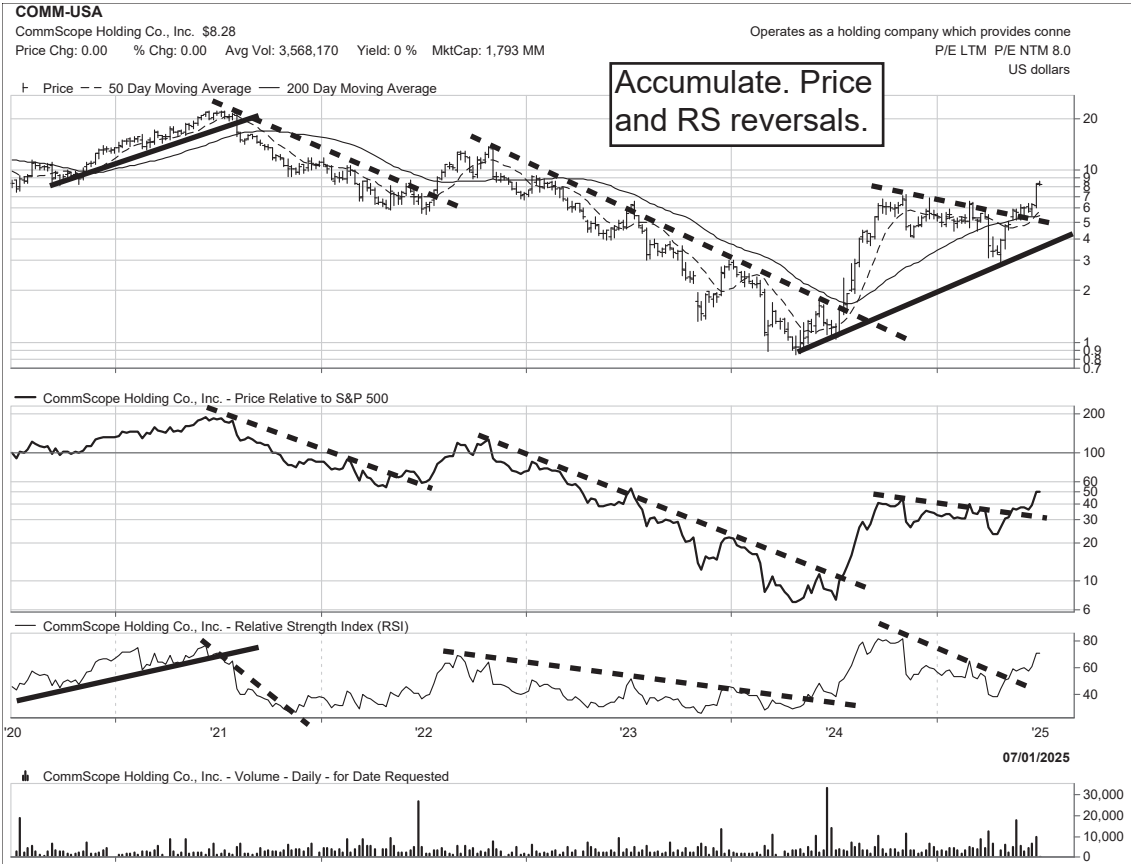
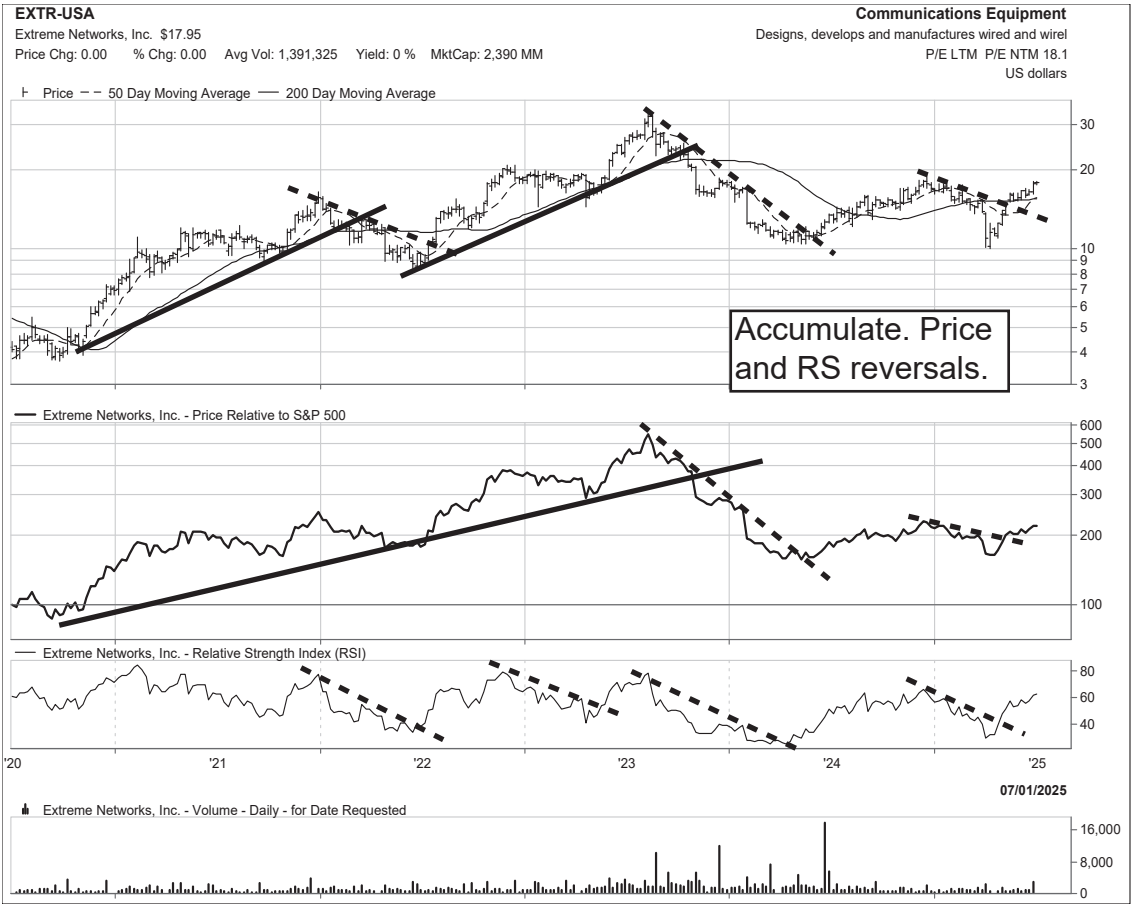


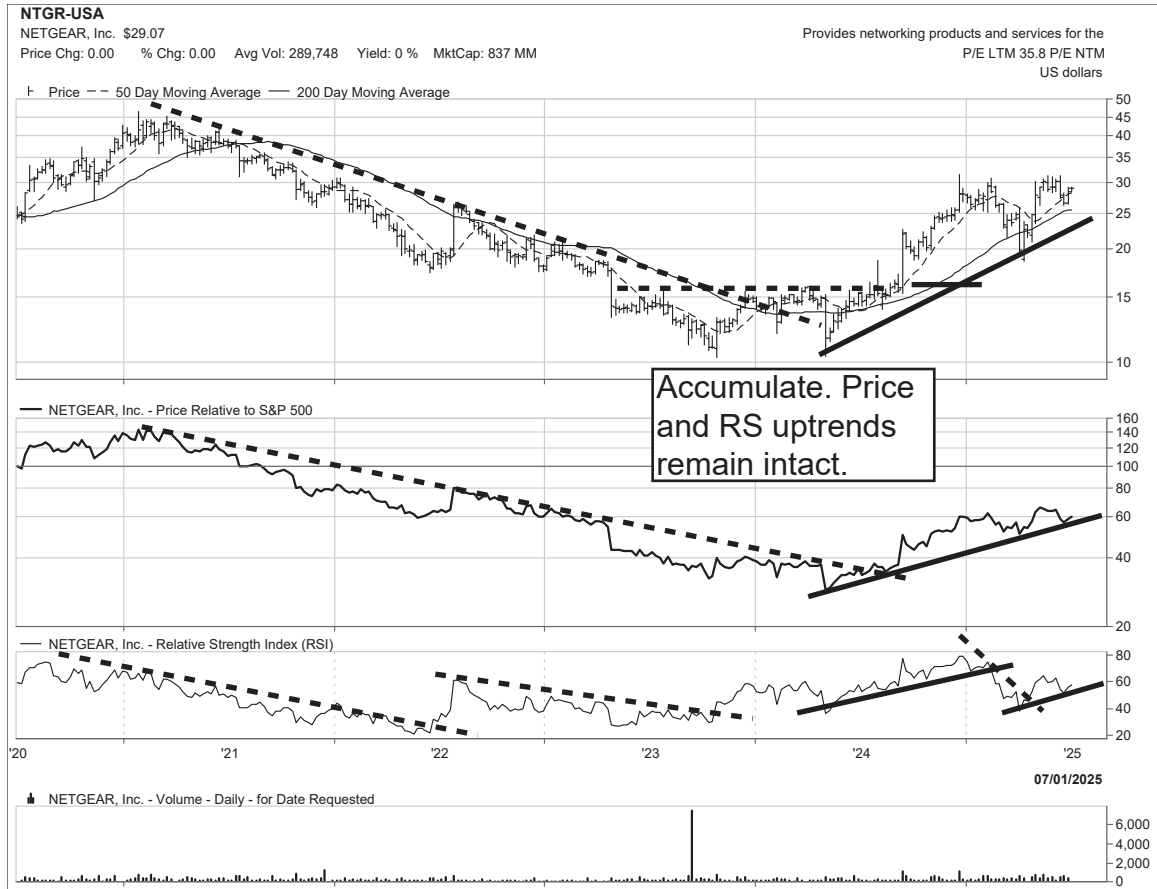
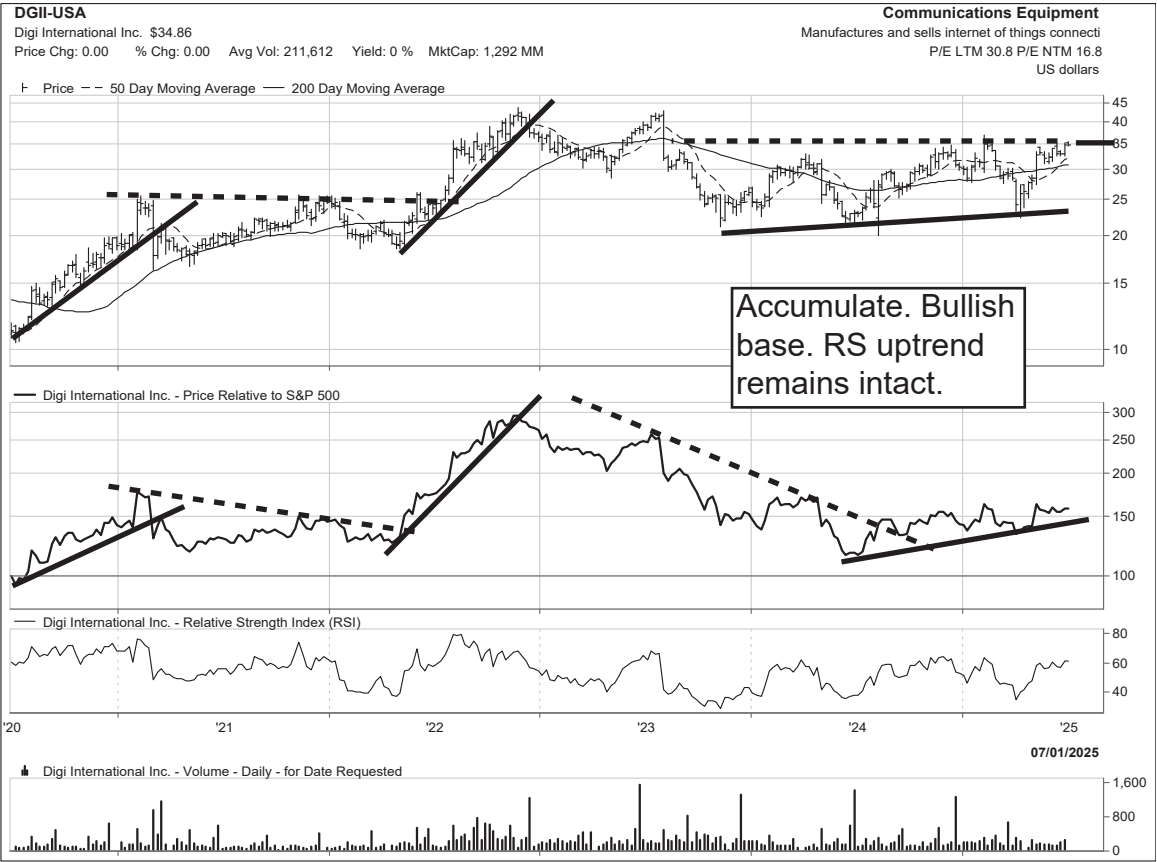
Attractive Groups: TE-19 Network Infrastructure, Small-Cap

TE-19 Network Infrastructure, Small-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
CALX	1	U3	+	SILC	18	U1	+
EXTR	3	U2	+	AIRG	30	U1	+
COMM	1	U3	+	INTZ	1	U2	+
DGII	4	U3	+				
NTGR	10	U3	+				







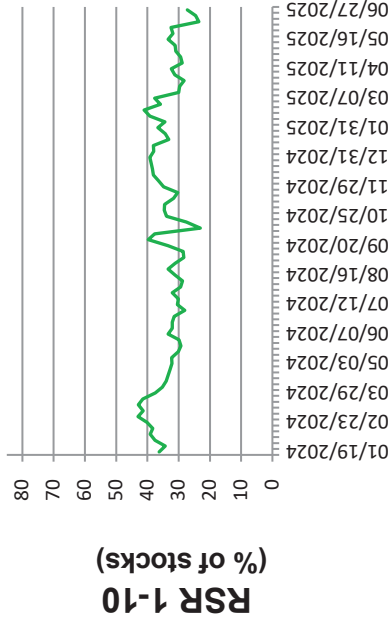
6/30/2025

	Bottom-fishing				Positive Infection				Uptrends				Pullback to Support		Negative Infection		Downtrends										Topsy
Consumer Discretionary	AAP ABNB BC CMG CROX DKS F	H HAYW LVS MGM NCLH NKE	TOL UAA VAC WHR	AMZN DGS DG DKNG ELTR FIVE GM	GRMN LAD LNW MAR MCS PAG TNL	TSLA TXRH	AN BKNG BYD CCL CVNA DASH	DRI DUOL EBAY HAS HORE NELL OLLI	PLNT RCL RL TRB TRMB WMT	AN AS BKNG BYD CCL CVNA DASH	GRMN LAD LNW MAR MCS PAG TNL	TSLA TXRH	ADT APG BR BWXT COIN ECL	EME KD MTZ PWR ROL RSG	ADP APP MA WM	AZO ORLY TJX	BFAM MCD SNA WSM	BBWI BBY BIRK BURL CAVA CHH COLM	CPR CRI CZR DECK DLS DOW FND GAP	GME GPC HOG KMX KSS LOD LEN	LKQ LOW LULU MHK MNST NLS POOL SWK	PVH REYN RH ROST SEG SHW SITE SWK YETI	TGT TRIP TSC TTC TFC TGC TIF TJX TSE TST TTL TUM TUS TUX TVE TVL TVN TVS TVX TVY TVZ TVW TVX				

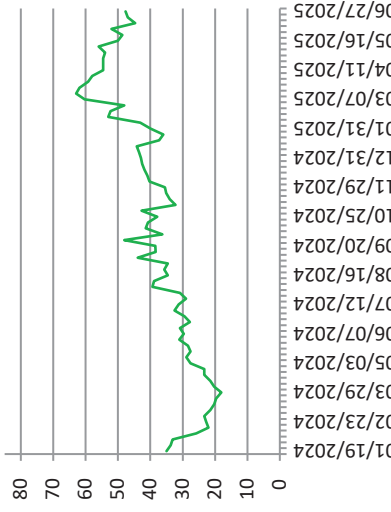
6/30/2025

	Bottom-fishing				Positive Infection				Uptrends				Pullback to Support				Negative Infection				Downtrends								Topsy
Consumer Discretionary	AAP ASO BLMN CARG CARP CARZ CARS CCL CCLP CCLT CCLV CCLW CCLX CCLY CCLZ CCLW CCLX CCLY CCLZ	KSS MLKN MODG PENN PZZA																											

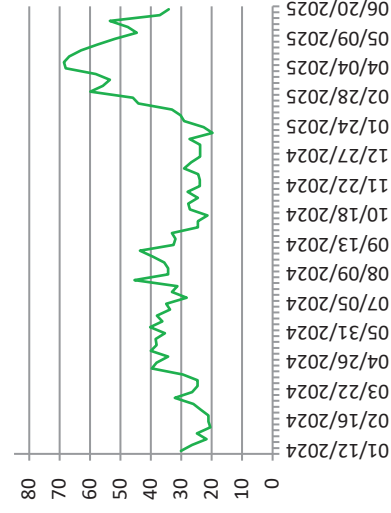
Consumer Discretionary



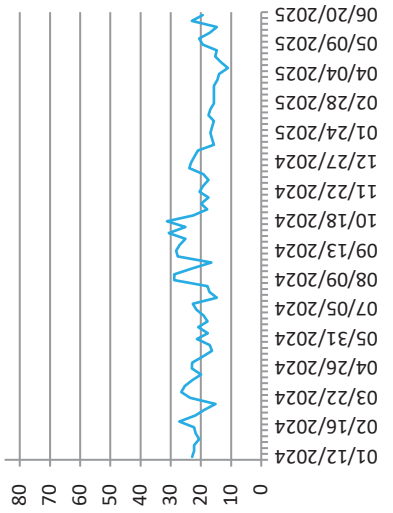
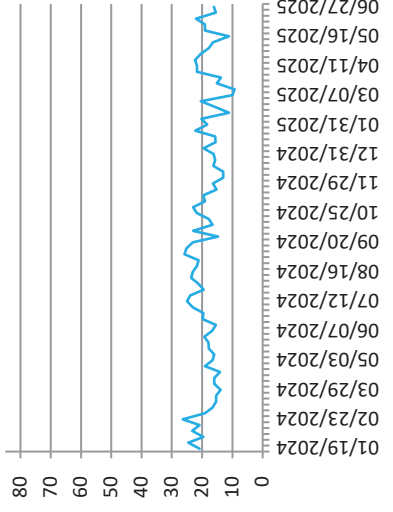
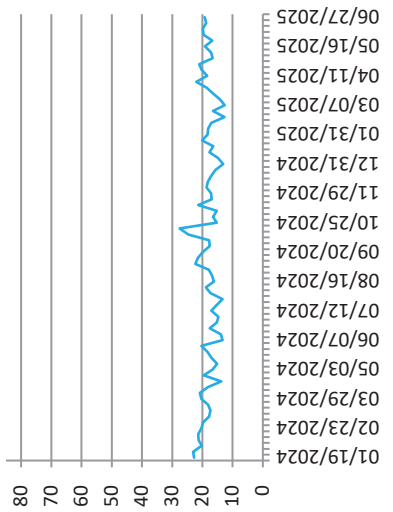
Communications



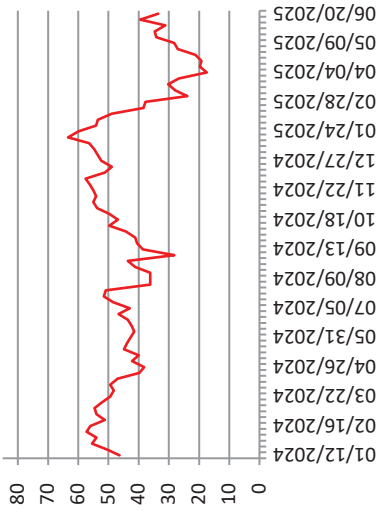
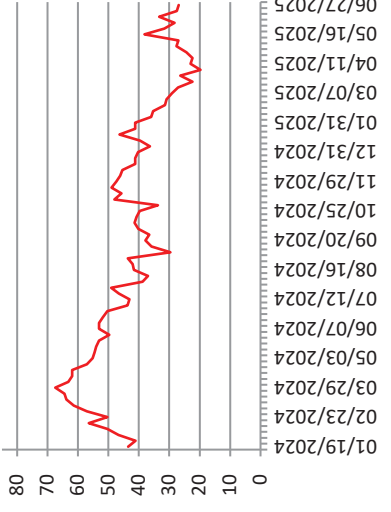
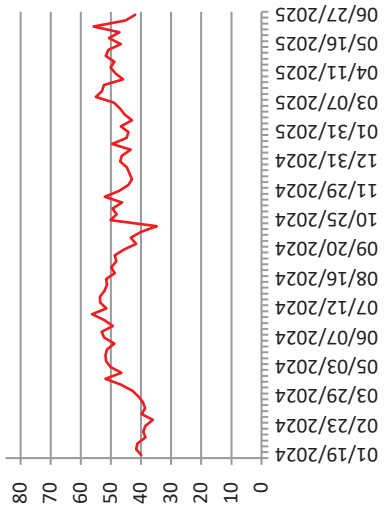
Consumer Staples



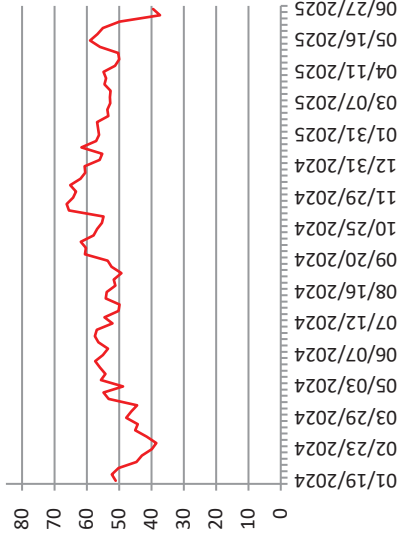
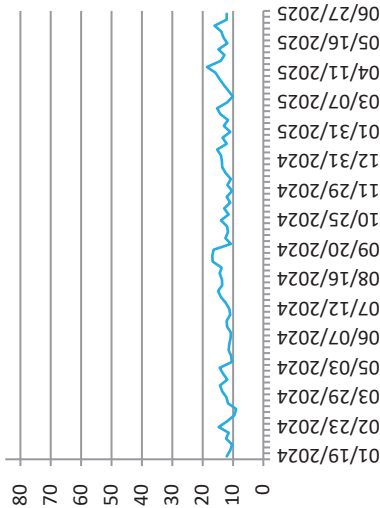
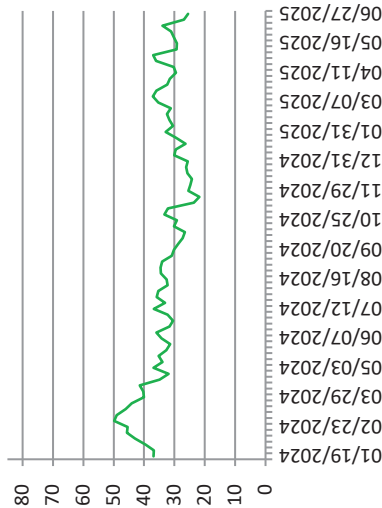
RSR 11-20 (% of stocks)



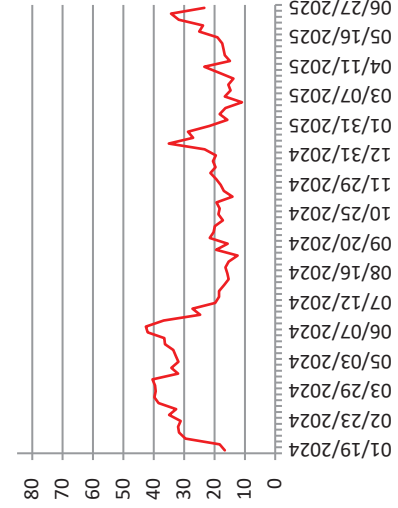
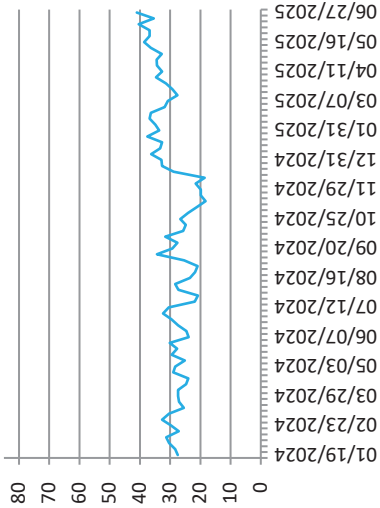
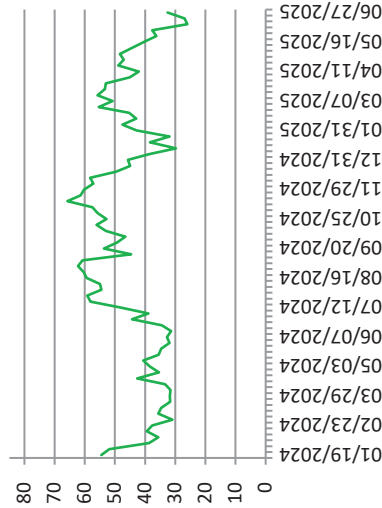
RSR 21-30 (% of stocks)



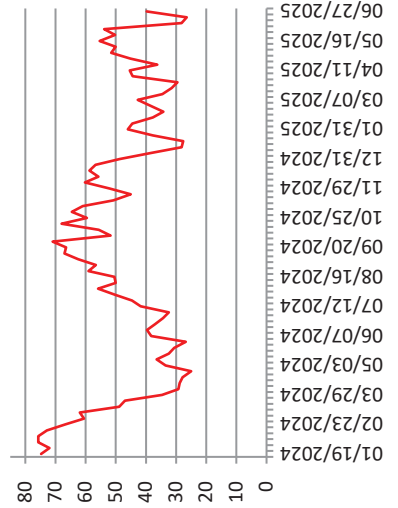
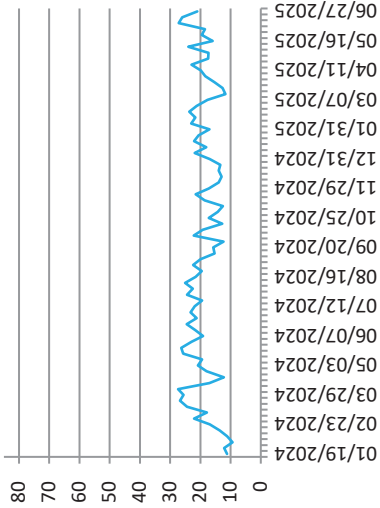
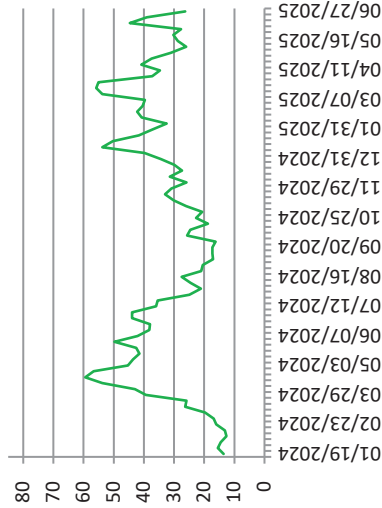
Health Care



Financials



Energy

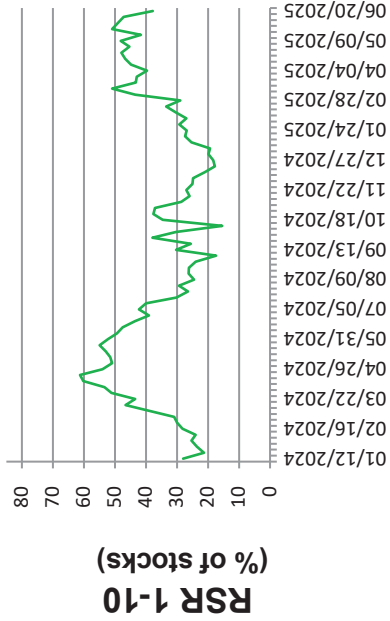


RSR 1-10
(% of stocks)

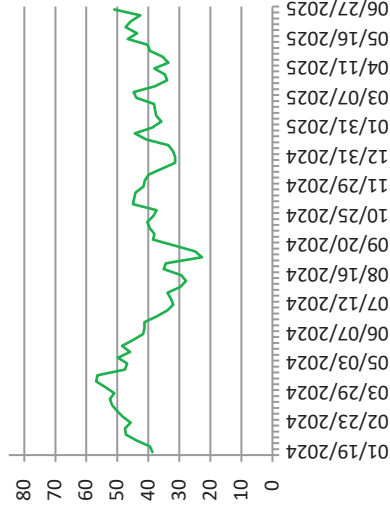
RSR 11-20
(% of stocks)

RSR 21-30
(% of stocks)

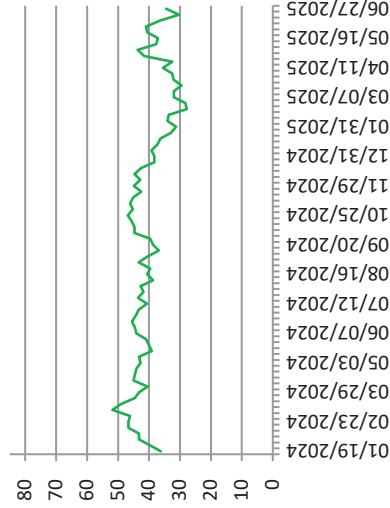
Materials



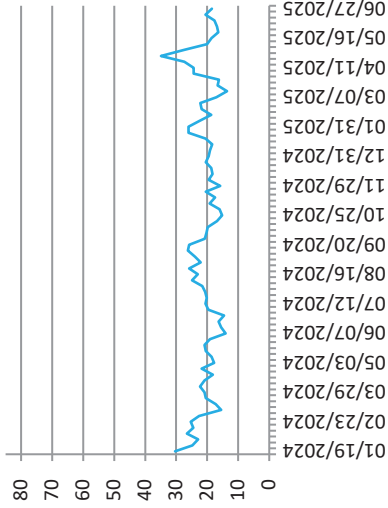
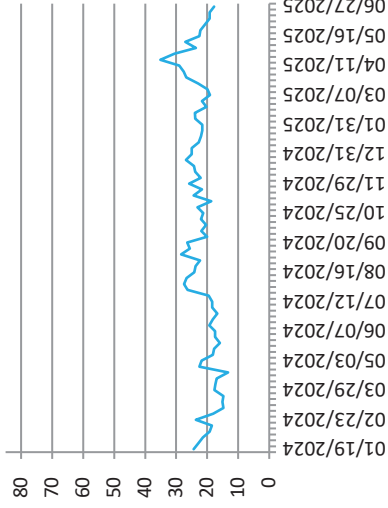
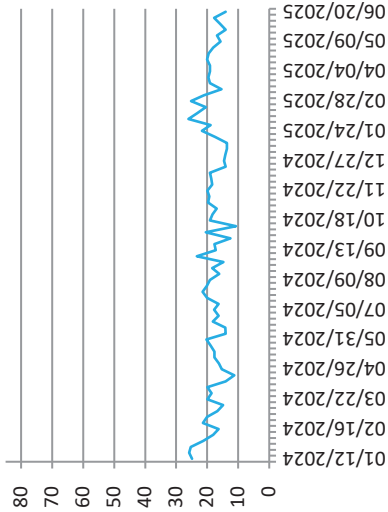
Manufacturing



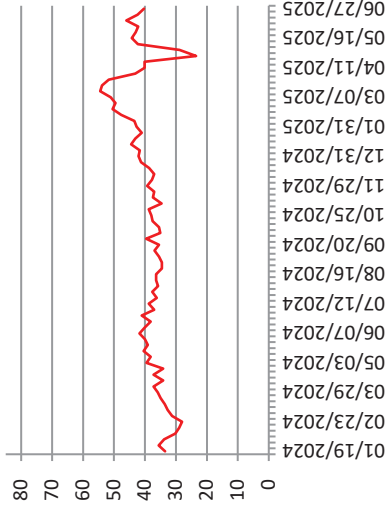
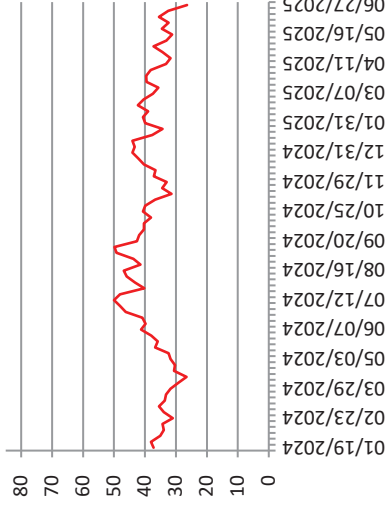
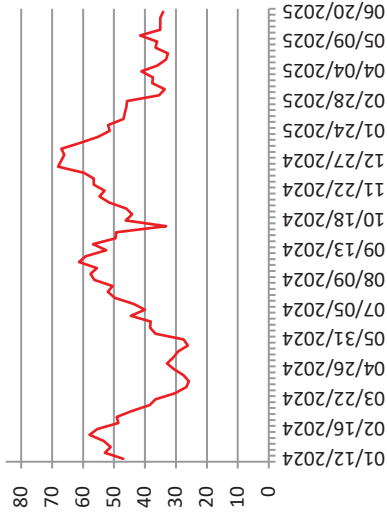
Services



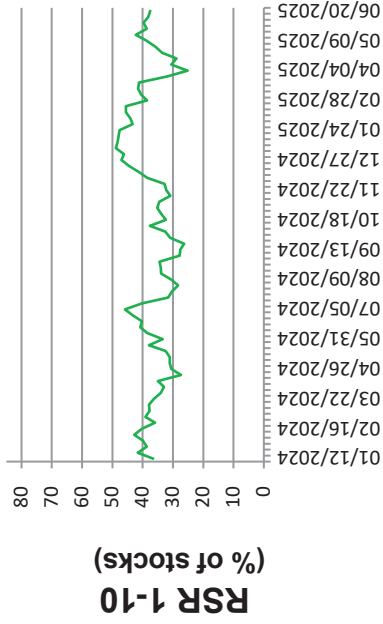
RSR 11-20
(% of stocks)



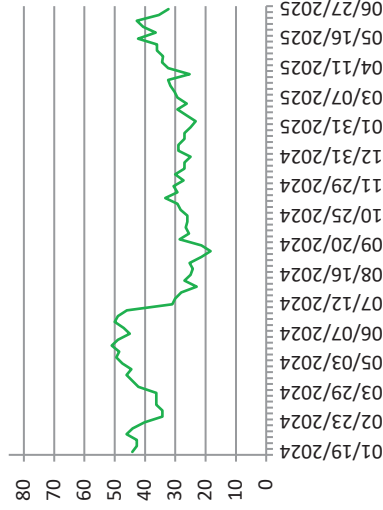
RSR 21-30
(% of stocks)



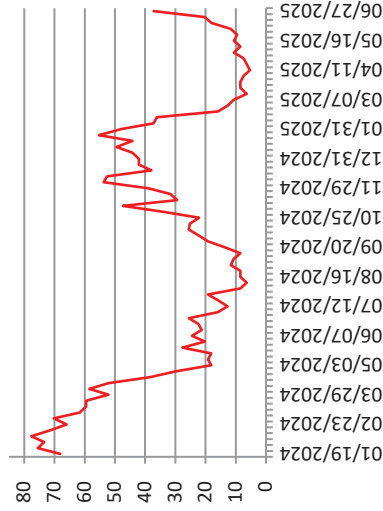
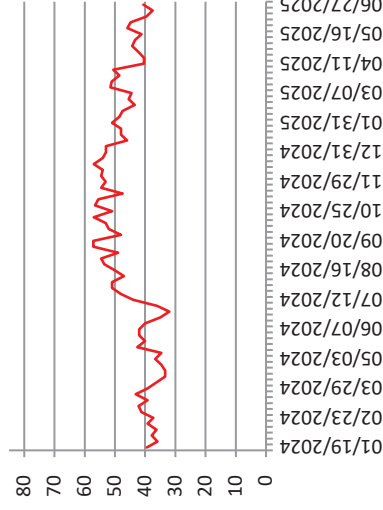
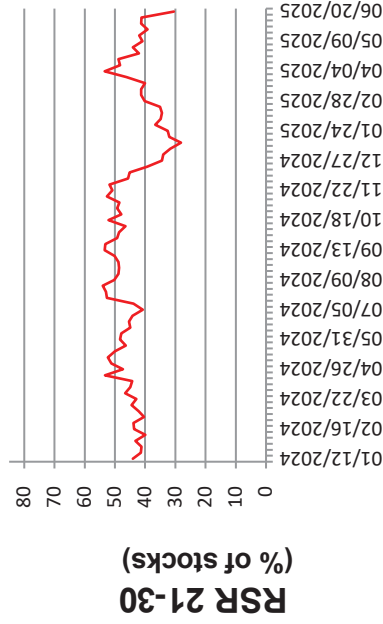
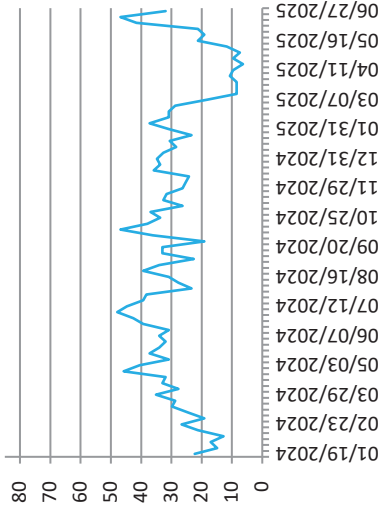
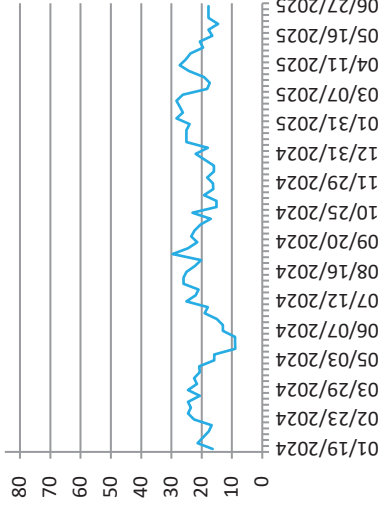
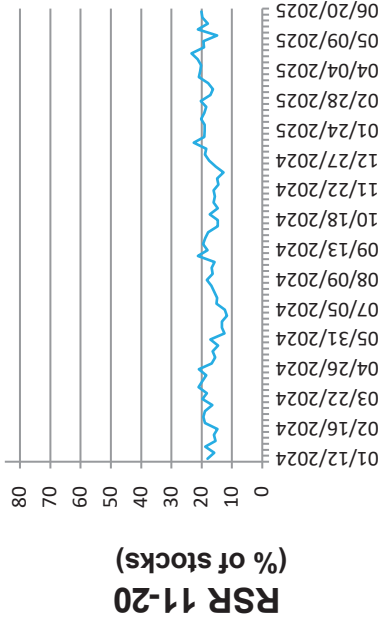
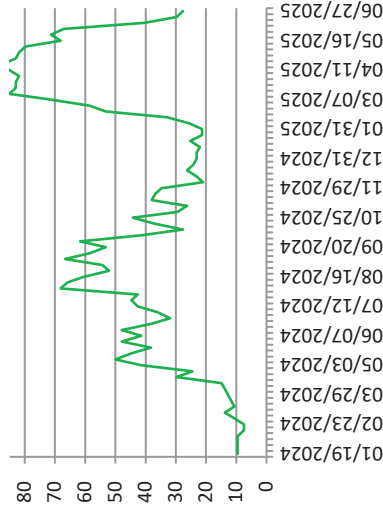
Technology



Transports



Utilities



This page intentionally left blank.

David P. Nicoski, CMT
612-682-1900
dave@vermilioncap.com

Joe W. Jasper, CFA
612-712-1300
joe@vermilioncap.com

Ross W. LaDuke, CMT
612-482-8442
ross@vermilioncap.com

920 Second Avenue S., Ste. 1225 • Minneapolis, MN 55402 • 612-482-6800 • www.vermilioncap.com

Disclaimer: The information contained herein is privileged, confidential and protected from disclosure. Any unauthorized disclosure, distribution, dissemination or copying of this material or any attachment is strictly prohibited; such information, whether derived from Vermilion Research or from any oral or written communication by way of opinion, advice, or otherwise with a principal of the company is not warranted in any manner whatsoever, is for the use of our customers only and may be obtained from internal and external research sources considered to be reliable. It is not necessarily complete and its accuracy is not guaranteed by Vermilion Research, its operating entity or the principals therein. Neither the information nor any opinion expressed constitutes a solicitation for the purchase of any future or security referred to in Vermilion research publications. Principals of Vermilion Research may or may not hold, or be short of, securities discussed herein, or of any other securities, at any time. The foregoing also expressly applies to any trial subscription. EU disclaimer: The statements in this document shall not be considered as an objective or independent explanation of the matters. Please note that this document (a) has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and (b) is not subject to any prohibition on dealing ahead of the dissemination or publication of investment research.

