

6/17/25

**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

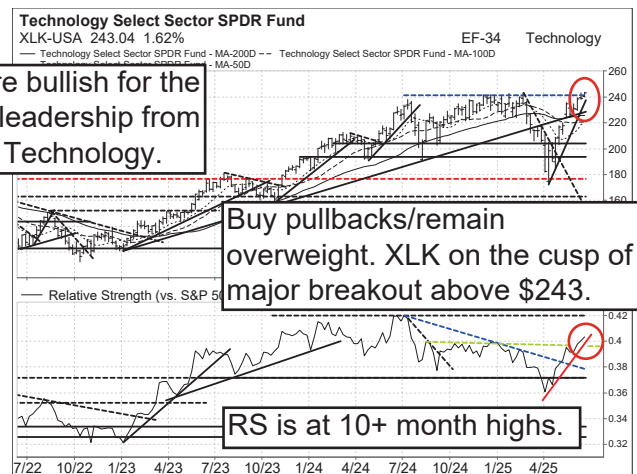
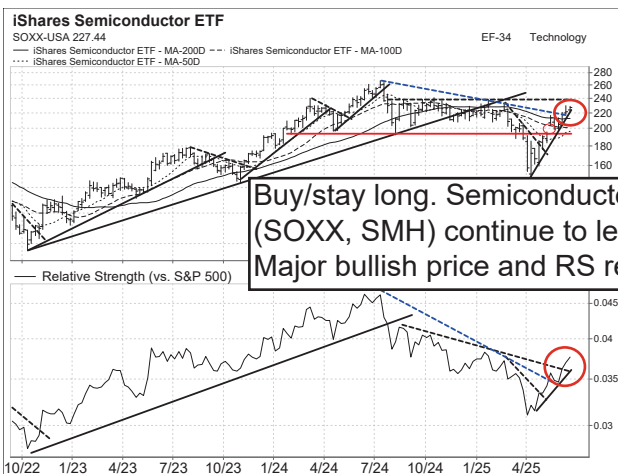
Vermilion Research LLC  
920 2nd Ave S, Ste. 1225  
Minneapolis, MN 55402

## Semiconductors and Technology Leading the Way

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*). We will maintain our bullish view as long as market dynamics remain healthy and the S&P 500 (SPX) is above 5700-5785 (up from 5500). We continue to be buyers in the 5700-5785 range *if it gets there*, and we would also be buyers at 5804-5854 gap support. We are expecting all-time highs soon on the SPX.

- **Technology (XLK) Breaking Out?; Semiconductors Leading.** Cap-weighted Technology (XLK) is testing 11-month resistance of \$243 (all-time highs), while RS is breaking to 10+ month highs. Semiconductors are leading the way with the **SMH** and **SOXX** ETFs reversing above 11-month downtrends. There is nothing more bullish for the SPX and QQQ than leadership from semiconductors and Technology... *see charts below*.
- **Russell 2000 (IWM) Holding Above \$209 Support.** Last Tuesday (6/10/25 *U.S. Macro Vision*) we discussed what was potentially one of the most encouraging signs yet, which was the Russell 2000 (IWM) breaking above the crucial long-term \$209-\$210 level. We discussed that as long as the IWM is above \$209, it is an extremely bullish signal for the broad equity market. \$209 support has held so far, in spite of Israel-Iran tensions... *see page 3*.
- **Risk-On.** Aside from the bullish price trend on the S&P 500, Russell 2000, Technology, and semiconductors, additional market dynamics which support our bullish outlook include: (1) High yield spreads are well-below the important 355bps level. (2) Defensive Sectors including Consumer Staples (XLP), Utilities (XLU), Health Care (XLV), and Real Estate (XLRE) are at 3+ month RS lows. (3) Speculative growth areas that we have been bullish on remain leadership (quantum computing, robotics, A.I., drones, autonomous driving, eVTOL, space, nuclear power, crypto, **ARKW**, **ARKK**, **ARKF**, etc.). (4) The 10-year Treasury yield has not been able to break above 4.50%, let alone the major 4.70%-4.80% resistance level. (5) Interest rate volatility (MOVE index) is at 3-year lows. (6) Breadth metrics remain healthy. (7) The U.S. dollar (DXY) remains weak, which appears to be back to being a risk-on signal for global equities. (8) The MSCI ACWI (ACWI), ACWI ex-US (ACWX), EAFE (EFA), and EM (EEM) are breaking to multi-year or all-time highs... *see page 4*.

In today's report we highlight attractive Groups and stocks within Energy, Manufacturing, and Transportation: EN-17 Oil & Gas Drilling, Offshore, MF-38 Nuclear Power Generation, and TR-09 Shipping, Energy... *see pages 12-22*.



## Sector Relative Strength Rankings & Weighting Recommendations

### Sector Relative Strength Rankings (RSR)

**Technology** is atop our relative strength rankings. We have been recommending to add exposure to Technology since early May (5/6/25 *Compass*), and we upgraded the Sector to overweight last week (6/10/25 *U.S. Macro Vision*). The XLK is testing all-time high resistance at \$243, and we believe a breakout is likely; buy any pullbacks. Semiconductors (**SMH, SOXX, AMD, NVDA, AVGO, ALAB, MU, TSM, KLAC, LRCX**, etc.) and software (**IGV, CRWV, MSFT, PLTR, SAP, RBRK, RBLX**, etc.) have been our primary focus, as both remain leadership and there is no shortage of attractive Groups and stocks. As long as semiconductors remain leadership, we expect all dips to be bought on the SPX and QQQ.

RS on cap-weighted **Energy (XLE)** bounced at major support last week, and one area that is particularly attractive are refiners (**CRAK, MPC, VLO, PSX, PBF, DINO, CVI, DK**, etc.). Add exposure as they are all bottoming. We discussed how we were buyers of WTI crude oil in last week's 6/10/25 *U.S. Macro Vision*, on the breakout above the crucial \$65 level, with a stop below \$64. Price hit our two initial price targets of \$72 and \$77 within three days. \$77 remains crucial resistance.

### 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)

5/28/25: Upgraded Consumer Discretionary to Overweight (from Market Weight)

### Relative Strength Ranking: Sector Summary

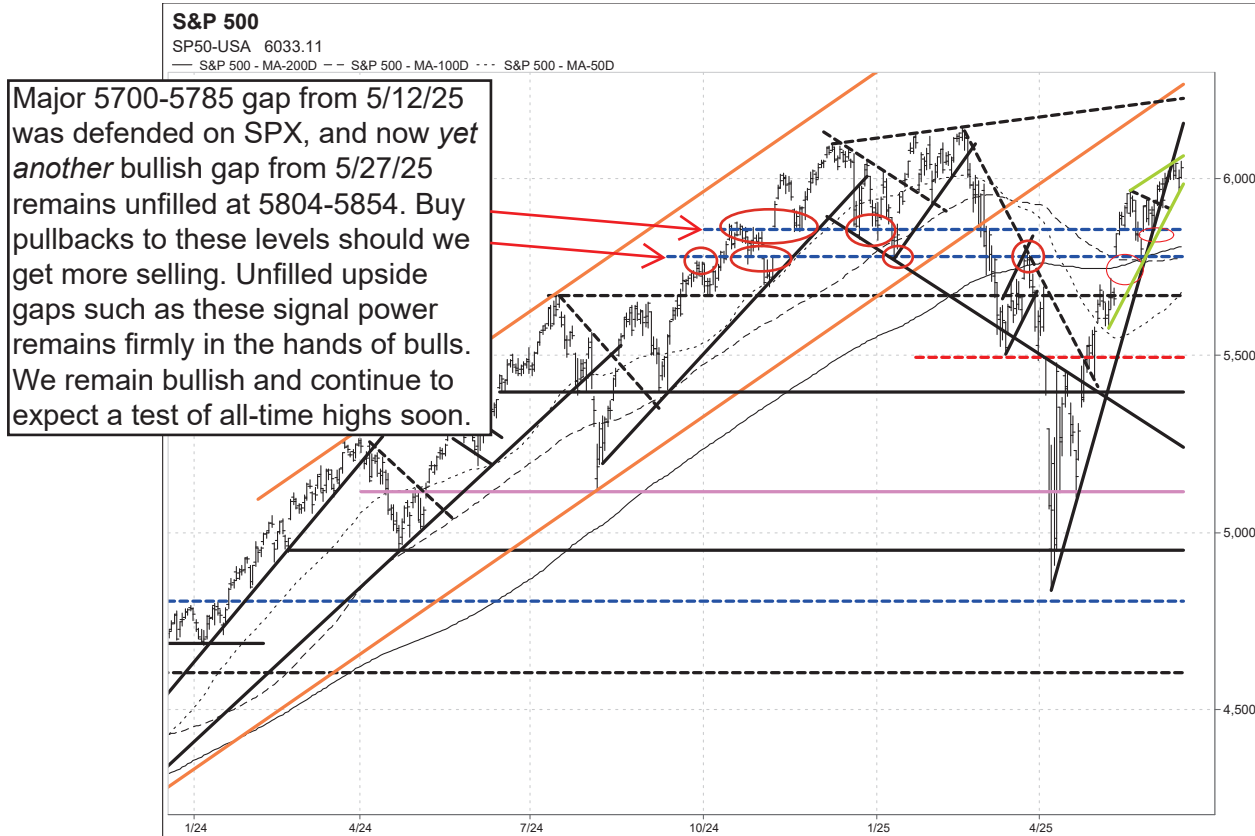
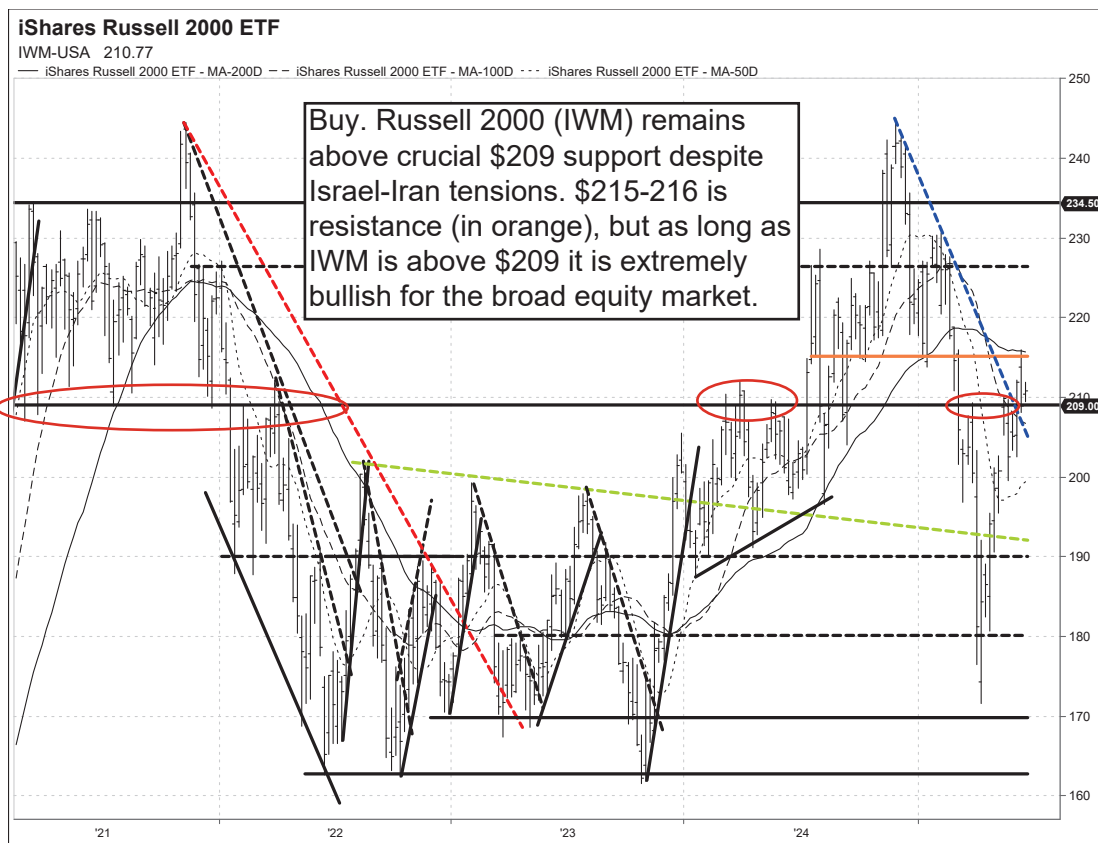
Vermilion Sector	06/13	06/06	05/30	05/23	05/16	05/09	05/02	04/25	04/18	04/11
TE Technology(CAP)	7	8	9	10	9	14	13	16	19	14
MF <a href="#">Manufacturing(AVG)</a>	9	10	10	11	10	14	15	17	17	15
MA Materials(CAP)	10	10	9	8	11	8	7	7	7	8
CO Communications(CAP)	11	9	9	8	11	12	9	9	10	8
EN <a href="#">Energy(AVG)</a>	11	22	23	22	23	22	23	21	17	21
MA <a href="#">Materials(AVG)</a>	11	11	13	12	18	13	14	13	12	12
MF Manufacturing(CAP)	11	8	7	8	7	8	9	10	11	10
UT <a href="#">Utilities(AVG)</a>	11	11	7	6	8	5	4	4	3	4
UT Utilities(CAP)	11	11	7	6	8	5	4	4	4	4
CO <a href="#">Communications(AVG)</a>	12	10	8	8	9	6	7	6	7	7
FN Financials(CAP)	12	9	6	6	7	7	5	6	5	7
SV Services(CAP)	12	11	10	10	10	9	9	10	10	9
CD Consumer Disc(CAP)	13	14	10	11	10	12	12	10	17	10
CS Consumer Staples(CAP)	13	11	6	6	8	5	3	2	2	2
EN Energy(CAP)	13	22	22	21	21	19	18	14	2	13
RE Real Estate(CAP)	14	15	13	15	13	10	10	10	8	11
TE <a href="#">Technology(AVG)</a>	14	13	16	16	16	19	20	20	22	22
TR <a href="#">Transportation(AVG)</a>	14	14	15	16	15	17	19	20	18	18
FN <a href="#">Financials(AVG)</a>	15	13	11	11	11	10	9	9	10	11
TR Transportation(CAP)	15	15	15	13	12	17	17	19	13	15
CS <a href="#">Consumer Staples(AVG)</a>	16	14	10	11	12	9	7	7	6	6
HC <a href="#">Health Care(AVG)</a>	16	14	21	22	24	23	16	18	20	22
RE <a href="#">Real Estate(AVG)</a>	17	18	18	19	18	15	15	15	11	14
SV <a href="#">Services(AVG)</a>	17	17	19	18	20	19	22	21	22	21
HC Health Care(CAP)	20	22	21	22	24	20	13	11	7	9
CD <a href="#">Consumer Disc(AVG)</a>	23	21	21	22	21	23	24	24	23	22

### Sector Weighting Recommendations

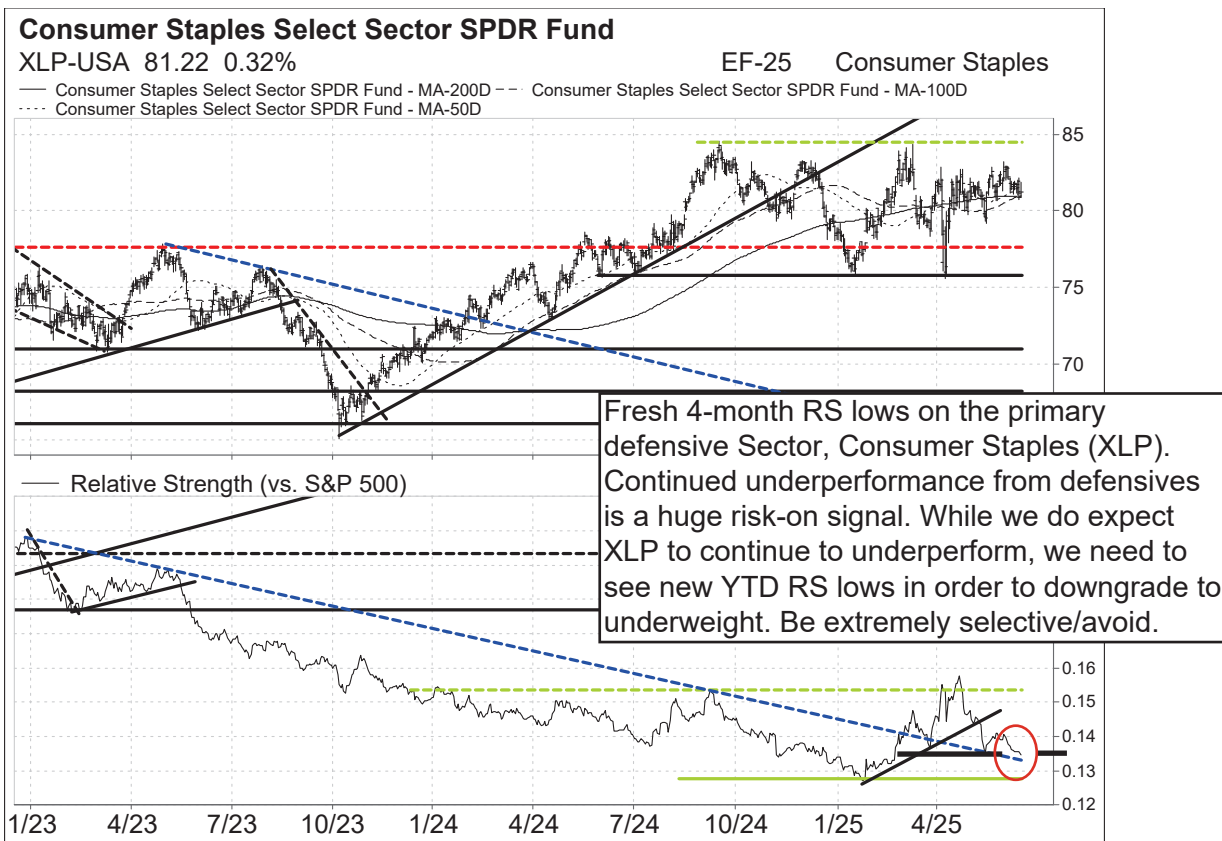
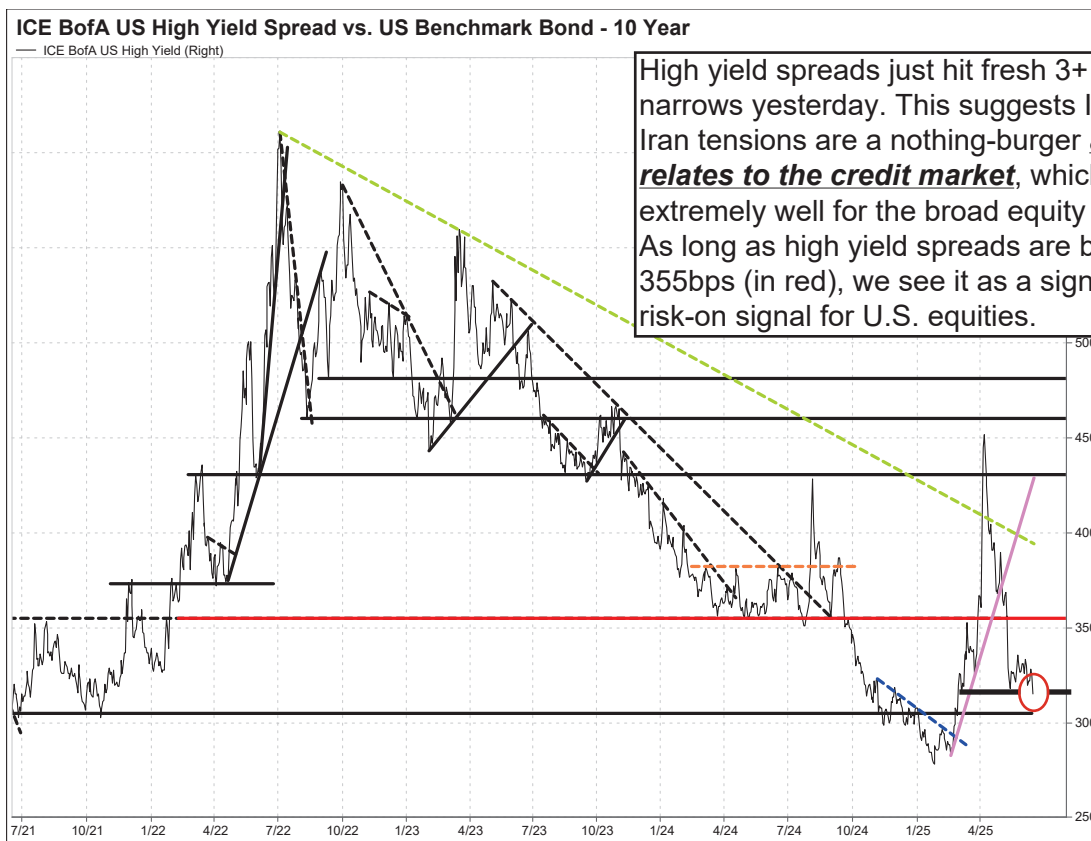
Vermilion Sector	Under-Weight	Market-Weight	Over-Weight
Communications			X
Cons. Discretionary			X
Consumer Staples		X	
Energy		X	
Financials			X
Health Care	X		
Materials	X		
Manufacturing		X	
Real Estate		X	
Services			X
Technology		X	
Transportation	X		
Utilities			X

See attached Sector commentary for Group and individual stock recommendations.

## Russell 2000 (IWM) Above \$209; S&P 500 Above 5804-5854 and 5700-5785 Supports



## High Yield Spreads at Fresh 3+ Month Narrows; Defensives at New RS Lows





### 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, SGA, and SALM.**
- Group CO-05 Movies, Entertainment, Programming, Large/Mid-Cap is developing as leadership. Attractive names include: **DIS, PARA, 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, 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: **DTEGY, ORAN, SCMWY, TLGPY, TEF, VOD, TELNY, KKPNY, HLTOY, TIGO, THAY, MYTAY, VEON, and TIAIY.**
- Group CO-13 Telecomm Svcs., Asia/Pacific Rim has a number of technically attractive stocks including: **NTTY, CHT, KT, TLK, HKTVY, and PCCWY.**
- Group CO-14 Telecomm, Svcs. U.S. Large-Cap is a leadership group. Attractive names include: **T and VZ.**
- Group CO-16 Telecomm Svcs. U.S. Mid/Small-Cap is a leadership Group. Attractive names include: **IDT and NUVR.**
- Group CO-19 Cellular Towers is a Relative Strength leadership Group. Attractive names include: **AMT, CCI, and SBAC.**
- Group CO-20 Movie Theaters is a leadership Group. Attractive names include: **EPR, CNK, and IMAX.**
- Group CO-24 Internet Content/Commerce has many names showing good technical improvement. Attractive names include: **MELI, EBAY, ETSY, FVRR, RDFN, GRPN, TCX, and XNET.**

### Consumer Discretionary: Overweight (upgraded 5/28/25 from Market Weight)

- 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.
- 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*), **XPEV, and HMC** (bottom-fishing candidate).
- Group CD-45 Retailers, Discount/Variety is emerging as leadership – add exposure. Attractive names include: **OLLI, DG, DLTR, FIVE, and WINA.**
- Group CD-50 Internet Retailers (IBUY) reclaimed the crucial \$59 level – add exposure. Attractive names include: **AMZN, NFLX, EBAY, CHWY, TDUP, WRBY, and bottom-fishing candidates ETSY and W.**
- Equal-weighted retail (ETF: **XRT**) is bottoming in terms of price, and RS shows signs of bottoming as well – add exposure. 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, BOOT, SIG, and ULTA.**
- 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, APEI, LOPE, and AFYA.**
- 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 include: **PLAY, WING, SHAK, EAT, TXRH, DRI, CAKE, NATH, BJRI, BH, and bottom-fishing candidates CBRL, PZZA, KRUS, and LOCO.**

## Sector Highlights -- new comments in green

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### Consumer Discretionary (cont.): Overweight (upgraded 5/28/25 from Market Weight)

- A bottoms-up approach to stock selection uncovers additional opportunities within the Sector. With this in mind, attractive names include: **DASH**, **GENI**, **AS**, **ARLO**, **EVGO**, **RSI**, **PLNT**, **TOST**, **SRAD**, **TPR**, **GRAB**, **SONY**, **NTDOY**, **SGI**, **LTH**, **GT**, **RL**, **HLT**, **BKNG**, **SGHC**, **BFAM**, and bottom-fishing candidates **RIVN**, **GOOS**, **ROKU**, and **CRMT**.

### Consumer Staples: Market Weight

- **RS on cap-weighted Consumer Staples (XLP) is now breaking to 4-month lows. We have discussed since early May that “it is quite likely that the XLP will continue to underperform from here,” though we will wait for RS to break to new YTD lows in order to downgrade to underweight. Of course, continued new RS lows is very bullish for the broad equity market. Be extremely selective/avoid.**
- Group CS-03 Hypermarkets & Super Centers remains in price and RS uptrends – overweight/add exposure on pullbacks. Attractive names include: **COST**, **WMT**, **BJ**, and **PSMT**.
- Group CS-06 Food Distributors continues to outperform – overweight/add exposure. Attractive names include: **USFD**, **PFGC**, and **CHEF**.
- Group CS-08 Processor, Produce displays a 4-year RS base breakout, and price is bottoming – overweight/add exposure. Attractive names include: **FDP**, **SENEA**, **SENEB**, and **CVGW**.
- Group CS-15 Soft Drinks & Bottlers, Foreign displays price and RS deterioration – be selective. Attractive names include: **FMX**, **CCHGY**, **KOF**, **AKO**, and **AKO.B**.
- 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**, **TR**, **LRLCY**, **ELF**, **ODD**, **CART**, and bottom-fishing candidates **NUS**, **EL**, and **ADM**.

### Energy: Market Weight

- 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**, and **REPY**.
- Group EN-04 Oil & Gas, South America is a leadership Group. Attractive names include: **EC**, **REPY**, **TGS**, and **UGP**.
- Group EN-05 Oil & Gas E&P, Canadian. This Group is reflecting strong RS. Attractive names: **CNQ** and **IMO**.
- Group EN-10 Oil & Gas E&P, Domestic, Small-Cap is constructive. The more attractive names: **RRC** and **CRK**.
- Group EN-12 Energy Trusts has many leadership names in terms of RS. Attractive names include: **AAVF**, **SBR**, **BCX**, **PBT**, **SJT**, **PVL**, **NRT**, **PRT**, 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**, **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)

- This Sector was one of the last Sectors that was in offensive position to break down. Many of these were extremely extended on RS like the Insurance equities. Regional banks remain the weakest area in this Sector. It will take some time to repair the damage. **The Financial Sector ETF XLF has broken the RS uptrend vs the S&P 500 as of 3 weeks ago. The Regional bank ETF KRE remains very weak and is near 6-month RS lows.**
- Group FN-01 European Banks is a leadership Group. Attractive names include: **HSBC, SAN, UBS, 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, SMFG, NABZY, MFG, ANZGY, 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, GGAL, BMA, BBAR, 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, and NNI.**
- Group FN-30 Investment Banking & Brokerage, Large-Cap remains a leadership Group. Attractive names include: **JPM, MS, GS, SCHW, and C.**
- Group FN-34 Electronic Exchanges/Markets is a leadership Group. Attractive names include: **CME, ICE, NDAQ, CBOE, IBKR, TW, MKTX, SNEX and VIRT.**
- Group FN-36 Life & Health Insurance, Large-Cap is a leadership Group. Attractive names include: **SLF, PUK, CRBG, and AEG.**
- Group FN-38 Multi-Line Insurance, Large-Cap is a leadership Group. Attractive names include: **ZURVY, AXA-HY, TKOMY, ING, AIG, FRFHF, HIG, and L.**
- Group FN-39 Multi-Line Insurance, Mid/Small-Cap is a leadership Group. Attractive names include: **AIG, HIG, L, and HMN.**
- Group FN-41 Property & Casualty Insurance, Mid-Cap is a leadership Group. Attractive names include: **PGR, WRB, ORI, AXS, PRA, and THG.**
- Group FN-43 Reinsurance is a leadership Group. Attractive names include: **SPNT, FIHL, JRVR, and MHL.**

### 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: **CPRX, CORT, HROW** (bottom-fishing candidate), **CRMD, 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, GILD, TGTX, ADPT, EXEL, XERS, RYTM, TRVI, ALNY, KNSA, ATYR, AKBA, PTGX, MRUS, LENZ, ACAD, ZVRA, TBPH,** and bottom-fishing candidates **IMCR, UPB, ZBIO, TSHA, SION, RGNX, SEPN, IDYA, EYPT, IBRX, and ALT.**
- 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 major bullish price and RS inflections – overweight/add exposure. Attractive names include: **NHC** (bottom-fishing candidate), **ENSG, BKD, PNTG, and SNDA.**

### Health Care (cont.): *Underweight*

- Health care services and providers (**XHS**, **IHF**) display RS uptrend violations – be very selective. Attractive names (in addition to those mentioned above) include: **TEM**, **HIMS**, **GRAL**, **PSNL**, **BTSG**, **NUTX**, **NAGE**, **OPRX**, **VEEV**, **LFMD**, and **RDNT** (bottom-fishing candidate).
- Medical devices/equipment (**IHI**) Groups displays price improvement, and RS is consolidating – be selective. Attractive names include: **BSX**, **IDXX**, **PODD**, **SOLV**, **STE**, **BBNX**, and bottom-fishing candidates **ANGO** and **CELC**.

### 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**, **PNR**, and **MITSY**.
- 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**, **LMT**, **NOC**, 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-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-17 Agricultural equipment is a leadership group. Attractive names include: **DE**, **CNHI**, **AGCO**, **LNN**, and **TITN**.
- Group MF-34 Climate Controls & Systems is a leadership Group. Attractive names: **TT**, **FIX**, **LMB**, and **HDSN**.
- Group MF-38 Nuclear, Power Generation is a leadership Group. **This Group is highlighted in today's Compass.** Attractive names include: **OKLO**, **SMR** and **NNE**.

### Materials: *Underweight*

- Group MA-01 Metals, Steel, Integrated is showing signs of bottoming and reflects improving RS. Attractive names include: **X**, **RS**, **WOR**, **SMSY**, **SCHN**, and **STLD**.
- 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-26 Gold, Western Hemisphere, Large-Cap is a leadership Group. We would like to see it hold above the 200-day moving average on GDX at the \$35.15 level. Many names are reversing multi-year price and RS down-trends. Attractive names include: **NEM**, **AEM**, **GOLD**, and **FNV**.



### Materials (cont.): Underweight

- Group MA-27 Gold, Western Hemisphere has broken the uptrend. We continue to believe that this is a normal pullback and would use the 200-day as support on the GDXJ as a guide at \$43.28. Many names are reversing price and RS uptrends near-term. Attractive names include: **KGC, AGI, RGLD, IAG, BTG, EGO, BVN, REEMF, USAU, VGZ, and NGD.**
- 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, INVH, CKHUY, and FPAFY.**
- Group RE-09 REITs, Healthcare displays major price and RS bottoms and has emerged as leadership. Attractive names include: **WELL, VTR, OHI, SBRA, NHI, LTC, and UHT.**

### Services: Overweight

- RS on the Vermilion equal-weighted Services Sector has pulled back to 6-year uptrend support – remain overweight.
- Group SV-01 Data Processing & Outsourcing Svcs., Large-Cap displays a RS pullback, but the longer-term RS trend continues to indicate this is leadership – remain overweight/add exposure. Attractive names include: **MA, V, ADP, BR, EXPGY, PAYX, and FIS** (bottom-fishing candidate).
- 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: **EXLS, SEZL, INOD, CTEV, CSGS, and III.**
- Group SV-06 Research & Consulting Services displays improving price and RS – add exposure. Attractive names include: **HURN, VRSK, 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. displays bullish price and RS reversals within 2.5-year uptrends, and we are getting bullish on crypto-related stocks as discussed in our 5/14/25 *Compass* (ETFs: **WGMI, BITQ**) – overweight/buy. We discussed in our 4/22/25 *Compass* how we were watching for WGMI and BITQ to reverse above their 2-month downtrends that began in late-February, and we would be buyers on bullish reversals (for an aggressive entry point). The reversals came that day (4/22/25), and they appear to be going through a bottoming process. **HOOD, COIN, CRCL, and MSTR** are our favorite longer-term crypto-related stocks. Additional attractive names include: **APLD, BTDR, BTCS,** and bottom-fishing candidates **WULF, IREN, HUT, MARA, RIOT, CORZ, CIFR, CLSK, BTBT, HIVE, and BKKT.** 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 7<sup>th</sup>, 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. **Now that it has consolidated for almost a month, it appears ready for a sustainable breakout.**
- 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, and ECL.**

### 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 of which appear to be forming price and RS bottoms. Both continue to outperform and are now established leadership – buy pullbacks.
- We discussed last week (5/6/25 *Compass*) how Semiconductors and semi-suppliers are starting to show signs of price and RS bottoms with the SMH reclaiming the crucial \$200 level. The SOXX ETF is also reclaiming 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, CIEN, SITM, NVTS, UMC, MCHP, MU, IFNNY, STM, SIMO, TXN, and bottom-fishing candidates ARM, MPWR, AMD, TSEM, and INDI.
- Attractive semiconductor equipment/supplies names (TE-04 and TE-05) include: AEIS, KLAC, LRCX, BESIY, and bottom-fishing candidates ASML, AMAT, MKSI, IMOS, AEHR, and ACLS.
- Group TE-08 Data Storage Solutions & Devices, Large-Cap displays bullish price and RS reversals, and we discussed buying STX and WDC in last week's U.S. Macro Vision (6/10/25). Attractive names include: STX, WDC, SNDK, and NTAP (bottom-fishing candidate).
- Group TE-10 Electronic Connectors displays improving price and RS – add exposure. Attractive names include: APH and TEL.
- 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, TMICY, 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, WAY, NOW, NTNX, PAYC, TWLO, APPS, SHOP, LIF, ADSK, INTU, SNOW, DOMO, PGY, VEEV, FROG, VRNS, ORCL (recommended buying in last week's 6/10/25 U.S. Macro Vision), QTWO, CVLT, PRCH, NTES, and bottom-fishing candidates AI and GCT.
- Quantum stocks (ETF: QTUM) are re-emerging as leadership – overweight/add exposure. These are big movers and highly volatile. Attractive names include: RGTI, QBTS, IONQ, QUBT, LAES, ARQQ, and BTQQF.
- Drone stocks are leading – buy. Attractive names include RCAT and UMAC.
- Space-related stocks (ARKX) are also leadership. Attractive names include: RKLK, LUNR, ASTS, RDW, PL, and BKSJ. All except ASTS and RDW have already been recommended, we are just now separating them into their own Group.
- Autonomous driving stocks are leadership. Attractive names include: AEVA, OUST, HSAI, and INVZ (bottom-fishing candidate).
- The robotic theme is back with many names bottoming – add exposure. Attractive names include: SERV, RR, PDYN, and bottom-fishing candidates ARBE and AVAV.
- 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-39 Solar Energy displays steep multi-year price and RS downtrend reversals – add exposure. Attractive names include: NXT, ENLT, and bottom-fishing candidates SEDG and FSLR.
- Group TE-38 Utilities Data Technology displays bullish short-term price and RS reversals at long-term uptrend supports – overweight/add exposure. We recommended buying these in last week's 6/10/25 U.S. Macro Vision). Attractive names include: BMI and ITRI.
- A bottoms-up approach to stock selection uncovers additional opportunities. With this in mind, attractive names include: MVST, NBIS, IDCC, SATL, OSIS, IBM, MRCY, WEDXF, FEIM, VRT, ANET, CRDO, UI, DELL, SOUN, LITE, ERIC, NOK, CSCO, BB, CALX, LASR, ALLT, HTHY, and bottom-fishing candidates SMCI, SYM, NICE, CLFD, and VSAT.

## Sector Highlights -- new comments in green; Attractive Groups & Stocks Highlighted

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### Transportation: *Underweight*

- Group TR-08 Shipping, Dry-Bulk has many names that have bottomed out. Attractive names include: **KEX**, **SBLK**, **DAC**, **CMRE**, **GSL**, **SB**, **ESEA**, **HSHP**, and **GTMA**.
- 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. **This Group is highlighted in today's Compass.** Attractive names include: **GLNG**, **FRO**, **STNG**, **INSW**, **TNK**, **DHT**, **CPLP**, **TNP**, **TK**, and **SMHI**,
- 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 include: UBER and LYFT.**

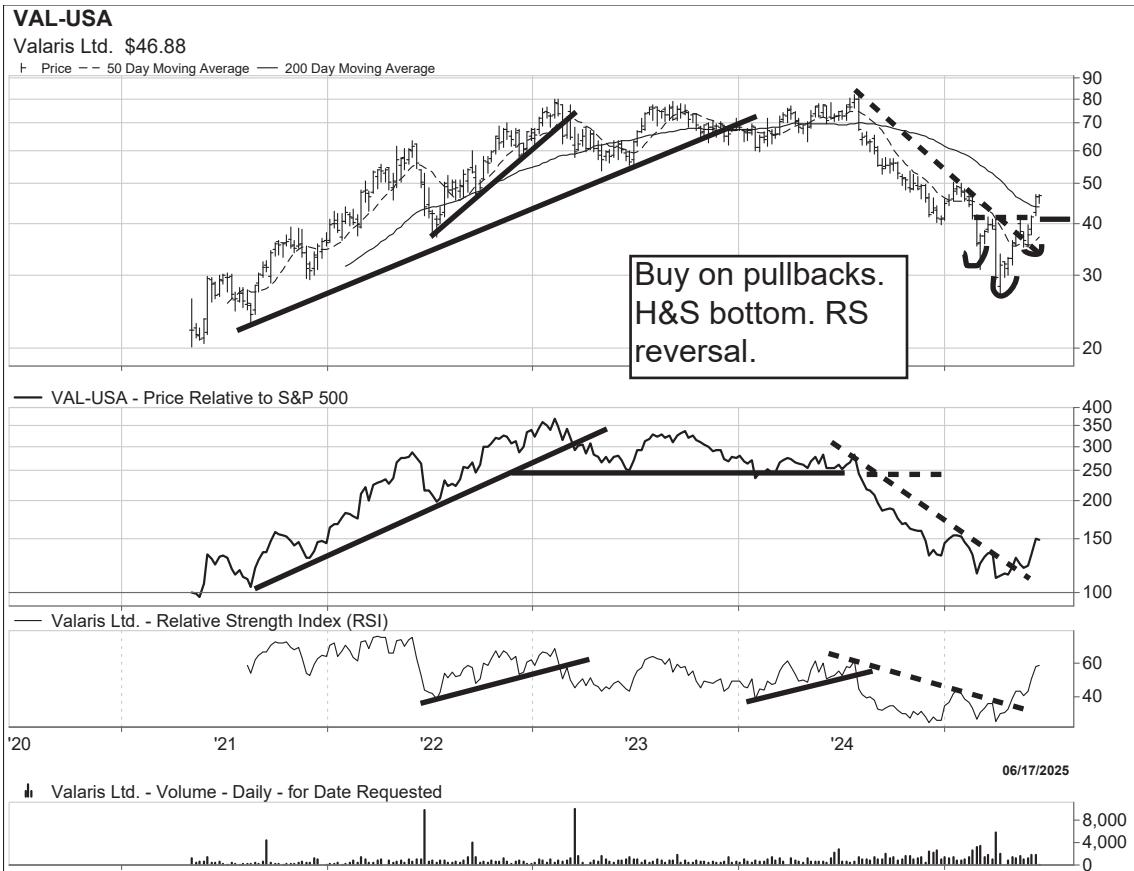
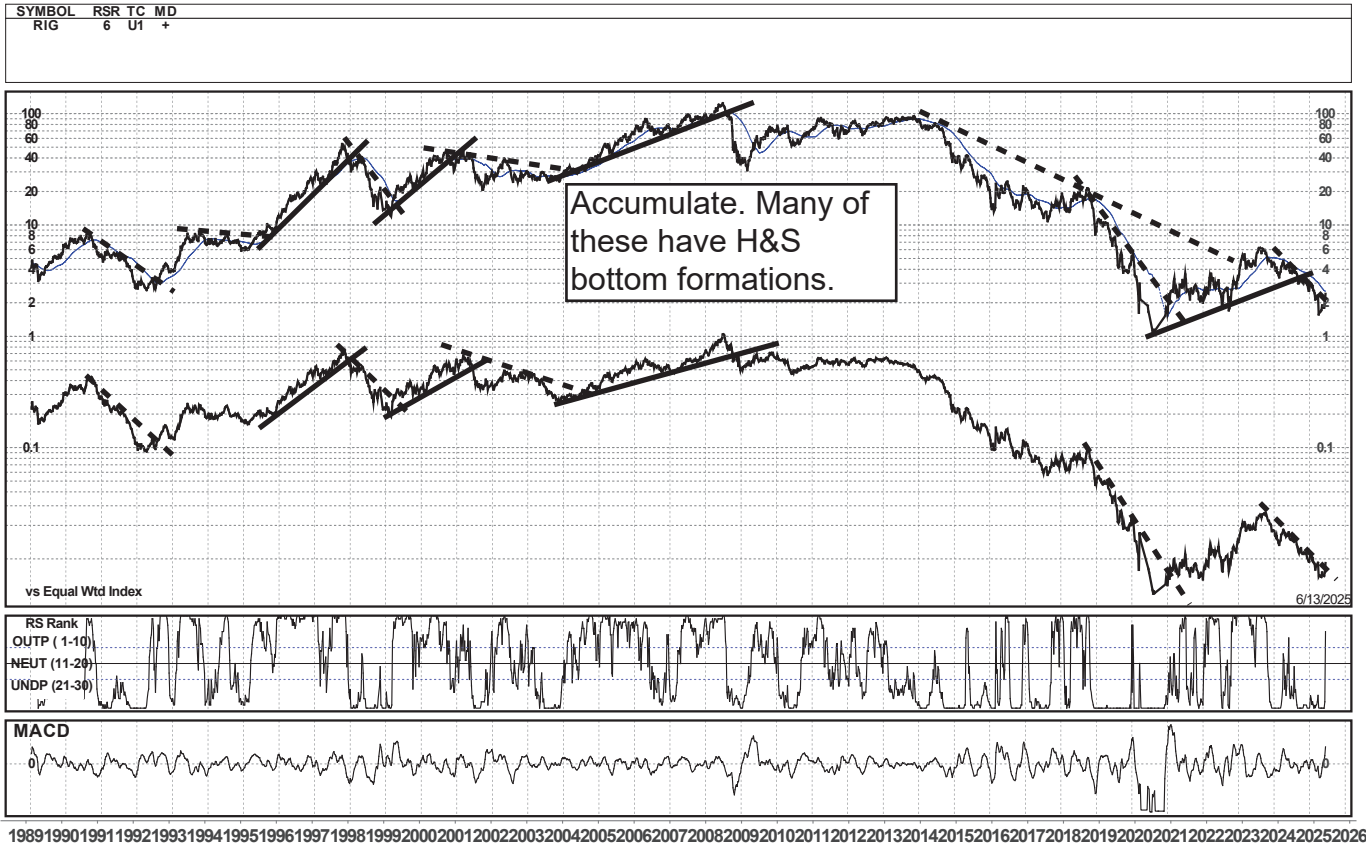
### Utilities: *Overweight*

- 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 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**, and **BEPC**.
  - 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**, **TXNM** (**acquired by Blackstone Infrastructure; can sell**), **EVRG**, **SBS**, **EBR**, **ELP**, and **ENIC**.
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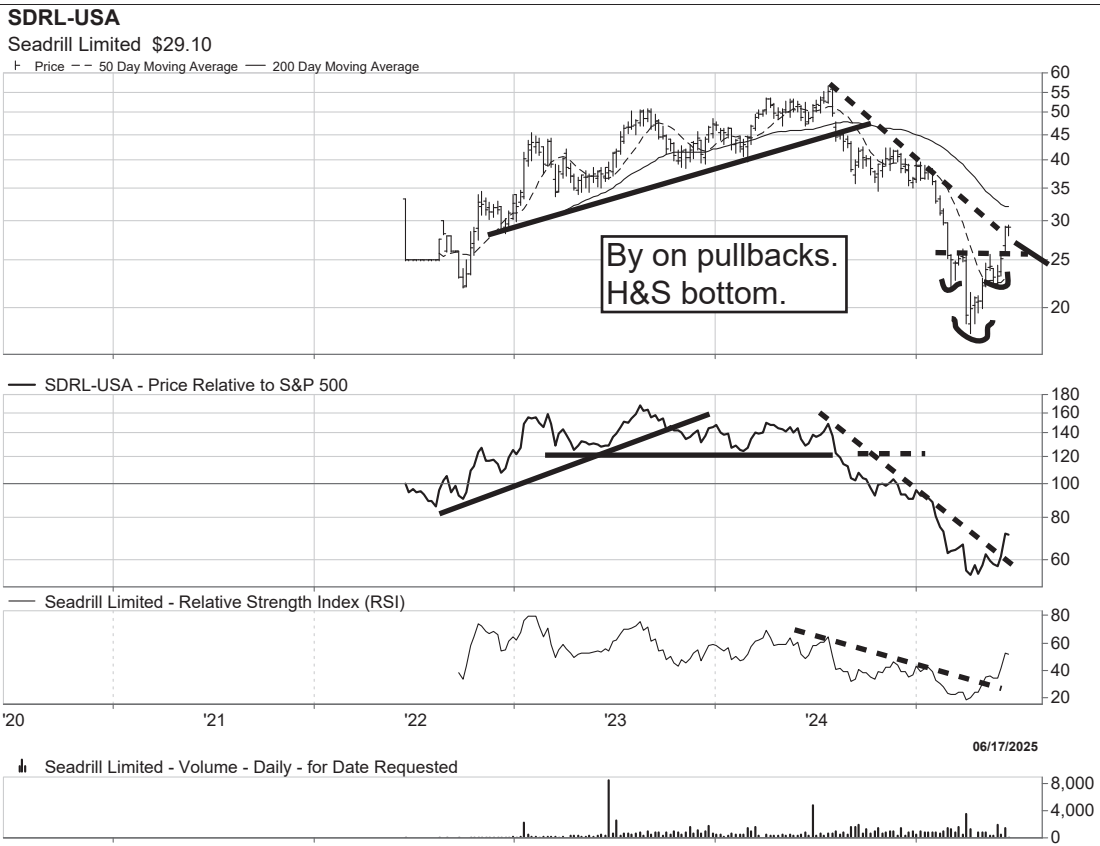
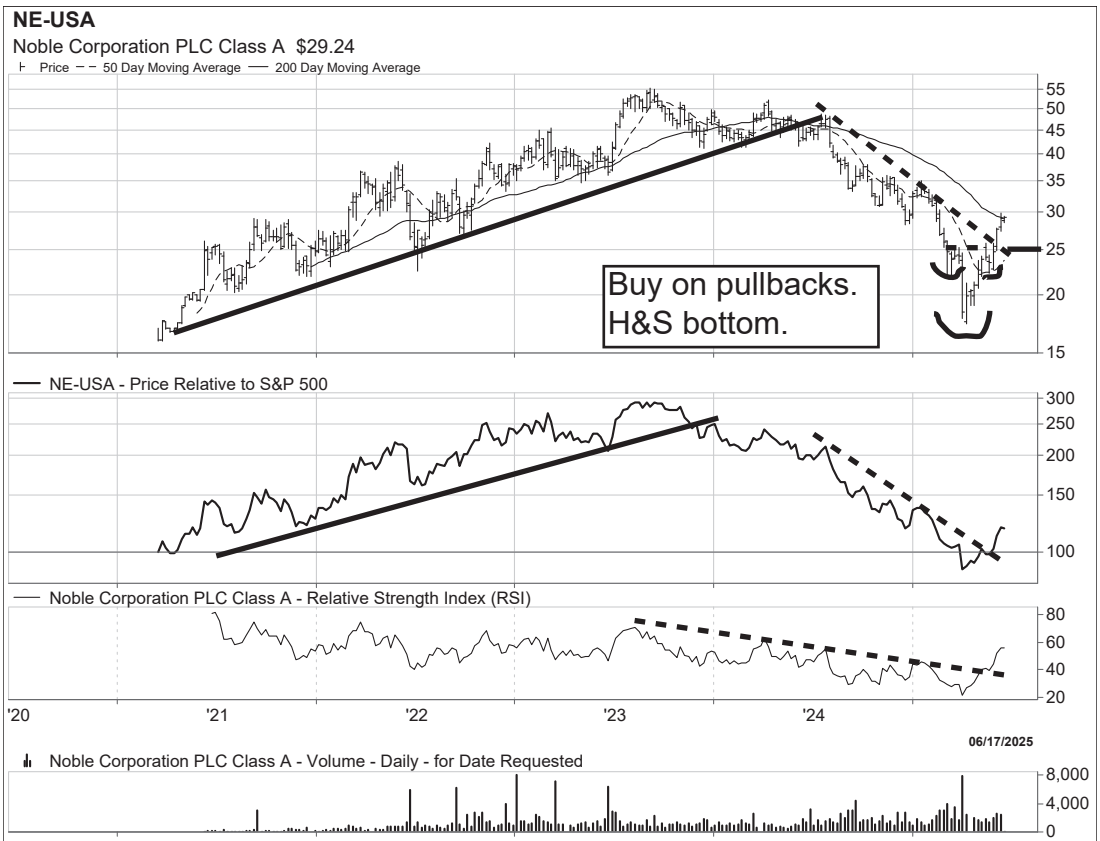
**On the following pages we highlight attractive Groups and stocks within Energy, Manufacturing, and Transportation:**

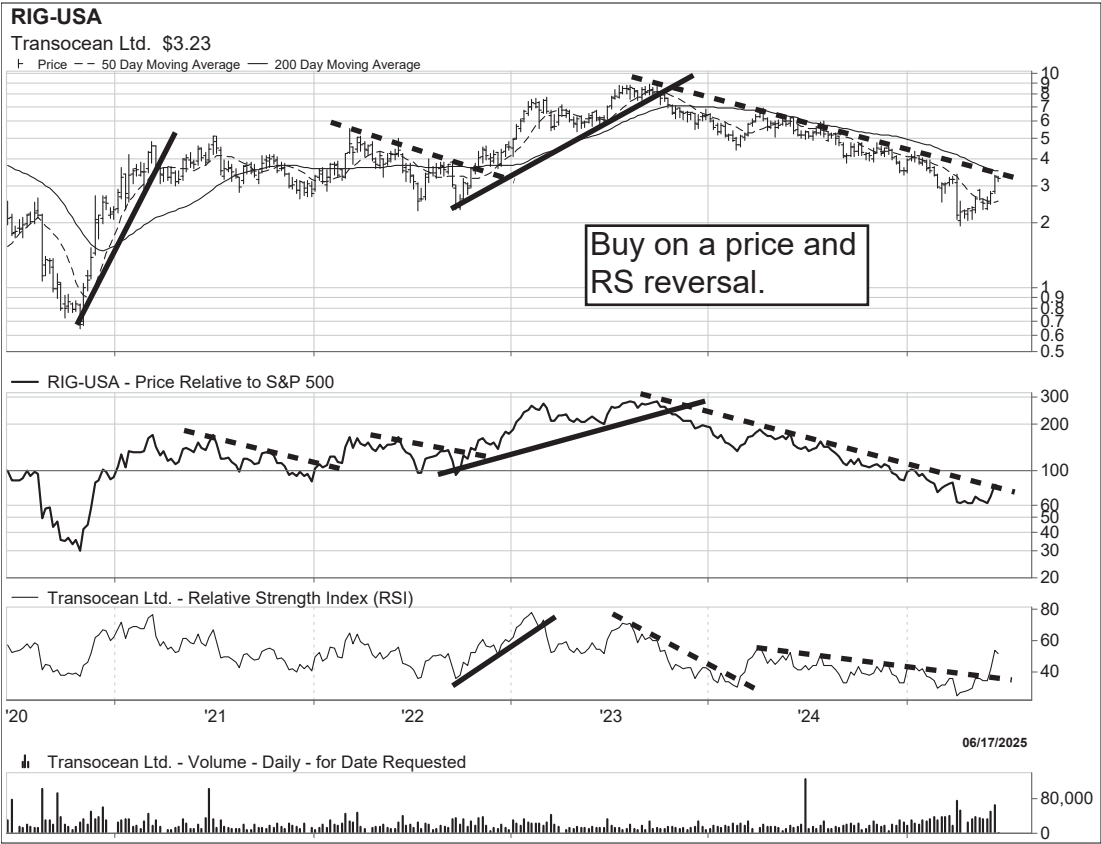
- **EN-17 Oil & Gas Drilling, Offshore - Stocks highlighted: VAL, NE, SDRL, and RIG**
- **MF-38 Nuclear Power Generation - Stocks highlighted: OKLO, SMR, and NNE**
- **TR-09 Shipping, Energy - Stocks highlighted: GLNG, FRO, STNG, INSW, DHT, TNK, CPLP, LPG, TK, TNP, and AVD**

EN-17 Oil and Gas Drilling, Offshore

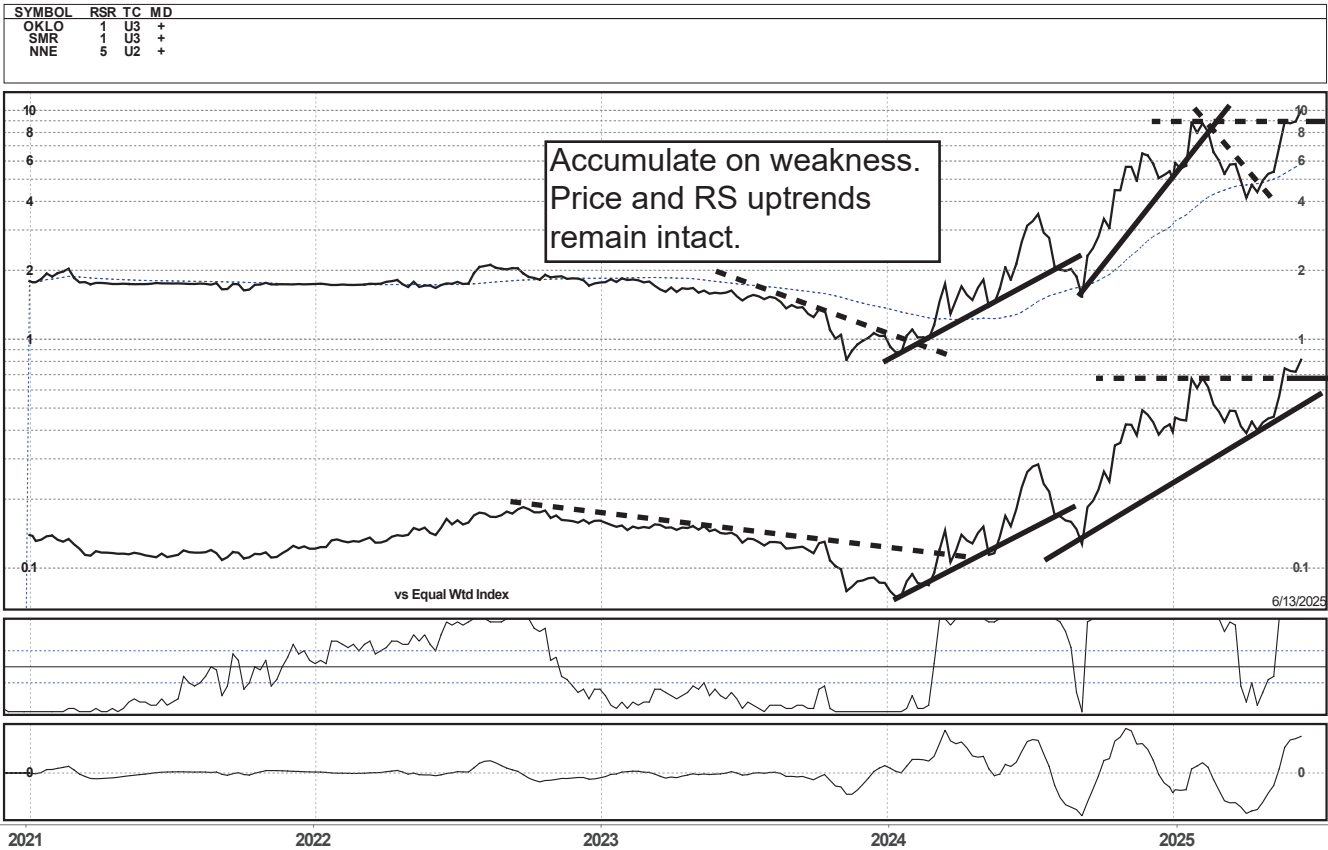


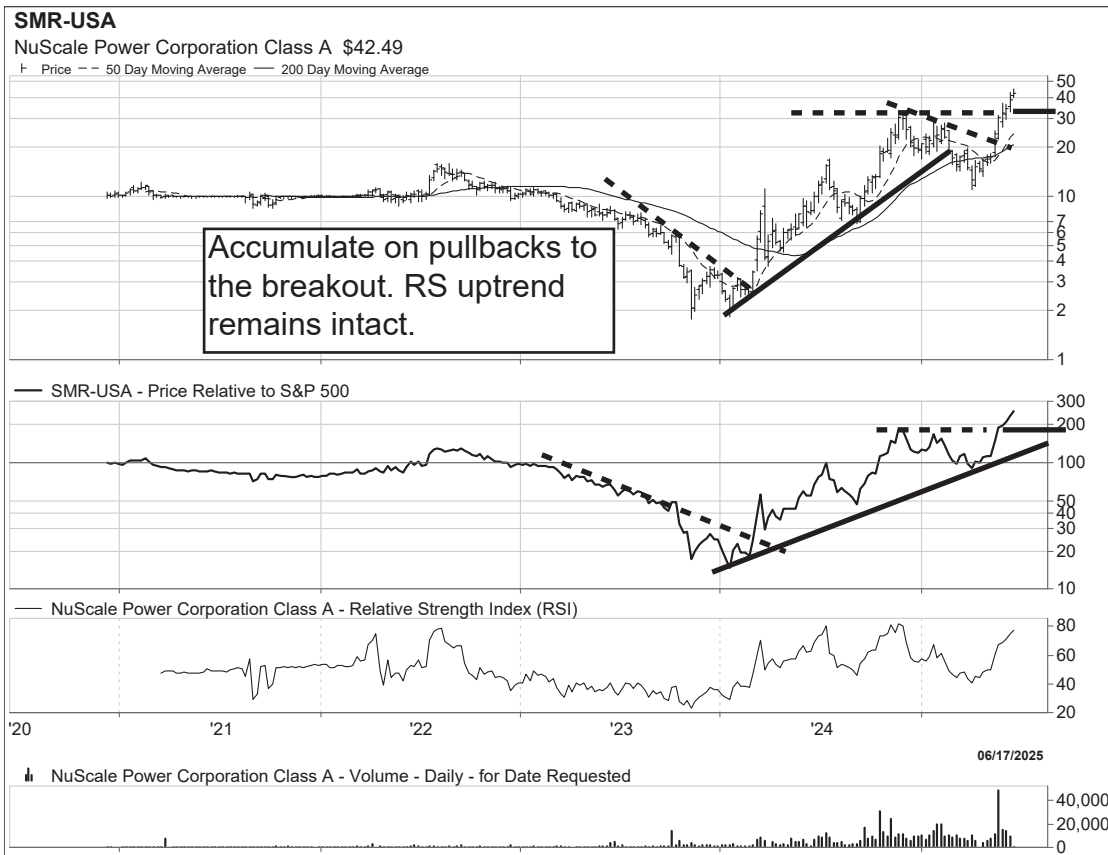






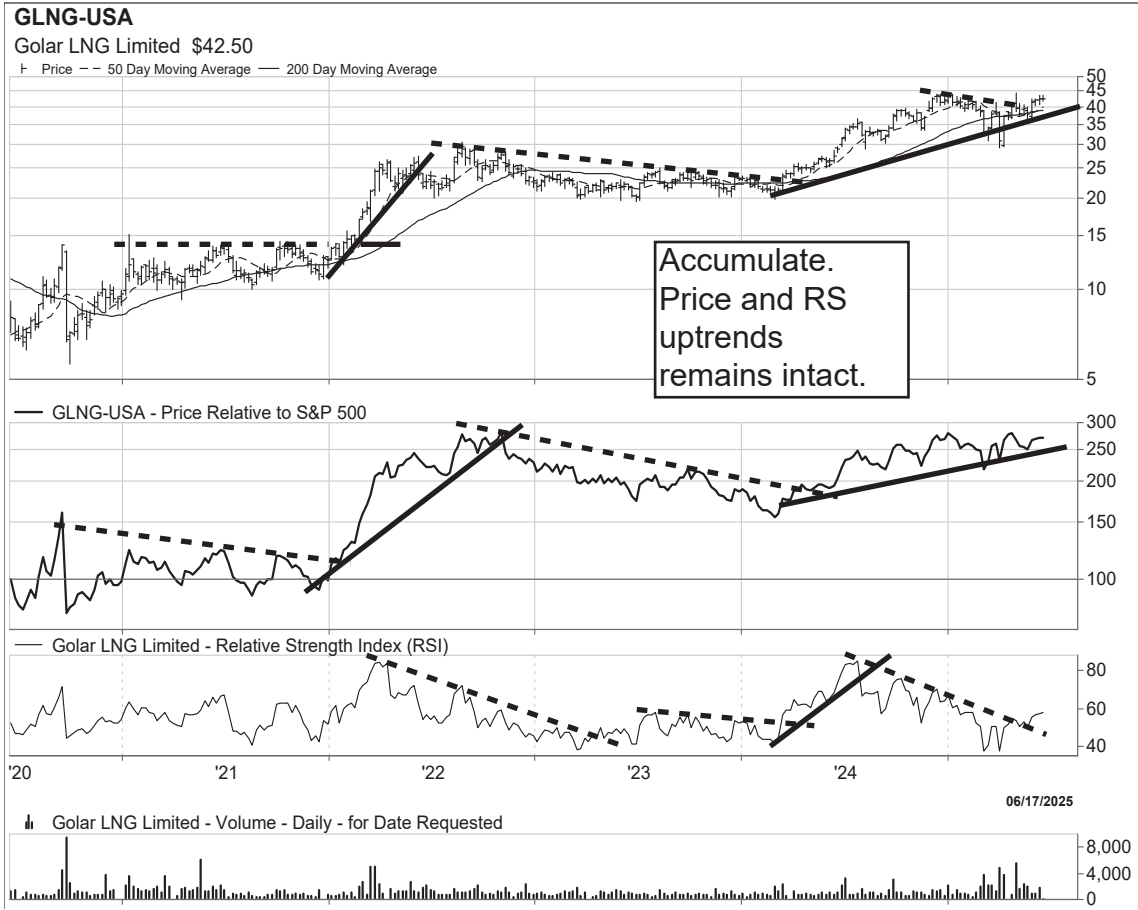
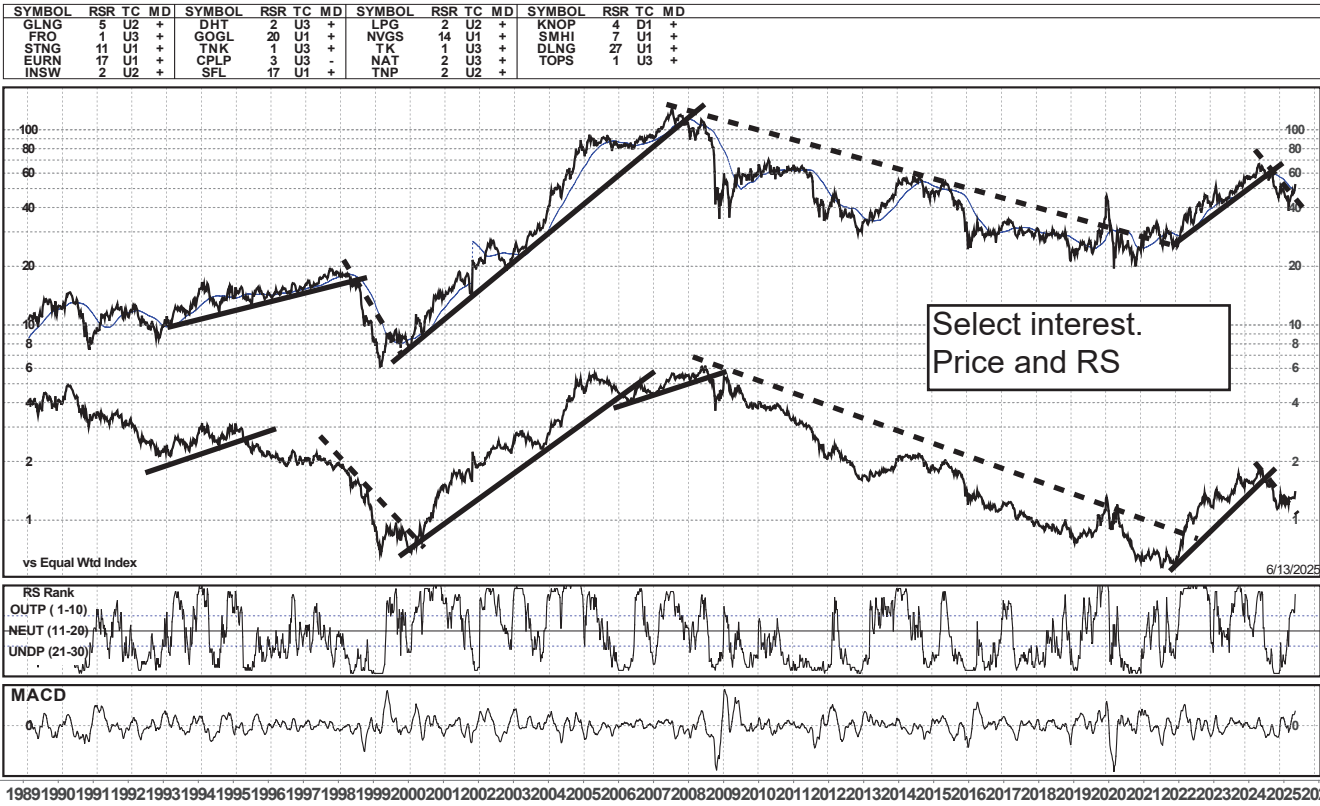
MF-38 Nuclear, Power Generation

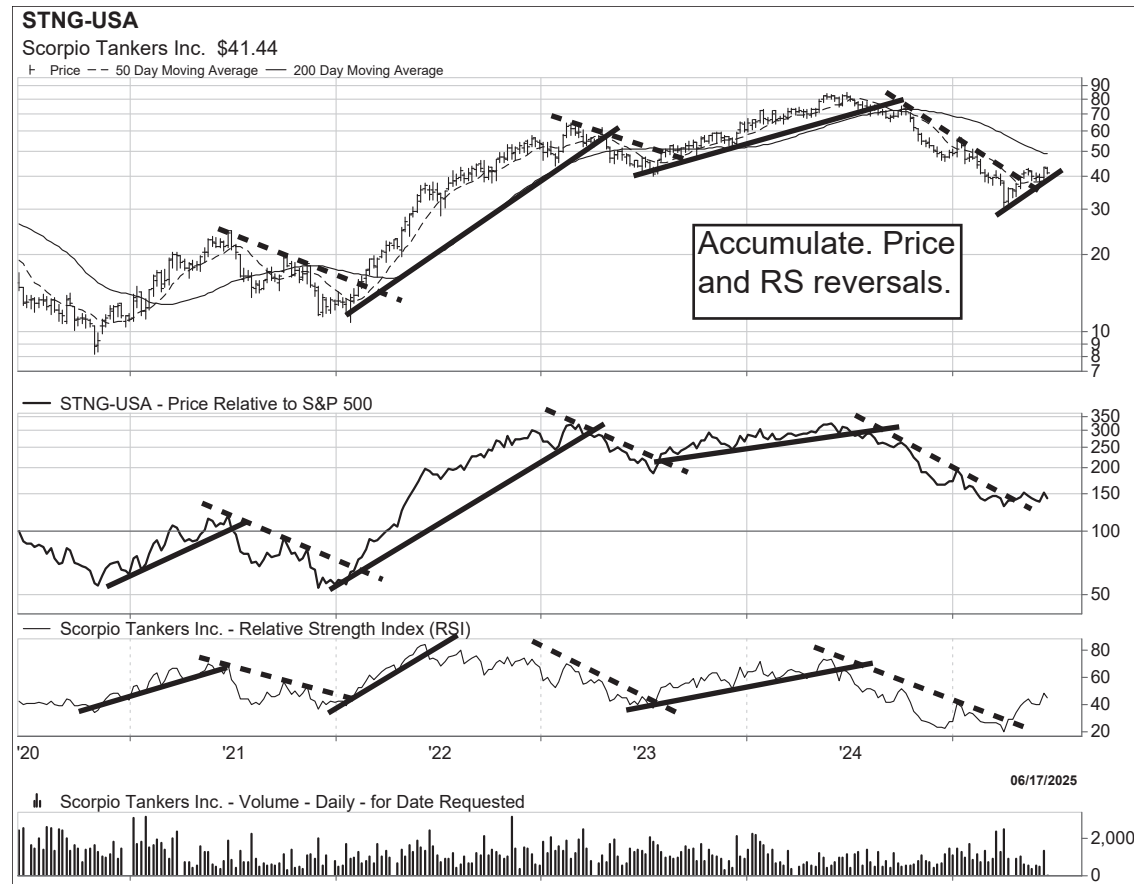
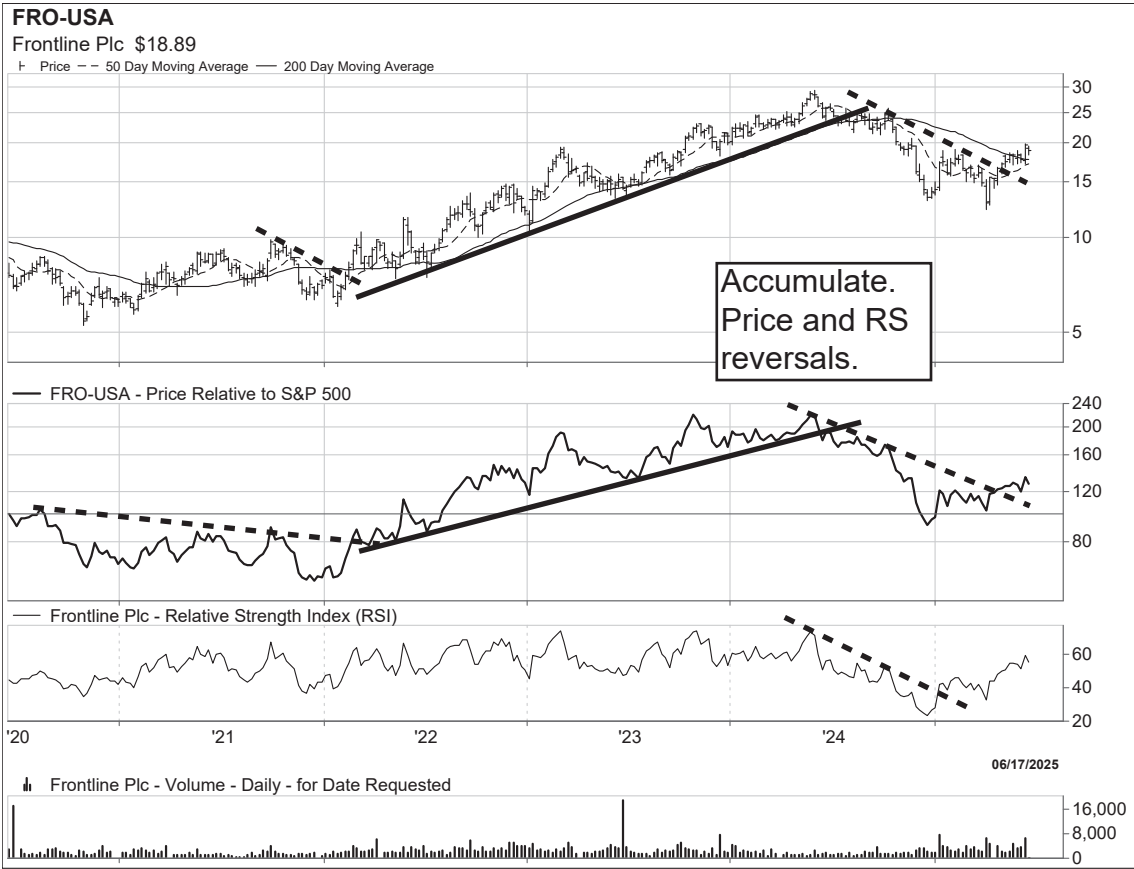


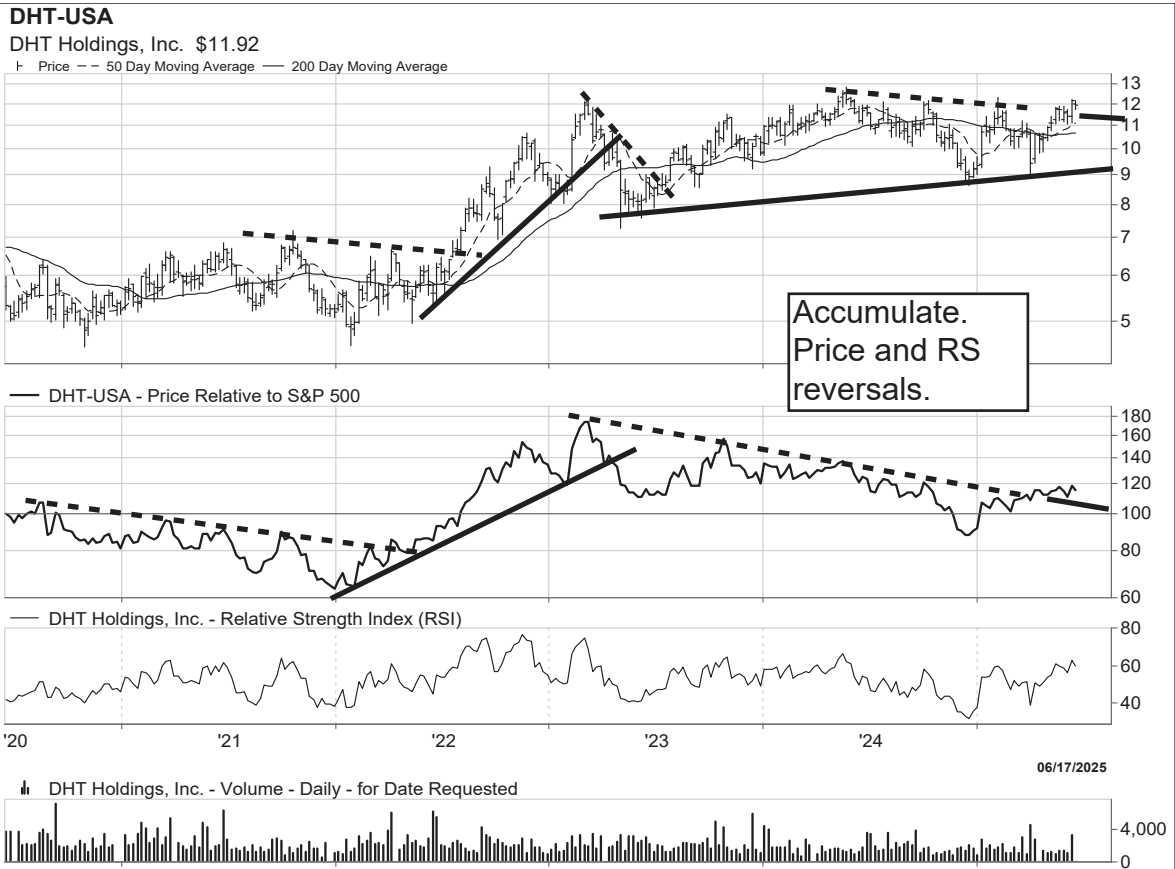
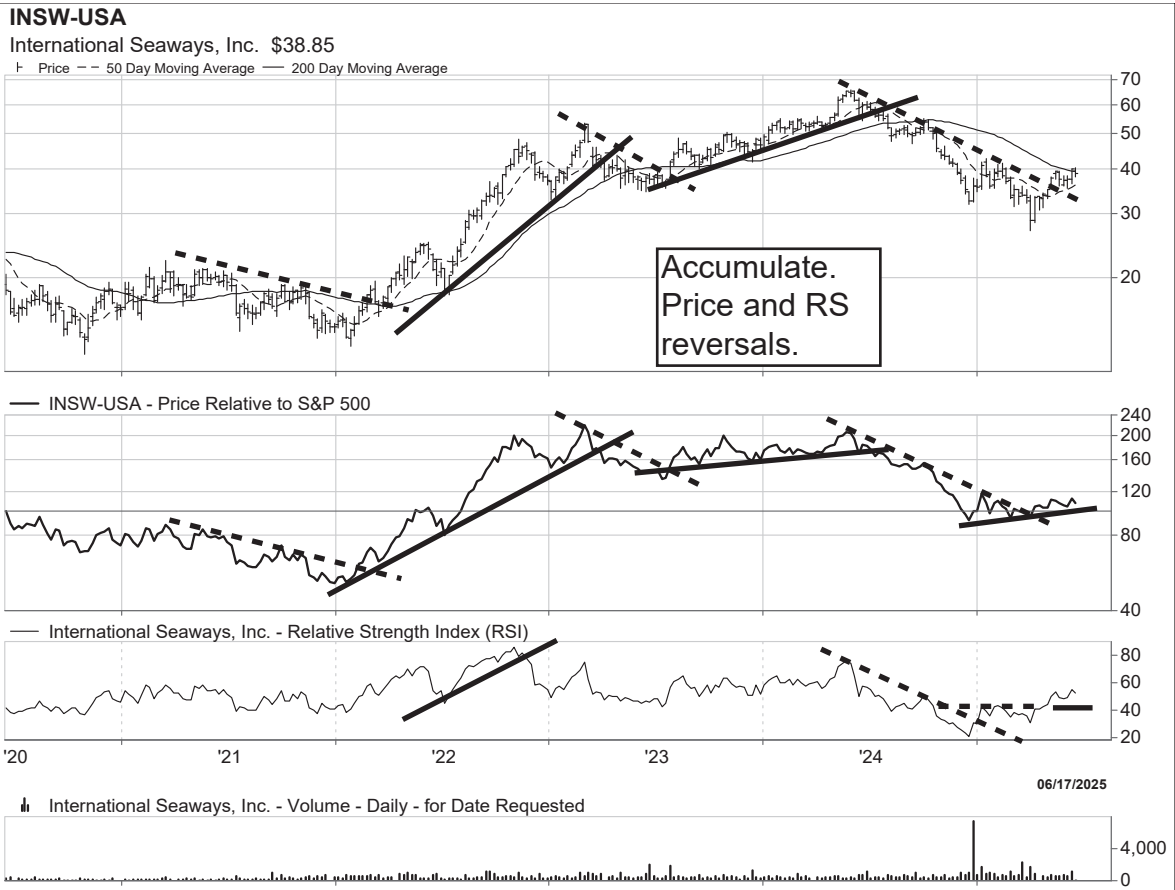


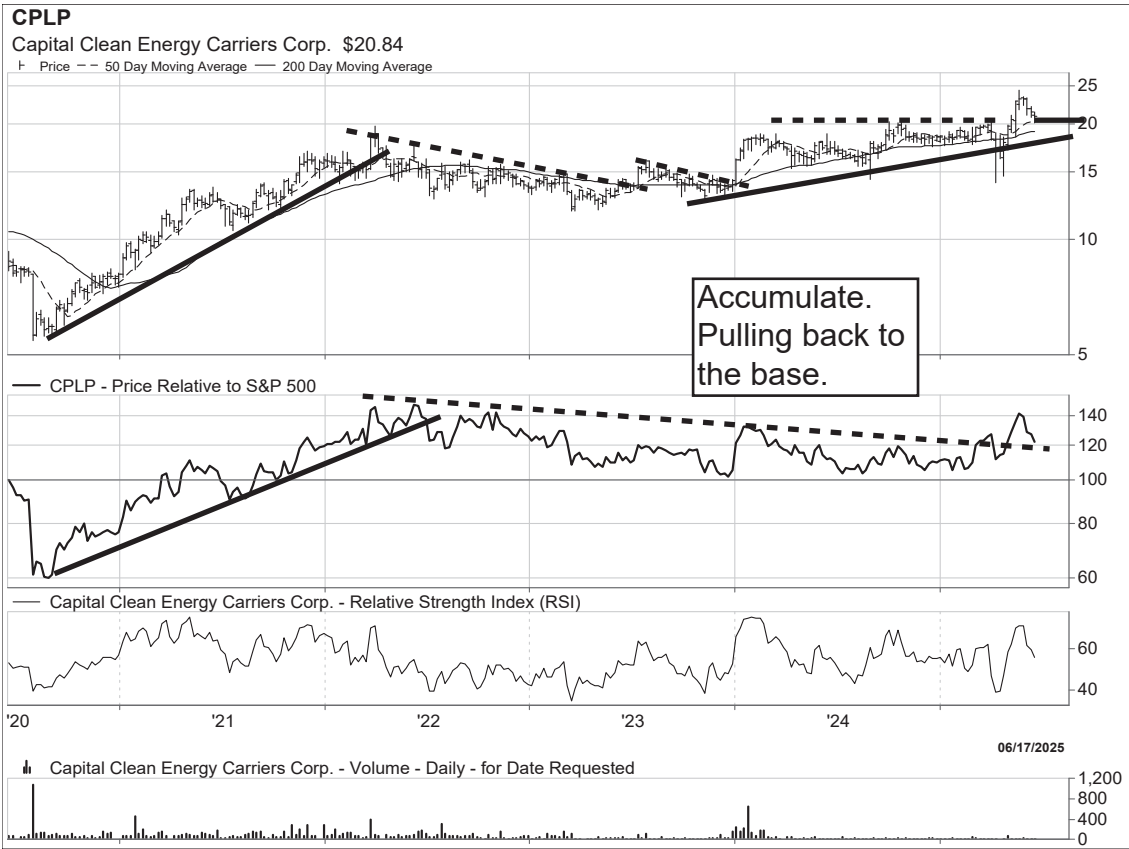
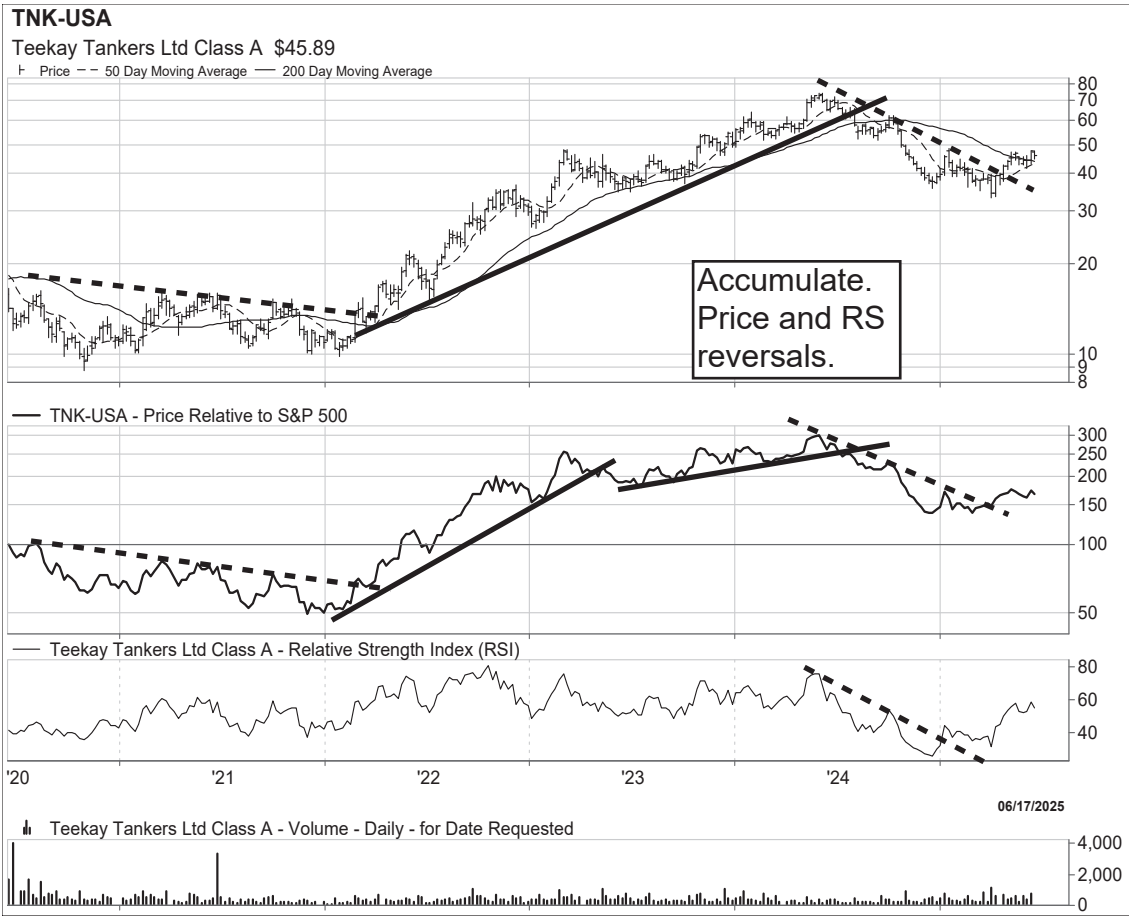


TR-09 Shipping, Energy

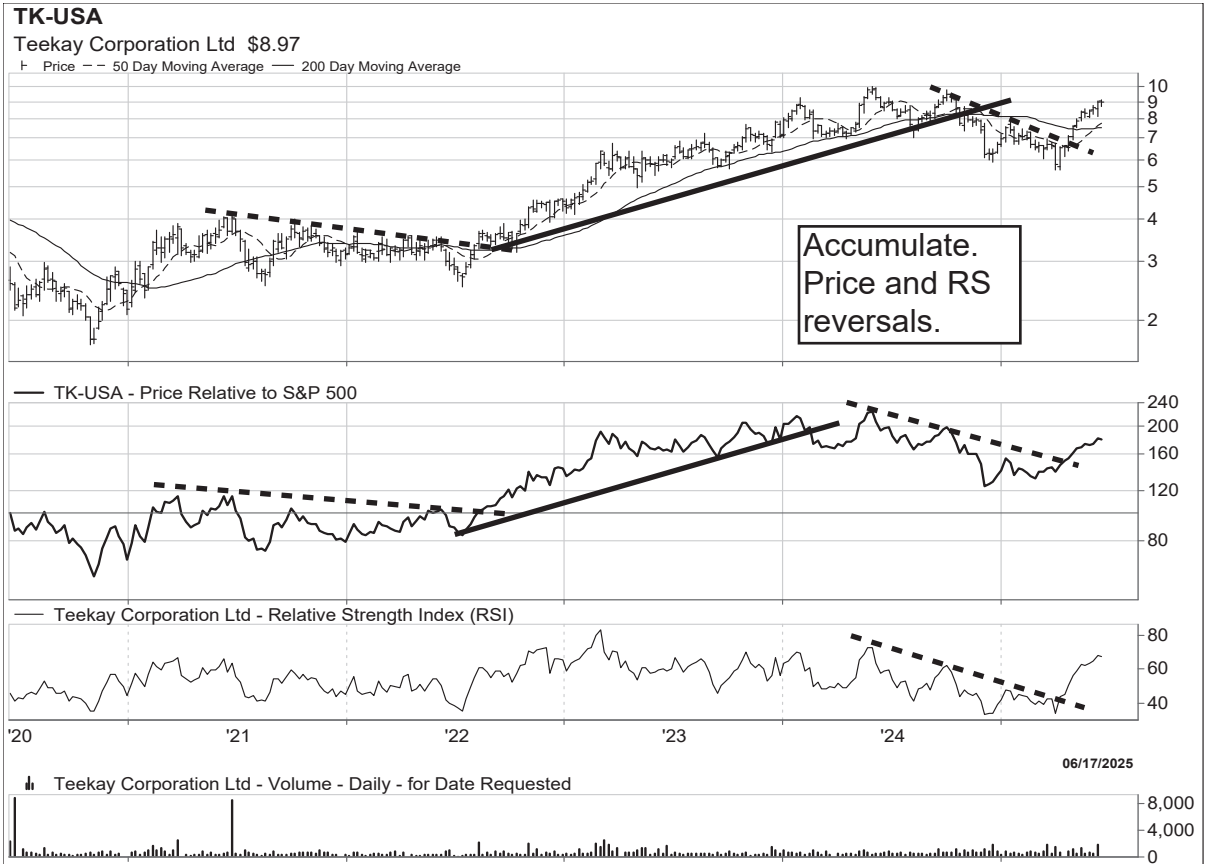
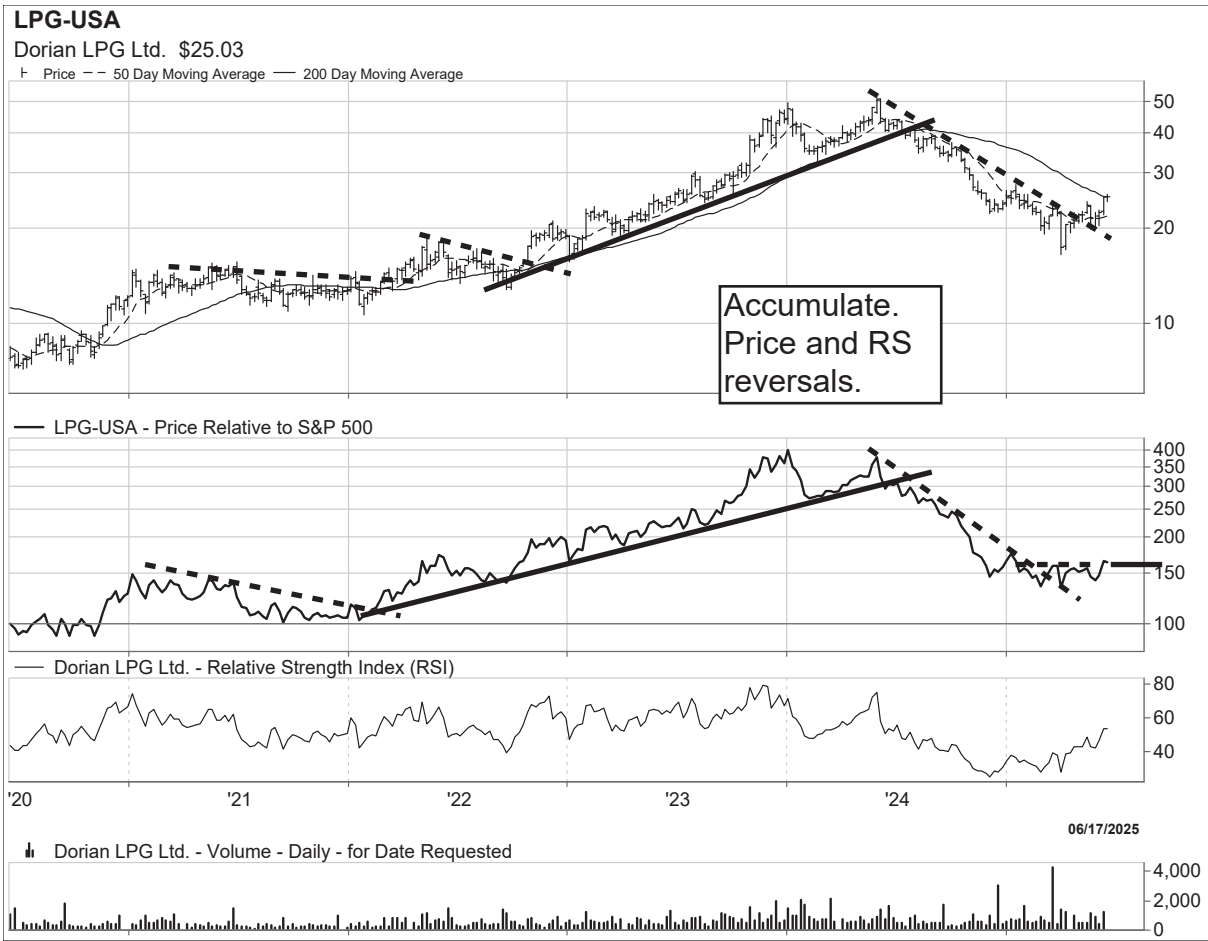


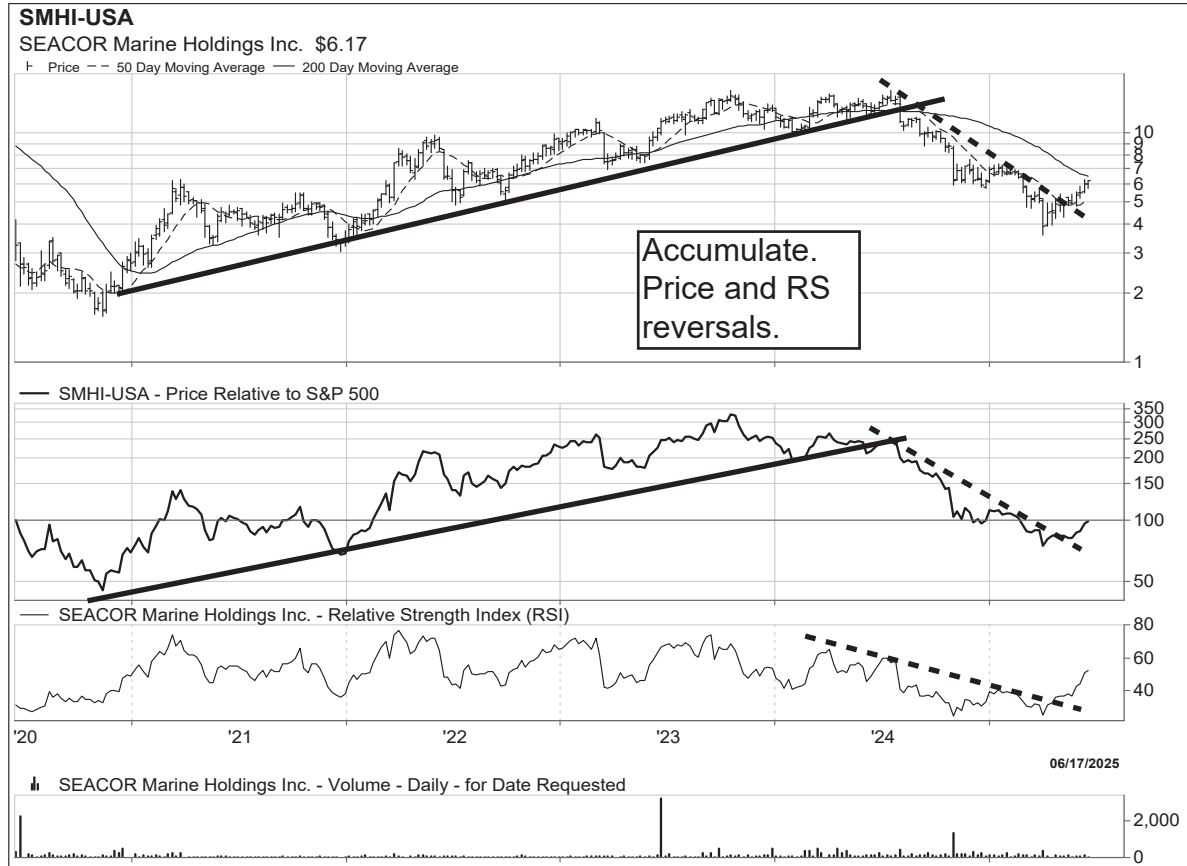
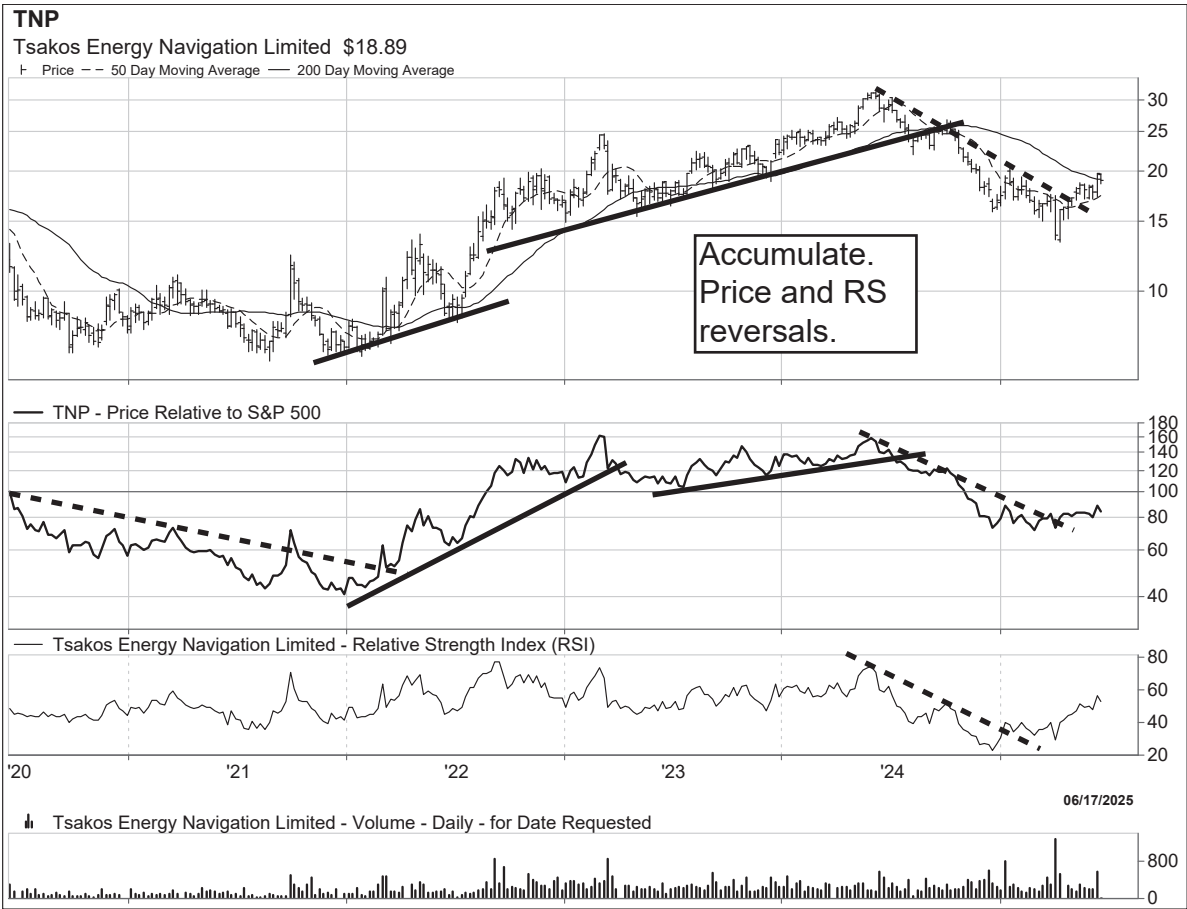












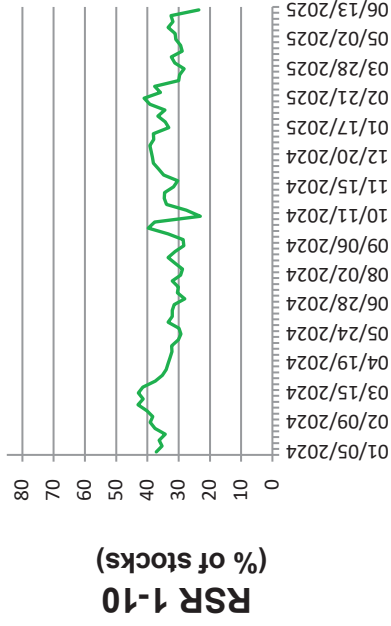


6/16/2025	Bottom-fishing			Upends			Pullback to Support			Negative Infection			Downrends												Toppy
Consumer Discretionary	ASO	JOUT											ABG	BRCC	DALG	GII	JACK								
	BKE	AK	DENN										ACCO	CAL	ETD	GMGI	JILL								
	BTBT	AL	CRCL										AEI	CHS	FLMR	HNST	ABH								
	BYON	CTRN	BH										AMWD	CENT	FLXS	HOFT									
	CHGG	CHNE	CHNE										AMX	CCO	HOY	HOY									
Consumer Staples	DEO	DNI	EYE										BARK	DPH	GCO	HYLN									
	DEO	DEO	DEO										BECG	DNJT	GDEN	IGT									
	DEO	DEO	DEO										BECG	DNJT	GDEN	IGT									
	DEO	DEO	DEO										BECG	DNJT	GDEN	IGT									
	DEO	DEO	DEO										BECG	DNJT	GDEN	IGT									
Energy	ACDC	CLNE	GPPE										AKOC												
	AESE	CHNE	HP										CRK												
	BOOR	CVI	INXX										ENR	IMTA											
	BOOR	CVI	INXX										ENR	IMTA											
	BOOR	CVI	INXX										ENR	IMTA											
Financial	ATLO	GEOS											AMR	HCC											
	ATLO	GEOS											AMR	HCC											
	ATLO	GEOS											AMR	HCC											
	ATLO	GEOS											AMR	HCC											
	ATLO	GEOS											AMR	HCC											
Health Care	ABUS	AVDL	IDVA										ABUS	AVDL	IDVA										
	ABUS	AVDL	IDVA										ABUS	AVDL	IDVA										
	ABUS	AVDL	IDVA										ABUS	AVDL	IDVA										
	ABUS	AVDL	IDVA										ABUS	AVDL	IDVA										
	ABUS	AVDL	IDVA										ABUS	AVDL	IDVA										
Manufacturing	ALGX	BMEA	IMNA										ALGX	BMEA	IMNA										
	ALGX	BMEA	IMNA										ALGX	BMEA	IMNA										
	ALGX	BMEA	IMNA										ALGX	BMEA	IMNA										
	ALGX	BMEA	IMNA										ALGX	BMEA	IMNA										
	ALGX	BMEA	IMNA										ALGX	BMEA	IMNA										
Materials	AMTX	IE	KE										AMTX	IE	KE										
	AMTX	IE	KE										AMTX	IE	KE										
	AMTX	IE	KE										AMTX	IE	KE										
	AMTX	IE	KE										AMTX	IE	KE										
	AMTX	IE	KE										AMTX	IE	KE										
Real Estate	AT	ESRT											AT	ESRT											
	AT	ESRT											AT	ESRT											
	AT	ESRT											AT	ESRT											
	AT	ESRT											AT	ESRT											
	AT	ESRT											AT	ESRT											
Services	ARG	HOUS											ARG	HOUS											
	ARG	HOUS											ARG	HOUS											
	ARG	HOUS											ARG	HOUS											
	ARG	HOUS											ARG	HOUS											
	ARG	HOUS											ARG	HOUS											
Technology	ACLS	GIC	INDO										ACLS	GIC	INDO										
	ACLS	GIC	INDO										ACLS	GIC	INDO										
	ACLS	GIC	INDO										ACLS	GIC	INDO										
	ACLS	GIC	INDO										ACLS	GIC	INDO										
	ACLS	GIC	INDO										ACLS	GIC	INDO										
Communications	ANW	ASTS	IMAX										ANW	ASTS	IMAX										
	ANW	ASTS	IMAX										ANW	ASTS	IMAX										
	ANW	ASTS	IMAX										ANW	ASTS	IMAX										
	ANW	ASTS	IMAX										ANW	ASTS	IMAX										
	ANW	ASTS	IMAX										ANW	ASTS	IMAX										
Transports	ARCJ	GNK											ARCJ	GNK											
	ARCJ	GNK											ARCJ	GNK											
	ARCJ	GNK											ARCJ	GNK											
	ARCJ	GNK											ARCJ	GNK											
	ARCJ	GNK											ARCJ	GNK											
Utilities	PLNG	HTZ											PLNG	HTZ											
	PLNG	HTZ											PLNG	HTZ											
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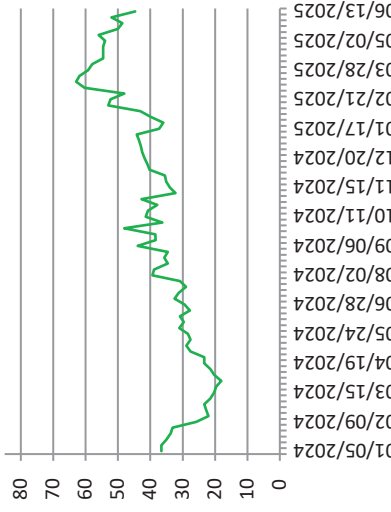


Compass 25

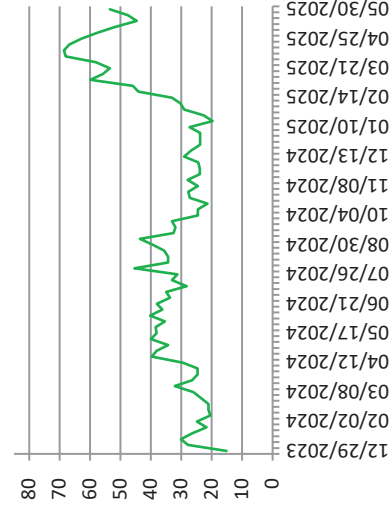
Consumer Discretionary



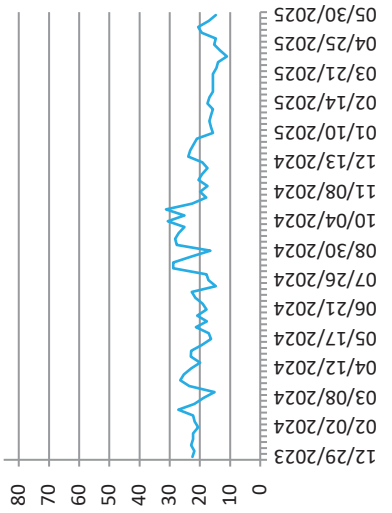
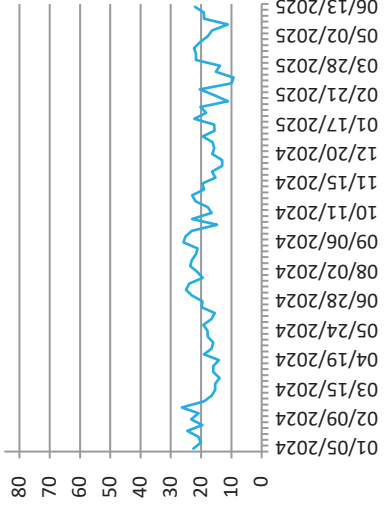
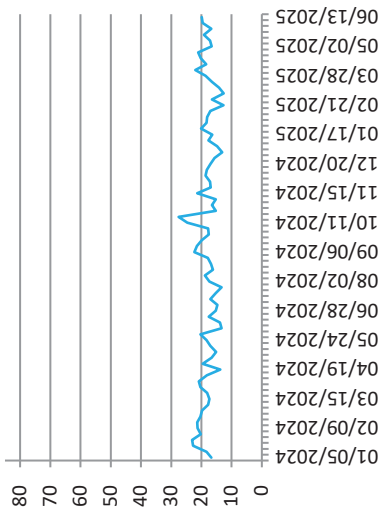
Communications



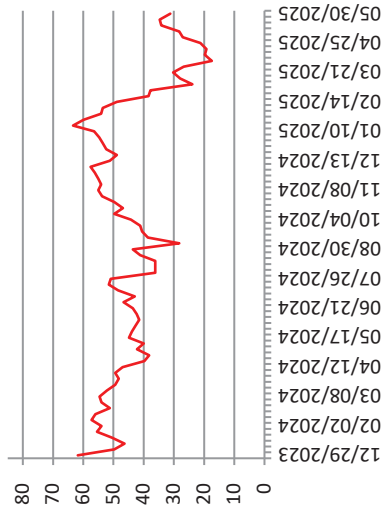
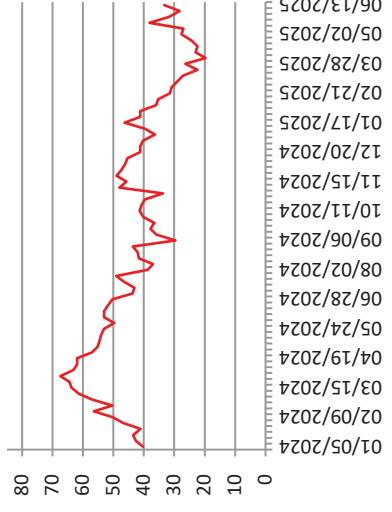
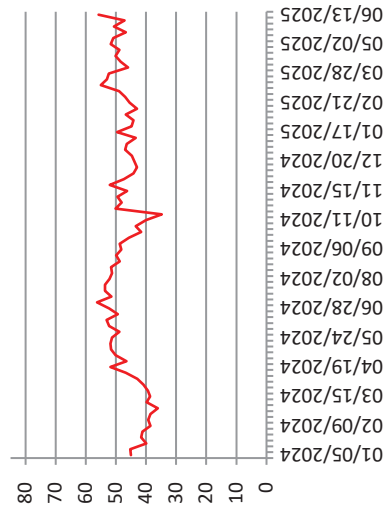
Consumer Staples



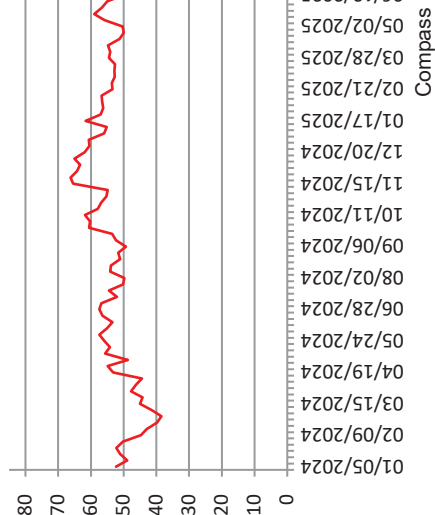
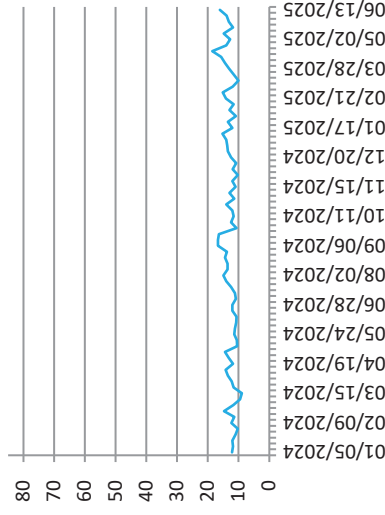
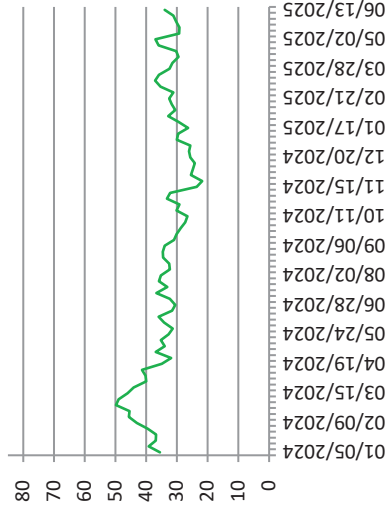
RSR 11-20 (% of stocks)



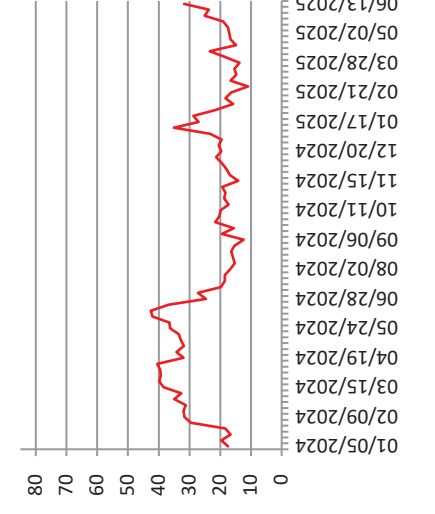
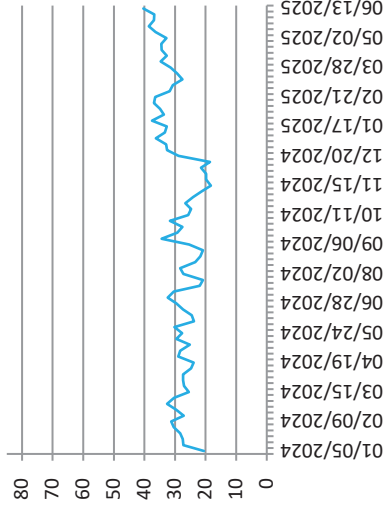
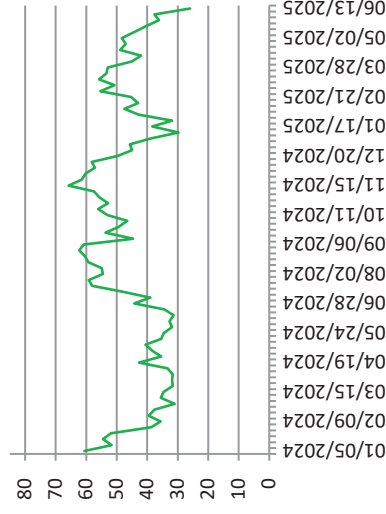
RSR 21-30 (% of stocks)



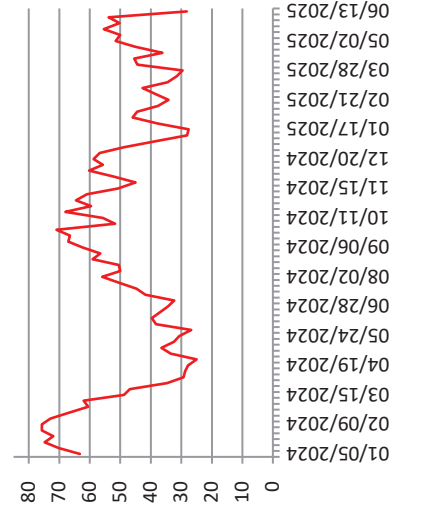
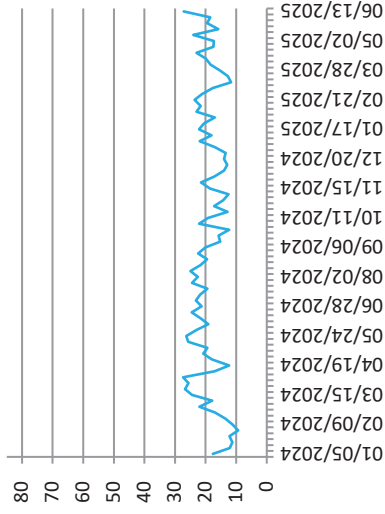
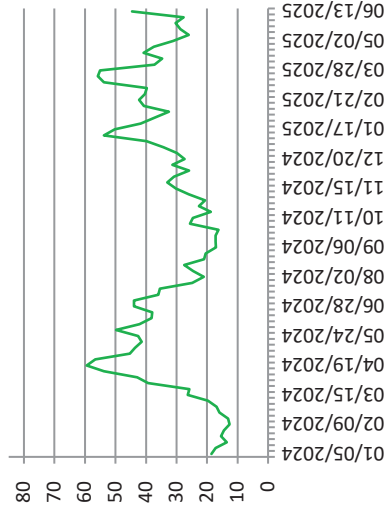
Health Care



Financials



Energy

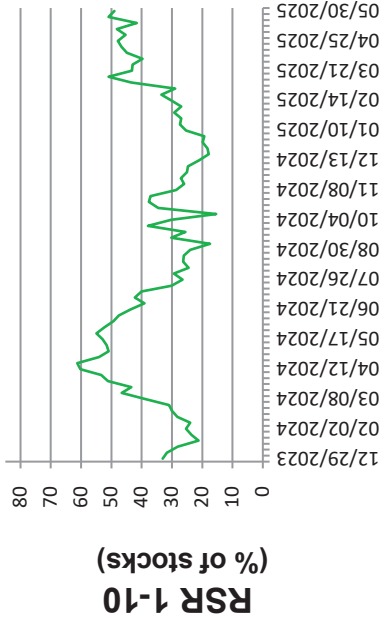


RSR 1-10  
(% of stocks)

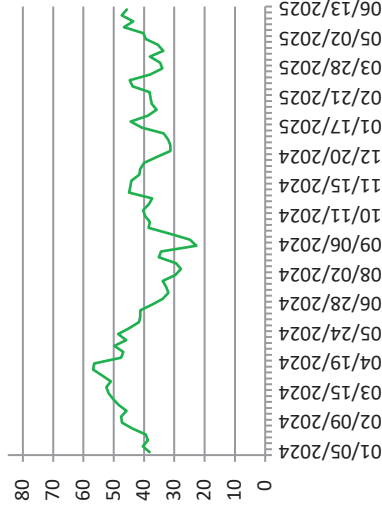
RSR 11-20  
(% of stocks)

RSR 21-30  
(% of stocks)

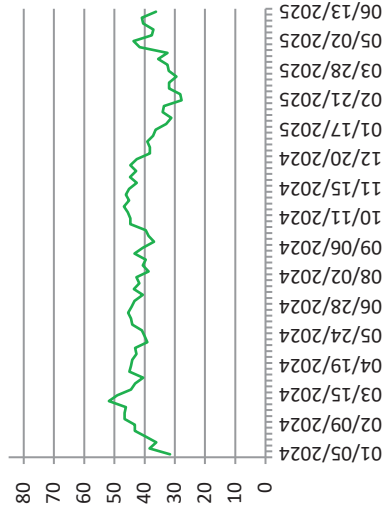
Materials



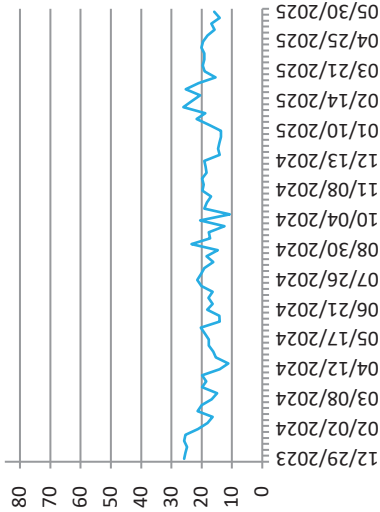
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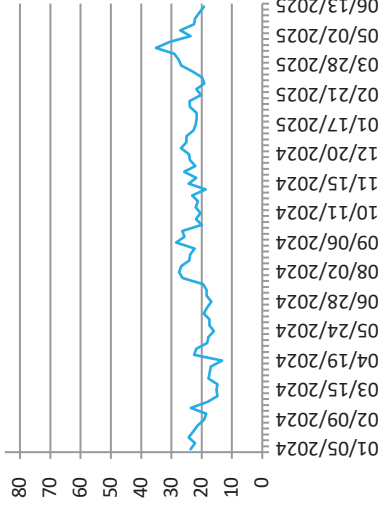
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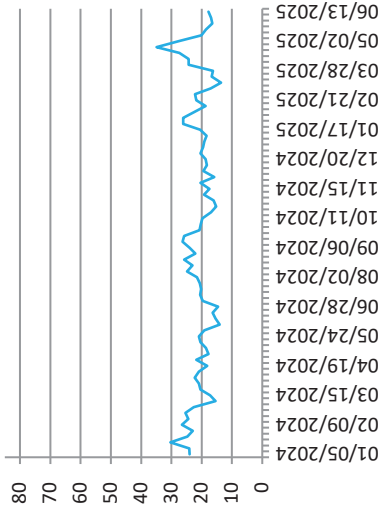
RSR 11-20 (% of stocks)



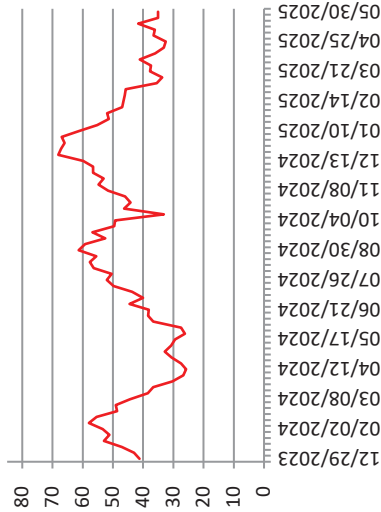
RSR 11-20 (% of stocks)



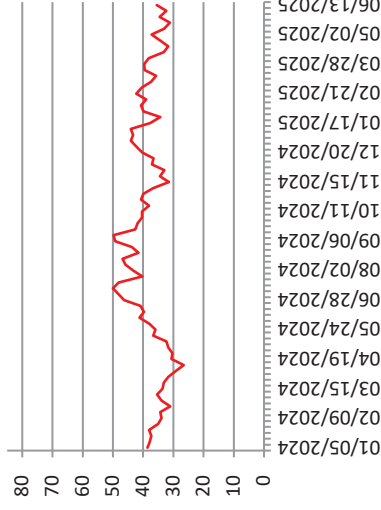
RSR 11-20 (% of stocks)



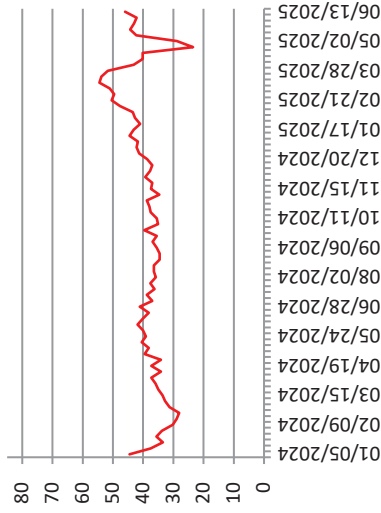
RSR 21-30 (% of stocks)



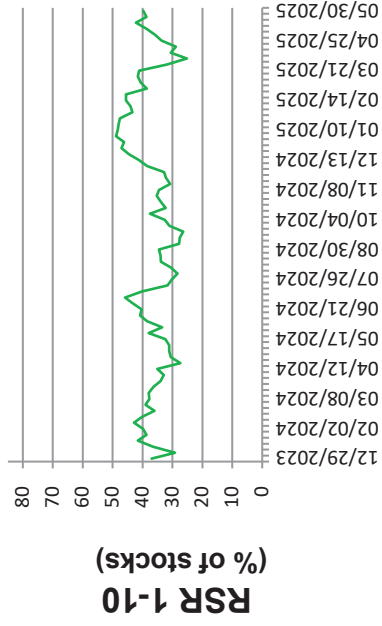
RSR 21-30 (% of stocks)



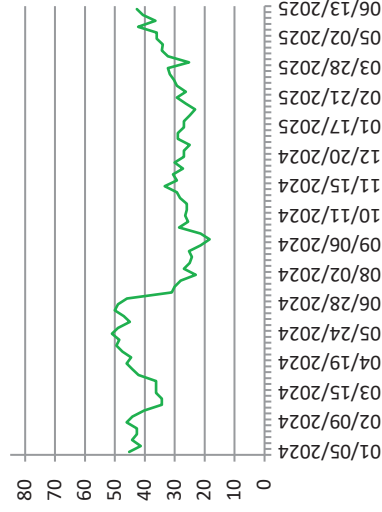
RSR 21-30 (% of stocks)



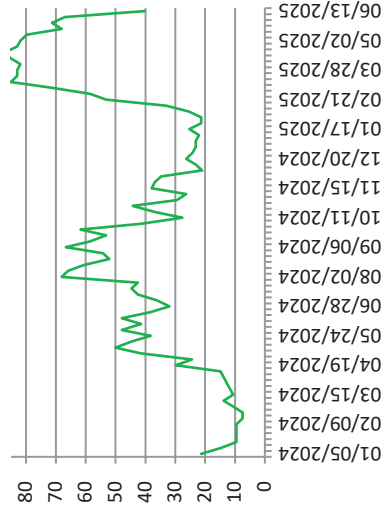
## Technology



## Transports

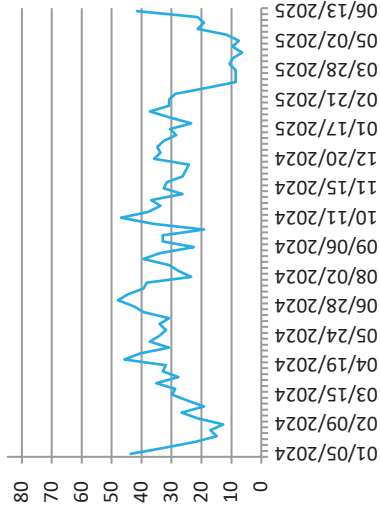
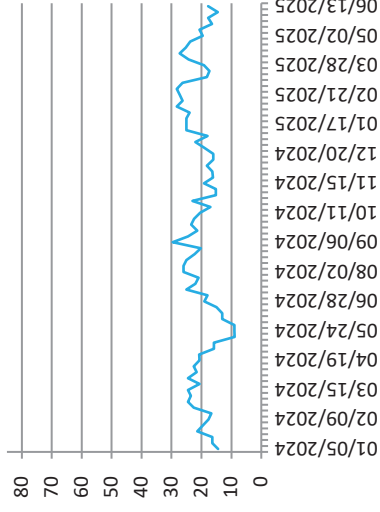
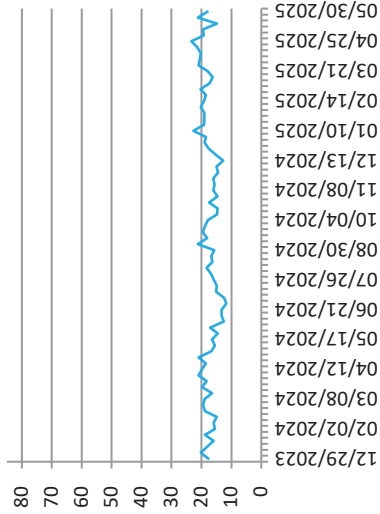


## Utilities



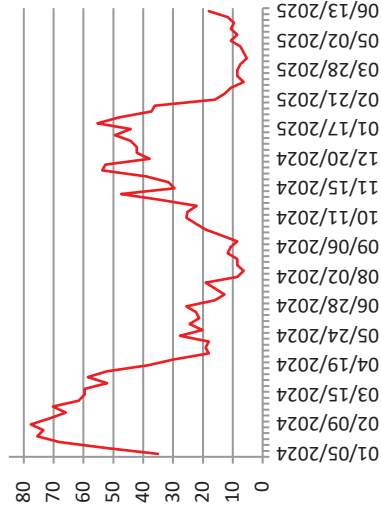
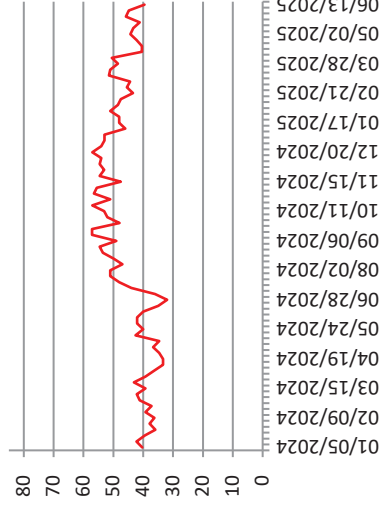
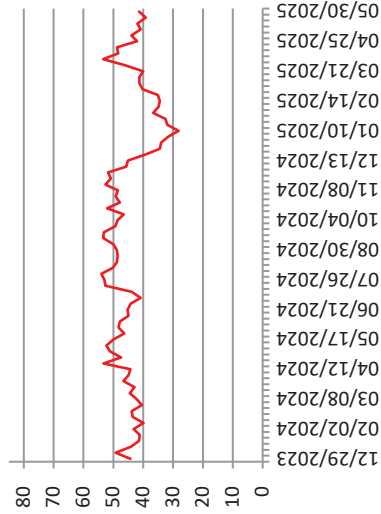
## RSR 11-20

(% of stocks)



## RSR 21-30

(% of stocks)



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

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

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

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920 Second Avenue S., Ste. 1225 • Minneapolis, MN 55402 • 612-482-6800 • [www.vermillioncap.com](http://www.vermillioncap.com)

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