

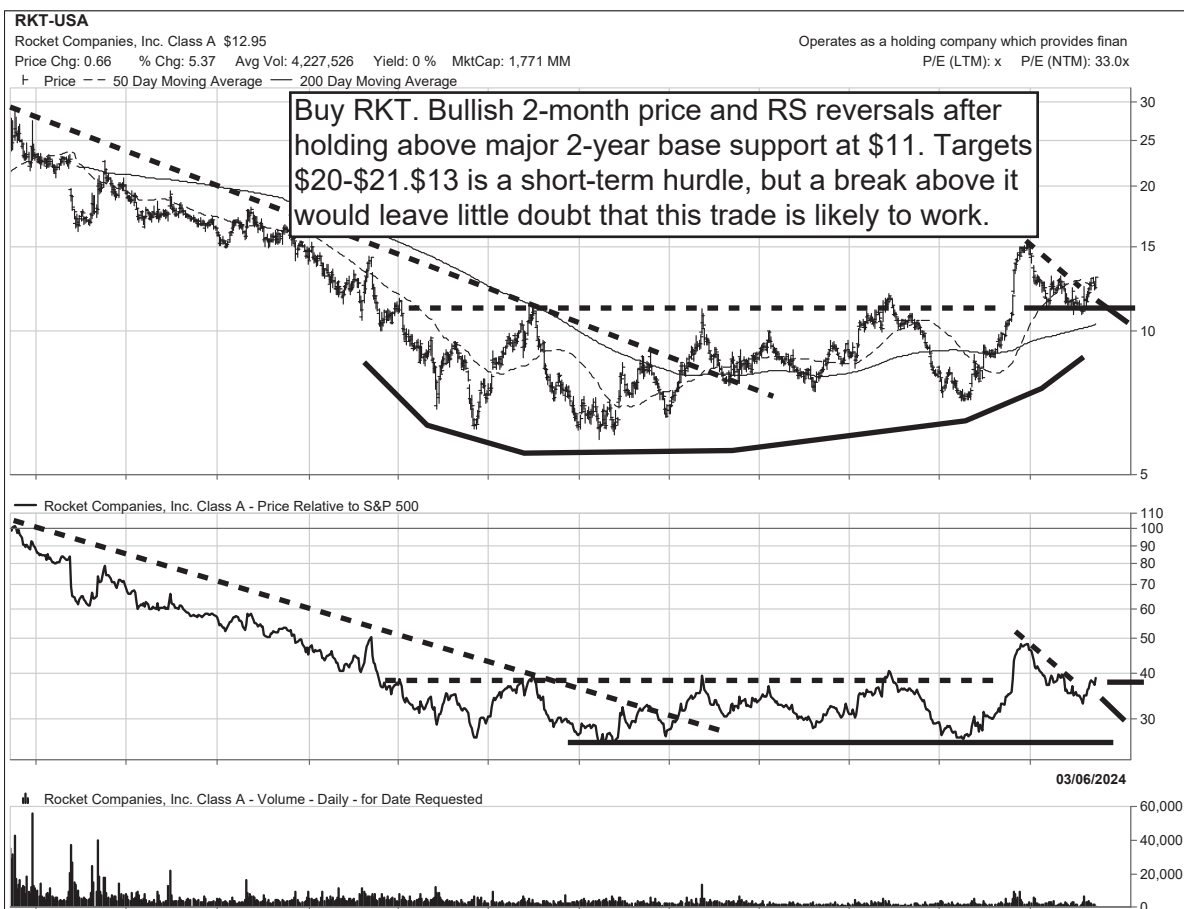
Rocket Companies (RKT - \$12.96)

Breaking out topside a multi-year base -- buy

March 6, 2024

This morning's MBA Mortgage Applications report indicated U.S. mortgage applications surged by 9.7% last week, as homebuyers respond to a downtick in mortgage rates. We continue to believe that the 10-year and 30-year Treasury yields (a proxy for mortgage rates) are likely to remain below long-term resistances of 4.35% and 4.50%, and Rocket Companies, who offers home financing services, stands to be a significant beneficiary of that. Another positive is that their recent earnings report in February was well-received by the market. While this is a nice story, the most important thing is that the technicals are also saying that this is an ideal time to be buying RKT. Both long-term and short-term technicals say the same thing that we are... "buy."

Longer-term, we can see that RKT recently broke out from a 2-year base at \$11.00. As the saying goes, "the bigger the base, the higher in space." RKT came back to test base support in February, and critical support held. The measured move (and our price target) for this base breakout is \$20-\$21, with potential for more. That is 55%+ from current prices. Shorter-term, we see bullish 2-month price and RS downtrend reversals -- buy. A close below \$10.85 would invalidate this thesis, while shorter-term investors could use \$12.00 for stops.



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

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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

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

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