

VERMILION MACRO VISION

APRIL 2025

INTELLIGENT RESEARCH FOR PROFESSIONAL INVESTORS



DAVID P. NICOSKI, CMT
TECHNICAL STRATEGIST

ROSS W. LADUKE, CMT
TECHNICAL STRATEGIST

SEAN CUSICK
DIRECTOR - QUANTITATIVE SYSTEMS

JOSEPH W. JASPER, CFA
DIRECTOR OF SALES

ERIC A. ANDERSON
RESEARCH SALES

VERMILION

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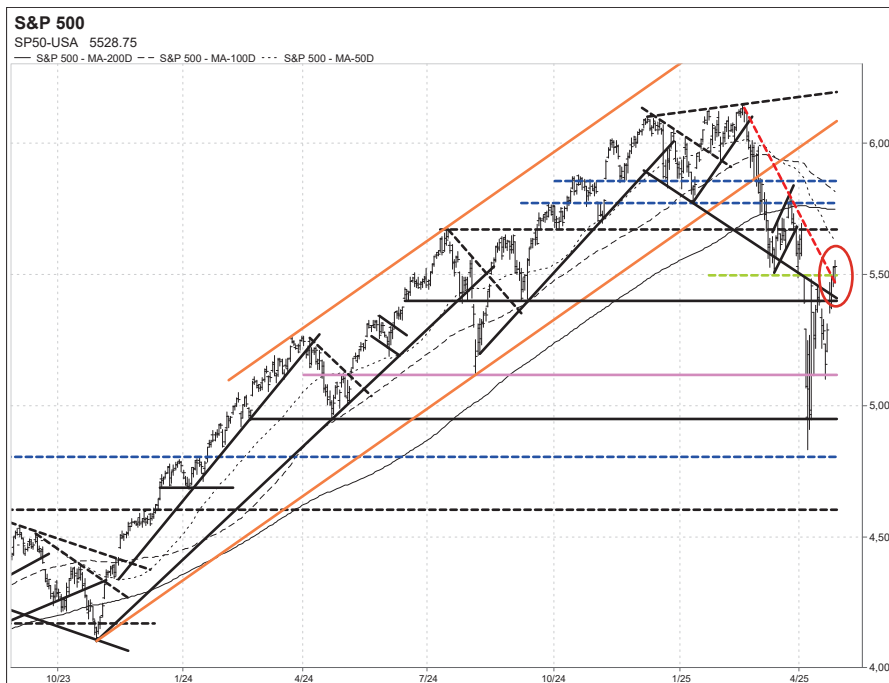
[Utilities](#)

STRATEGY

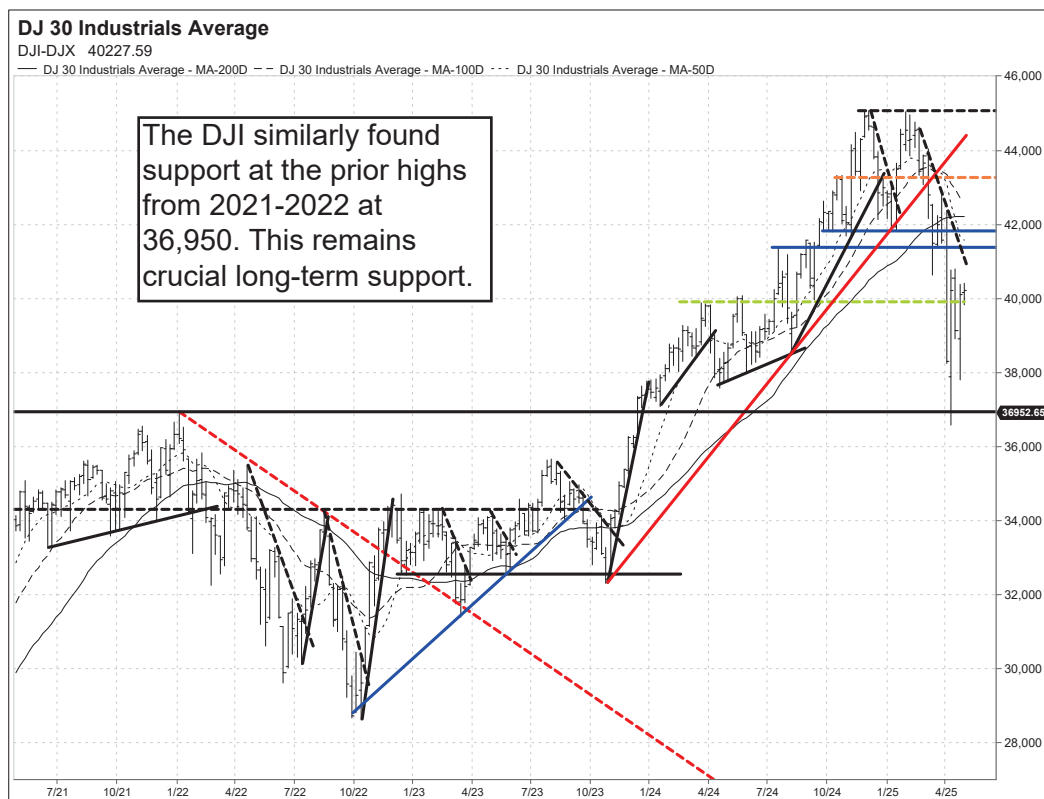
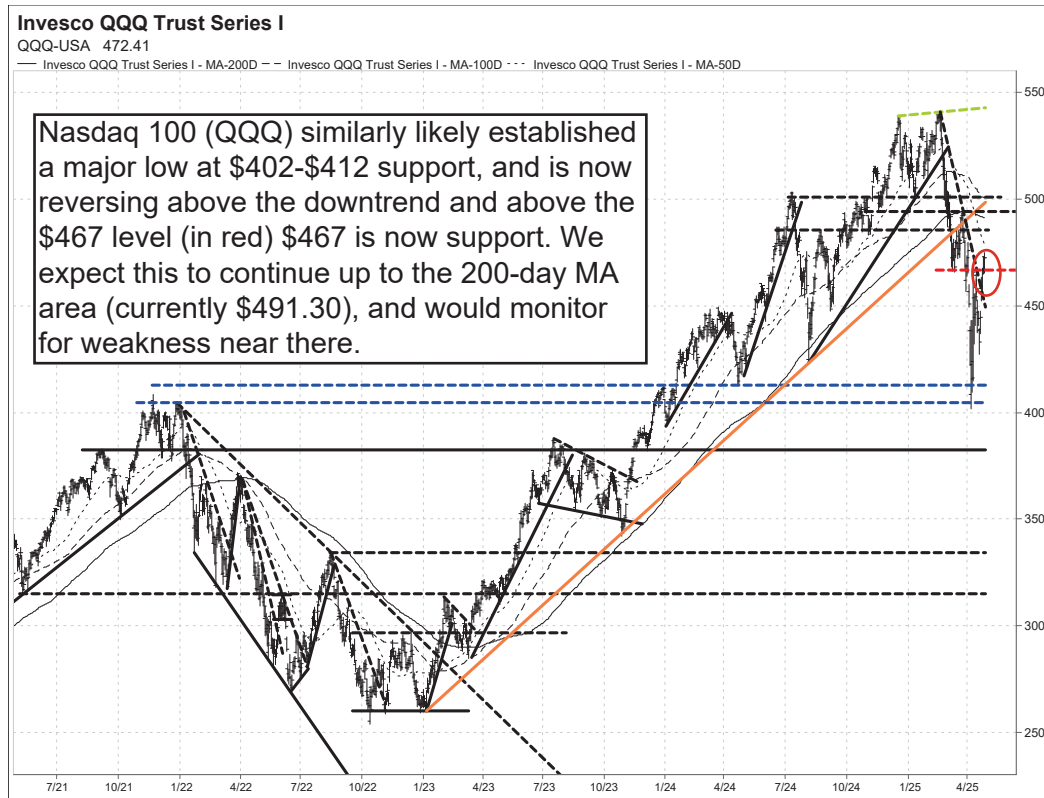
Our intermediate-term outlook remains cautious, which has been the case since our 4/1/25 *Compass*. At the same time, we are starting to see several signs that the S&P 500 may have made a major bottom at 4800-4820, and we have been short-term *bullish* since last week's *Compass* (4/22/25), at the time noting that the "SPX is now testing 5110-5120 support, a potential bounce spot and a level to trade [long] against." We also discussed in last week's *Compass* that there have been substantial trading opportunities in both directions, and we expect that to continue; as a result, we have been trying to play the role of short-term trader with an eye on the intermediate-term trends, but we believe it is important to get involved at short-term turning points, since, as an example, we will never know without the full benefit of hindsight whether we will get another chance to buy near 4800-4820 or 5100-5120 SPX support again. Other recent examples of us trying to catch the short-term turning points include: We discussed in our 4/8/25 *Compass* that a logical spot for a local bottom to develop was at then-current levels of 4800-4820 on SPX and \$402-\$412 on QQQ. After a historic rally, we then discussed in our 4/15/25 *Compass* how we were looking for the SPX rally to fizzle, "either *here* at 5490-5500 and the 20-day MA, the 200-day MA, or 5785 level." Then after the SPX was 4.5%-5.0% lower, we discussed last week to use 5100-5120 support as a level to trade [long] against. Now with the SPX breaking above 5490-5500 resistance and the bullish gap at 5292-5356 still unfilled, we see this bounce continuing, likely to 5570-5585 at minimum, or all the way to the 200-day MA (currently 5746) or 5785 level, where we would be on watch for the SPX to roll back over. Should the SPX falter before reaching these levels, immediate supports include 5292-5356, 5100-5120, and then the major 4800-4820 multi-year support.

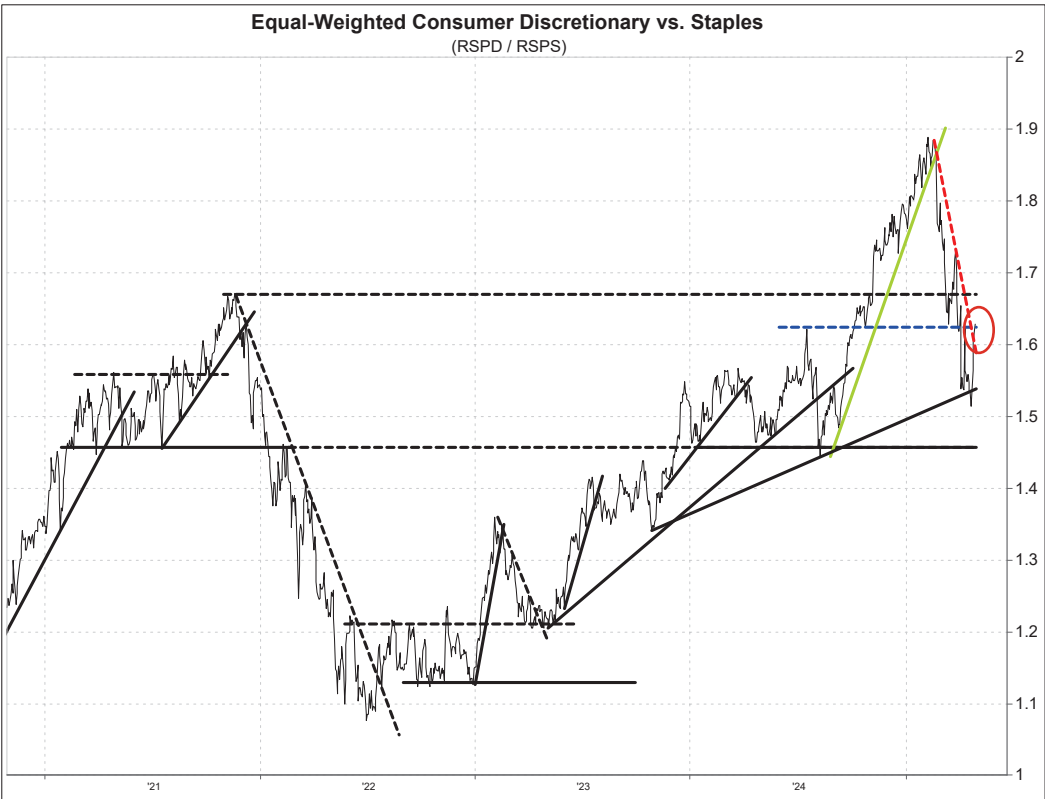
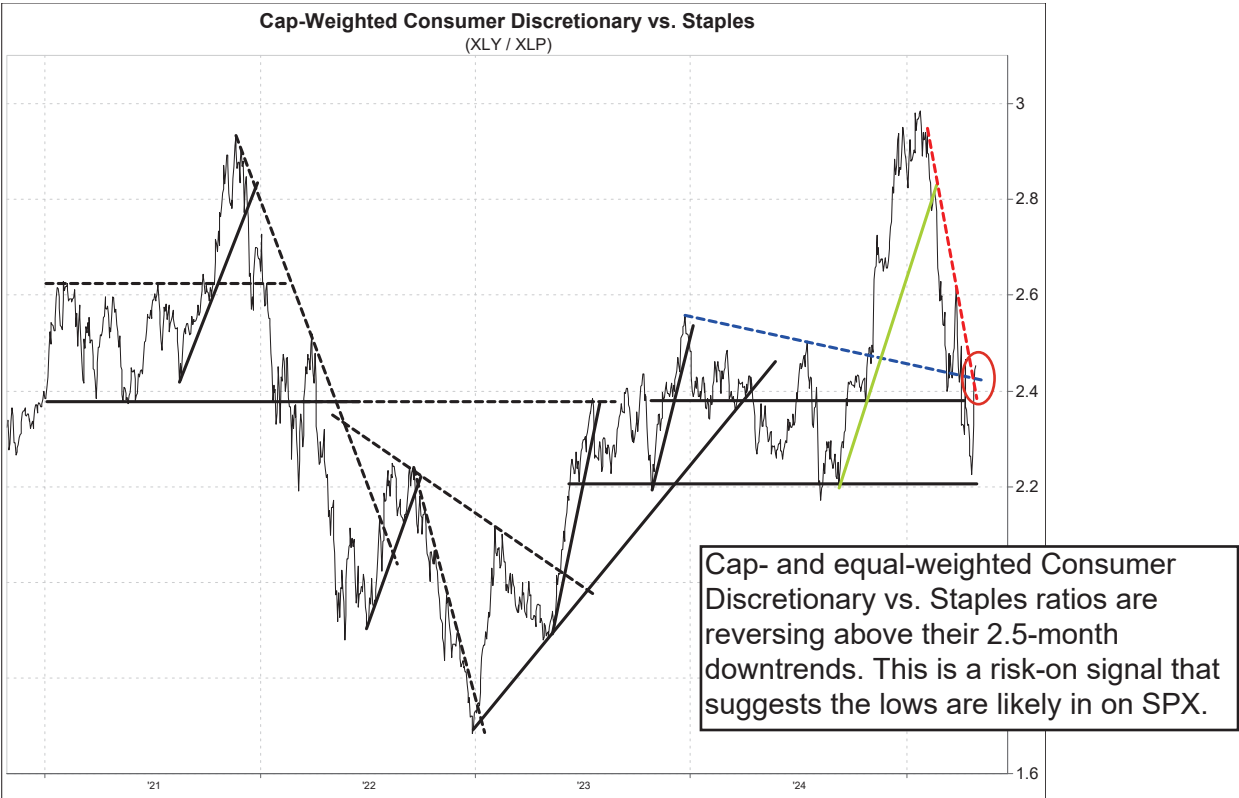
Aside from the bullish short-term price trend on the S&P 500, additional market dynamics which support the idea that the S&P 500 bottomed at 4800-4820 include: (1) The S&P 500, Nasdaq 100 (QQQ), and Dow Jones Industrials Average remain above crucial multi-year supports, achieving capitulation at the lows. (2) High yield spreads are on the cusp of violating their 2.5-month uptrend and are nearly narrowing back below the important 355bps level. (3) The 10-year Treasury yield has not been able to break above 4.50%, let alone the major 4.70%-4.80% resistance level. (4) Financials (XLF) have reclaimed the important \$47 level. (5) Discretionary vs. Staples ratios (XLY vs. XLP, RSPD vs. RSPS) display bullish 2.5-month downtrend reversals. (6) Breadth metrics are bullish, particularly with the recent Zweig Breadth Thrust and IBD "follow-through day" last week, not to mention the 98.5% NYSE upside volume on April 9th. (7) Interest rate volatility (MOVE index) has fallen from recent highs. (8) Bitcoin held above long-term support at \$69,400-\$74,000 and remains near-term bullish on the breakout above \$91,000-\$93,000. (9) Gold and silver prices remain bullish. (10) Europe's EURO STOXX 50 is back above 5000. These are all signals that suggest the S&P 500 likely bottomed at 4800-4820.

On the following pages we detail the basis for our short-term bullish outlook.



We have maintained since our 4/15/25 *Compass* that 4800-4820 could be a major low. We have also been short-term bullish since last week (4/22/25 *Compass*), and see no reason to change this view considering the SPX is breaking above 5490-5500 resistance (in green), is reversing the downtrend (in red), and the bullish gap at 5292-5356 remains unfilled. We see this bounce continuing, likely to 5570-5585 at minimum, or all the way to the 200-day MA (currently 5746) or 5785 level, where we would be on watch for the SPX to roll back over (lower). Should the SPX falter before reaching these levels, immediate supports include 5292-5356, 5100-5120, and then the major 4800-4820 multi-year support.





STRATEGY

The following synopsis provides additional details of our current investment outlook:

- **Interest Rates and Interest Rate Volatility:** We discussed over the first half of January in our *Compass* reports how we expected the 10-year Treasury yield and U.S. Dollar (DXY, see below bullet point) to roll over. That thesis continues to play out nicely in spite of recent political uncertainty that caused a brief spike in 10-year yields. Initially, we noted a local top that could very well turn into a major top following the false breakout at 4.70%-4.75% on the 10-year yield in mid-January. The subsequent break below 4.50% continues to signal a major top is likely in place, and we continue to expect rates to move lower from here, likely toward 3.6%-3.8%. It is important to note that in spite of political uncertainty, the 10-year yield has not been able to break above 4.50%, let alone the major 4.70%-4.80% resistance level. As long as the 10-year yield is below 4.80%, we view it as a constructive signal for U.S. equities. After a brief spike to 2-year highs, interest rate volatility (MOVE index) is back to the middle-to-low-end of its 3-year range. As long as the MOVE index remains below 140, we view it as a constructive signal for U.S. equities.
- **U.S. Dollar:** We have been discussing our expectations for a topping U.S. dollar (DXY) throughout 2025, and in February the top was confirmed after the DXY broke below \$108 and \$107. The DXY recently hit our \$100 target from late-February 2025, as investors price-in higher political risk. DXY weakness is typically bullish for risk assets, but not when it is falling due to political uncertainty. Still, it is possible that we are getting back to an environment where a weak DXY is a risk-on signal.
- **High Yield Spreads:** We discussed in our 4/1/25 *Compass* how U.S. high yield spreads were widening above our crucial 355bps level, which was a big reason we got bearish/defensive at that time. High yield spreads have now *narrowed* substantially, and are testing the 2.5-month uptrend. A violation of this uptrend and a narrowing below the 355bps level would be a significant risk-on signal for U.S. equities, and is one thing that points to a potentially major low in place on the S&P 500.
- **Long-Term Sector Leadership Remains Unchanged:** S&P 500 Sectors that remain longer-term leadership include Communications (XLC), Financials (XLF), and Utilities (XLU); Services is not a S&P 500 Sector, but the Vermilion Services Sector is also long-term leadership. Other Sectors that are near 3+ month (i.e., short-term) RS highs include defensive Sectors Consumer Staples (XLP) and Health Care (XLV). We are monitoring the steep 3-month RS uptrends on the XLU and XLP; breakdowns would be major risk-on signals and would strongly suggest a major bottom is in on the S&P 500.
- **Small-Caps vs. Large-Caps:** The small-cap vs. large-cap ratio (Russell 2000 vs. S&P 500) broke below 8.5-month support and is now at 25-year (!) lows; underweight small-caps, but watch for RS to potentially reclaim above the July 2024 lows as a sign for a rotation back into small-caps. We view this as a neutral signal for U.S. equities, considering small-caps have generally been underperforming the entire bull market since the late-2023 lows.
- **Breadth is Bullish:** Breadth metrics are bullish, particularly with the recent Zweig Breadth Thrust and IBD “follow-through day” last week, not to mention the 98.5% NYSE upside volume on April 9th. Of course, this all follows the capitulatory lows made in early April (90% NYSE downside volume and % of Russell 2000 stocks above their 200-day MAs reached 10.5%, a level consistent with prior major bottoms as highlighted in our 4/8/25 *Compass*). Moreover, the advance/decline (A/D) line on the S&P 500 is already back to test its YTD highs. It all points to a major low in place at 4800-4820 on the S&P 500.
- **Commodities and Bitcoin:** The Bloomberg Commodity index (DJP) continues to form a multi-year bullish base. Despite the constructive pattern on DJP, WTI crude oil remains weak and is likely to continue moving lower following the major breakdown below \$65. The 3-year downtrend continues to cap upside on gasoline prices (ETF: UGA). We remain bullish on both gold (since our March 5, 2024 *Compass*) and silver long-term, and we discussed in our January 22, 2025 *Int’l Macro Vision* how we were buyers with both appearing to be breaking out to the upside following short-term consolidation phases; both have continued higher and we remain bullish. We have also been bullish on Bitcoin since it reclaimed \$56,400 and \$58,000-\$60,700 in September 2024, and we remain bullish long-term if bitcoin is above \$69,400-\$74,000. We are also getting more bullish in the short-term with bitcoin reclaiming the crucial \$91,000-\$93,000 level.

STRATEGY

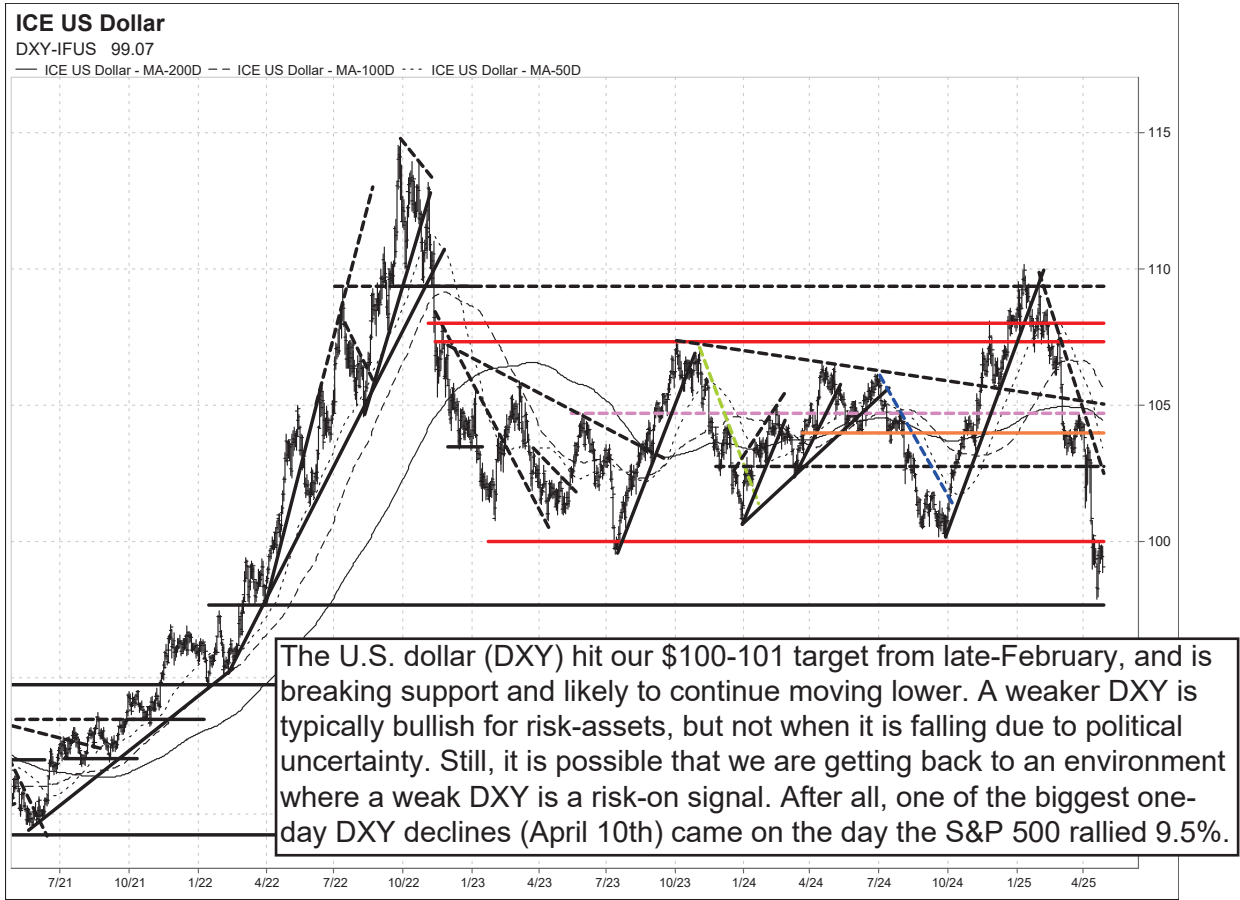
- **Foreign/Global Equities:** The general theme we are seeing globally is there is meaningful short-term price improvement, but other important resistance levels loom and there are more hurdles to clear. The MSCI ACWI ex-US and EAFE (local currency) remain below their 8-month bases, while the S&P 500 and ACWI-US remain below their 200-day MAs and below 5785 on SPX and \$120 on ACWI-US. On the plus side, ACWI-US has reclaimed the \$115 level, the EURO STOXX 50 has reclaimed 5000, the S&P 500 is currently *attempting* to reclaim 5490-5500, and Japan's TOPIX is attempting to reclaim 2650. We remain overweight the U.S. (S&P 500), Germany (DAX), and broader Europe (EURO STOXX 50) in terms of global stock allocation. In all, global equities paint an encouraging picture that suggests the lows are likely “in.”
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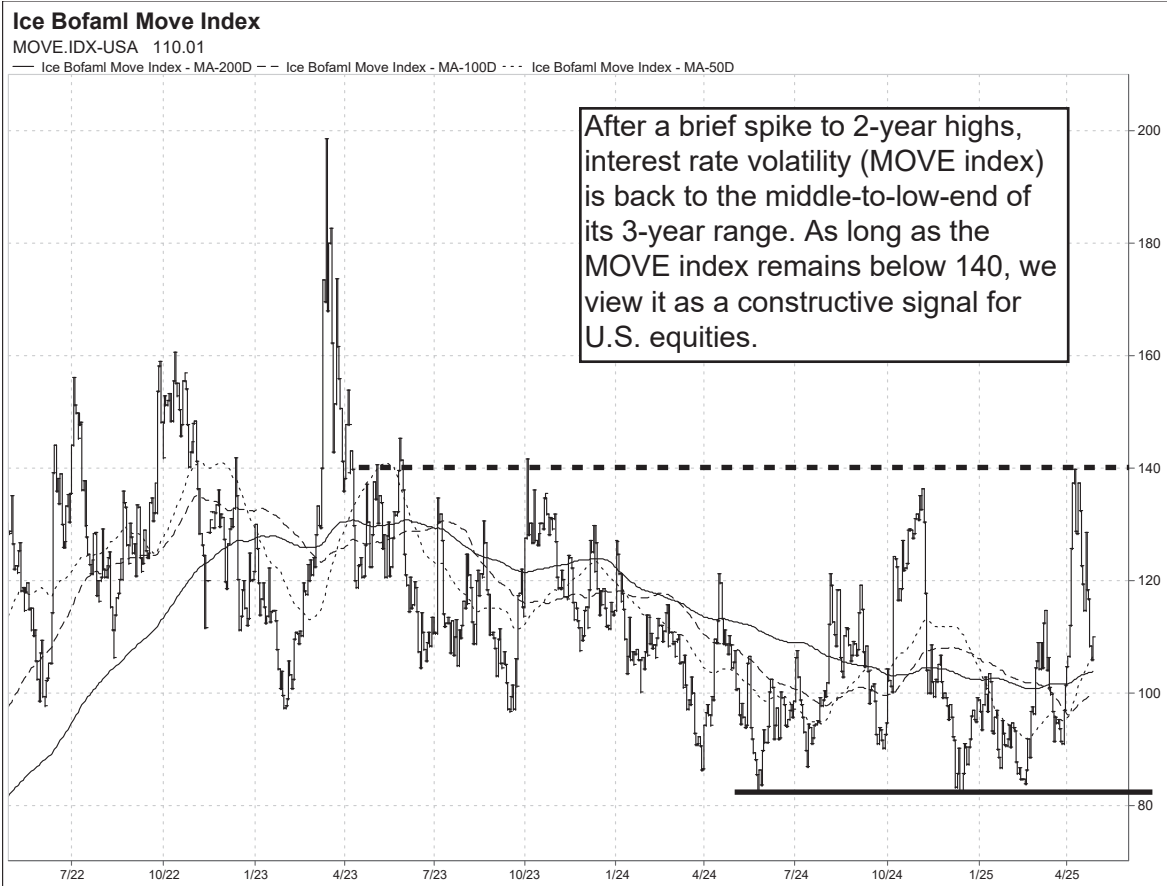
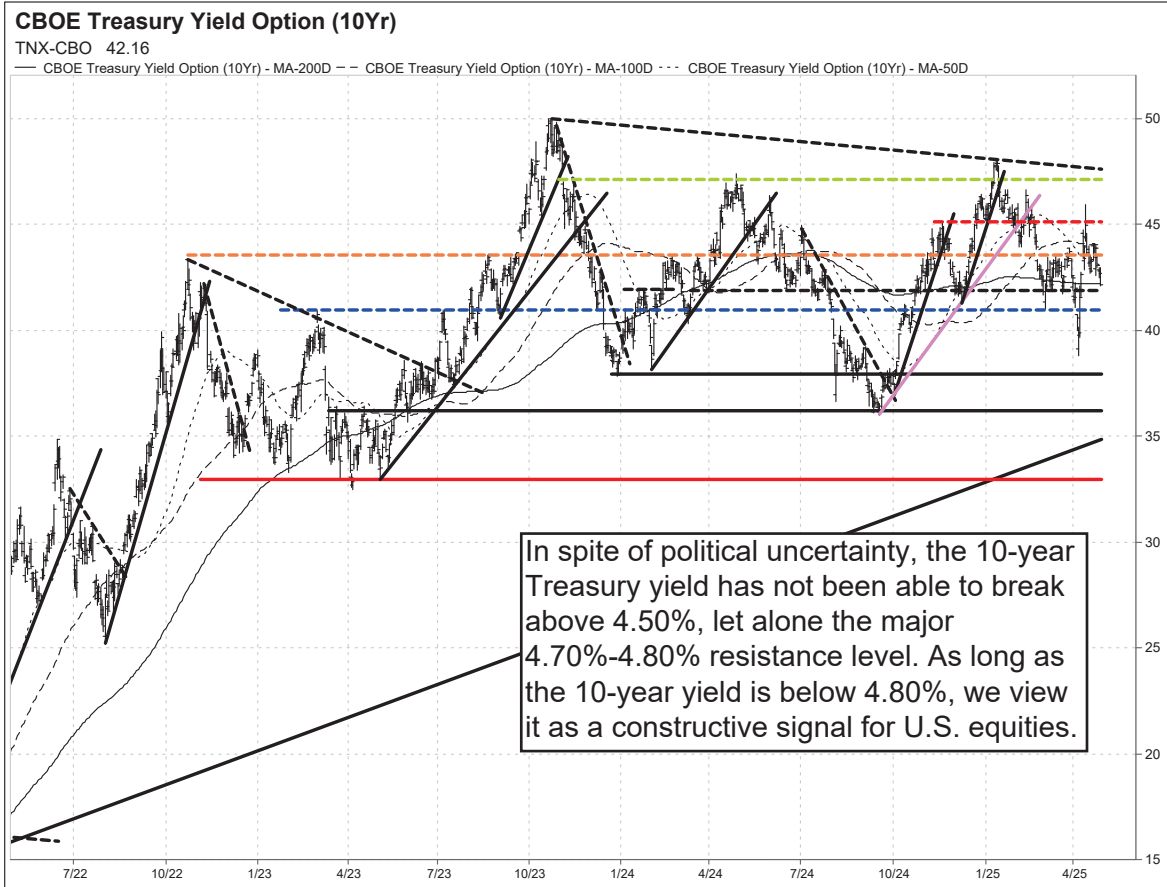
In the remainder of our April Strategy, we highlight areas of the market where we see actionable opportunities:

- **Services.** RS for equal-weighted Services remains in a long-term gradual uptrend – remain overweight. Favorite Groups that we are spotlighting within Services include SV-02 Data Processing & Outsourcing Svcs., Mid-Cap (buy **STNE**, **PAGS**, and **SEZL**) and SV-26 Crypto: Mining/Trading & Data Svcs. (buy/stay long **MSTR**, **COIN**, **HOOD**, **MARA**, and **BTDR**).
- **Utilities.** Remain overweight Utilities with 1+ year price and RS uptrends remain intact on our equal-weighted Vermilion Sector. The 1+ year RS uptrends remain intact on the cap- and equal-weighted Sectors as well (**XLU**, **RSPU**). Favorite Groups that we are spotlighting within Utilities include UT-01 Multi-Utilities, Large-Cap (buy/stay long **EXC**, **ED**, **ETR**, **WEC**, **DTE**, and **FTS**), UT-07 Electric, Southwest (buy/stay long **CNP** and **TXNM**), and UT-10 Gas, Mid-Atlantic (buy/stay long **PPL** and **NFG**).
- **Financials.** RS for cap-weighted Financials (**XLF**) remains in a 10-month uptrend – remain overweight/add exposure. Price has reclaimed the \$47 level, a bullish sign. Favorite Groups that we are spotlighting within Financials include FN-01 European Banks (buy **SAN** and **BBVA**), FN-02 U.K. Banks (buy **LYG** and **NWG**), FN-35 Insurance Brokers (buy **BRO** and **AJG**), and FN-42 Property & Casualty Insurance, Small-Cap (buy **PLMR** and **SKWD**).
- **Consumer Staples.** Price is consolidating, but RS displays major bullish RS inflections on our equal-weighted Vermilion Consumer Staples Sector and the cap-weighted **XLP**. Favorite Groups that we are spotlighting within Staples include CS-03 Hypermarkets & Super Centers (buy/stay long **WMT**, **COST**, **BJ**, and **PSMT**), CS-04 Grocery Retailers, Large-Cap (buy pullbacks/stay long **KR** and **ADRNY**), CS-08 Processor, Produce (buy **FDP**, **CVGW**, and **SENEA**), and CS-18 Organic & Natural (buy pullbacks/stay long **SFM** and **NGVC**).
- **Communications.** Both the cap- and equal-weighted Communications Sectors remain in 8-month RS uptrends – remain overweight. Watch for price on the XLC to break above \$95, which would be a very bullish false breakdown pattern. Favorite Groups that we are spotlighting within Communications include: CO-01 Broadcasting (buy **SPOT** and **PARA**) and CO-24 Internet Content/Commerce (buy **MELI** and **EBAY**).

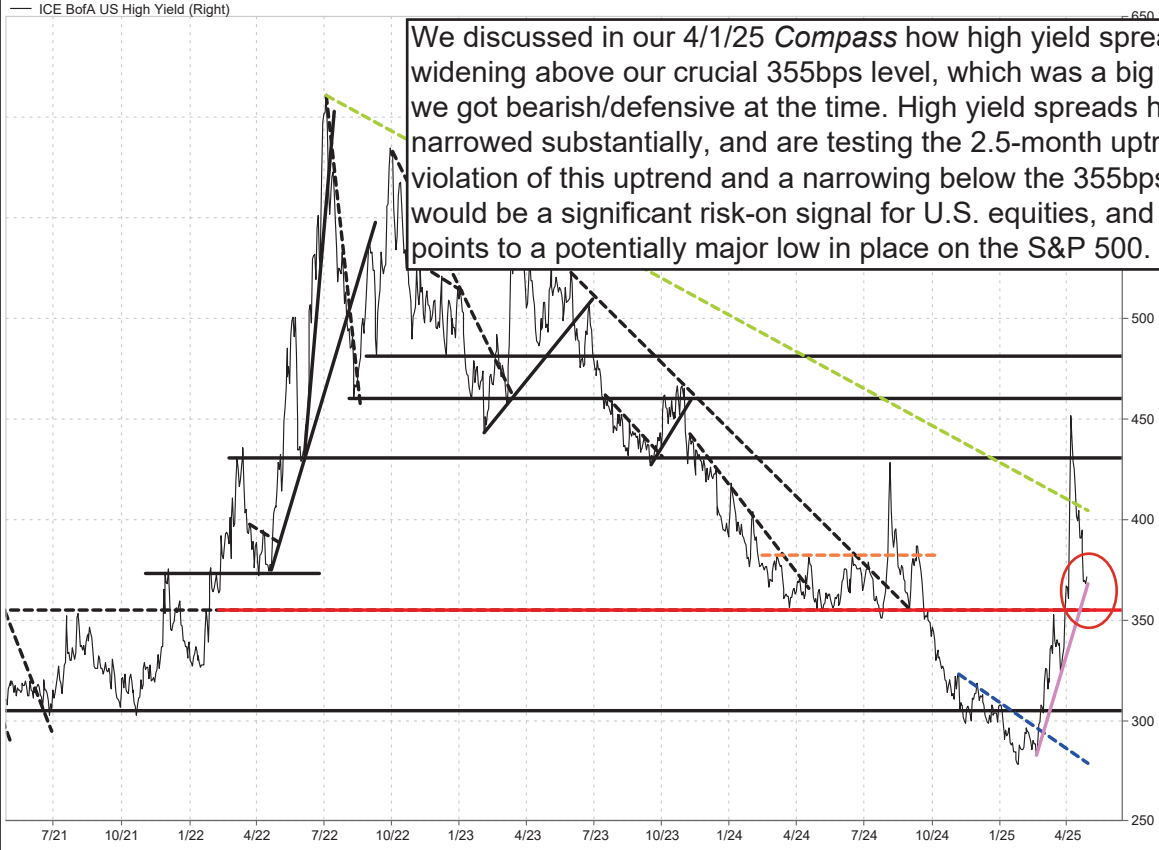
Relative Strength Ranking - RSR : Sector Summary

Vermilion Sector		04/25	04/18	04/11	04/04	03/28	03/21	03/14	03/07	02/28	02/21	02/14	02/07	01/31	01/24	01/17	01/10	01/03	12/31	TRIPLE CYCLE	50 DAY	200 DAY		
UT	Utilities(CAP)	3	3	3	3	4	4	4	5	6	6	10	11	20	20	17	19	17	18	D1	3	AF	AR	
CS	Consumer Staples(CAP)	4	3	3	3	7	9	7	4	5	8	10	13	15	20	20	17	19	17	D1	2	AF	AR	
UT	<u>Utilities(AVG)</u>	5	4	4	4	6	7	6	8	11	11	17	18	20	22	17	19	17	17	D3	3	AR	AR	
MA	Materials(CAP)	6	7	6	10	8	8	7	8	11	13	13	14	21	20	21	24	27	27	D2	3	BF	BF	
CS	<u>Consumer Staples(AVG)</u>	8	8	7	7	10	11	10	7	14	12	18	20	21	20	21	22	21	19	18	D3	6	BF	BF
FN	Financials(CAP)	8	8	8	10	8	8	8	8	5	9	9	8	8	9	8	11	10	10	D3	3	BF	BR	
HC	Health Care(CAP)	9	8	8	7	8	8	8	7	10	14	19	17	17	22	25	22	26	27	D3	1	BF	BF	
RE	Real Estate(CAP)	9	8	10	9	9	9	8	7	7	11	15	16	20	21	23	24	22	21	D3	5	BF	BF	
SV	Services(CAP)	9	9	8	11	11	11	11	9	10	11	10	9	8	11	9	10	10	10	D3	5	BF	BR	
CO	<u>Communications(AVG)</u>	10	10	10	9	9	7	8	9	11	9	9	11	12	12	13	10	10	12	D3	4	BF	BF	
FN	<u>Financials(AVG)</u>	11	11	12	11	9	10	9	11	9	11	11	11	11	13	12	15	12	11	D3	6	BF	BF	
MF	Manufacturing(CAP)	11	11	10	14	13	12	11	13	15	18	18	16	14	12	14	16	18	18	D3	9	BF	BF	
CO	Communications(CAP)	12	12	9	12	12	10	8	6	7	6	6	7	5	8	9	6	8	9	D3	2	BF	BR	
CD	Consumer Disc(CAP)	13	17	12	16	19	19	19	17	12	10	7	8	5	5	4	4	4	3	D3	5	AF	BR	
EN	Energy(CAP)	13	10	12	11	6	7	8	13	13	12	16	16	21	15	11	13	18	20	D3	7	BF	BF	
MA	<u>Materials(AVG)</u>	15	14	14	19	17	17	14	19	22	21	21	21	22	22	22	25	26	25	D3	9	BF	BF	
RE	<u>Real Estate(AVG)</u>	15	11	14	10	10	11	10	9	13	18	21	20	23	25	25	26	23	23	D3	5	BF	BF	
TE	Technology(CAP)	16	19	15	22	21	18	17	18	16	12	12	16	17	12	12	9	9	10	D3	7	BF	BF	
HC	<u>Health Care(AVG)</u>	17	19	21	20	21	18	19	21	22	20	21	21	20	22	26	22	20	23	D3	9	BF	BF	
MF	<u>Manufacturing(AVG)</u>	17	17	15	17	18	17	15	17	17	18	17	14	13	12	13	17	17	17	D3	9	BF	BF	
SV	<u>Services(AVG)</u>	19	19	18	19	21	22	22	21	20	20	16	15	14	12	12	14	12	14	D3	9	BF	BF	
TE	<u>Technology(AVG)</u>	19	21	21	23	21	17	18	18	16	10	10	9	9	8	8	7	6	7	D3	5	BF	BF	
TR	Transportation(CAP)	20	16	16	19	19	18	18	14	15	16	15	17	20	18	19	16	21	22	D3	7	BF	BF	
EN	<u>Energy(AVG)</u>	21	18	22	21	12	13	15	21	17	14	16	18	17	12	7	8	11	15	D3	7	BF	BF	
TR	<u>Transportation(AVG)</u>	22	19	19	22	21	22	23	21	22	21	20	20	21	22	19	14	20	21	D3	14	BF	BF	
CD	<u>Consumer Disc(AVG)</u>	24	23	23	21	23	25	26	22	20	19	17	17	15	15	17	14	15	13	D3	9	BF	BF	





ICE BofA US High Yield Spread vs. US Benchmark Bond - 10 Year

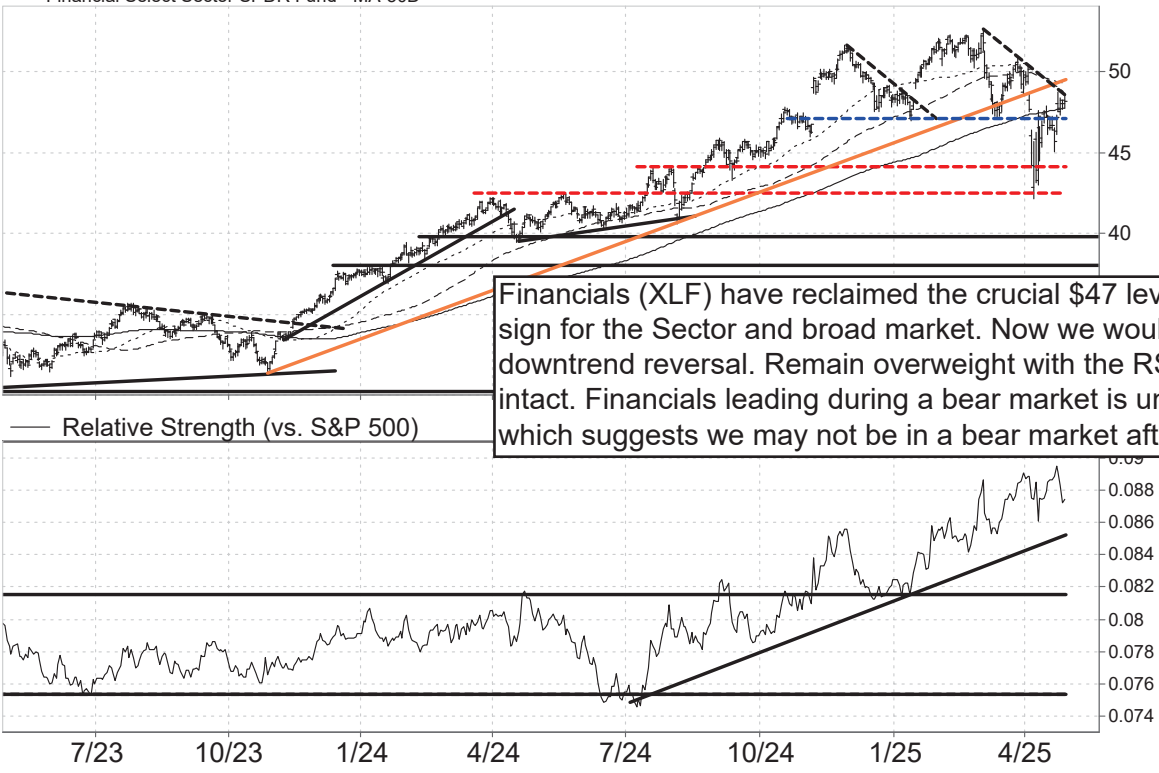


Financial Select Sector SPDR Fund

XLFF-USA 48.17 0.31%

EF-29 Financials

— Financial Select Sector SPDR Fund - MA-200D -- Financial Select Sector SPDR Fund - MA-100D
 Financial Select Sector SPDR Fund - MA-50D

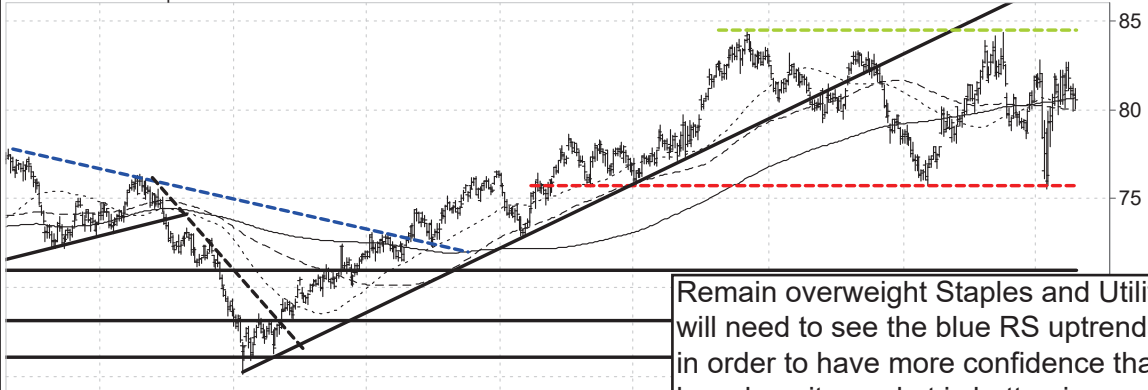


Consumer Staples Select Sector SPDR Fund

XLP-USA 80.57 -0.33%

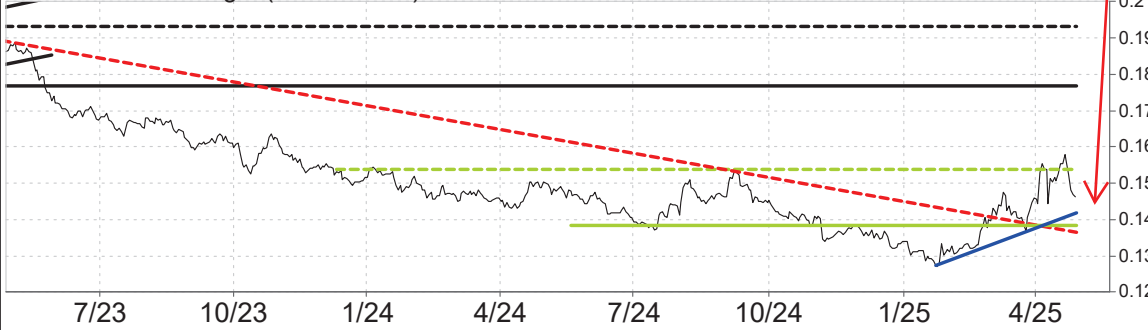
EF-25 Consumer Staples

— Consumer Staples Select Sector SPDR Fund - MA-200D -- Consumer Staples Select Sector SPDR Fund - MA-100D
 Consumer Staples Select Sector SPDR Fund - MA-50D



Remain overweight Staples and Utilities. We will need to see the blue RS uptrends break in order to have more confidence that the broad equity market is bottoming.

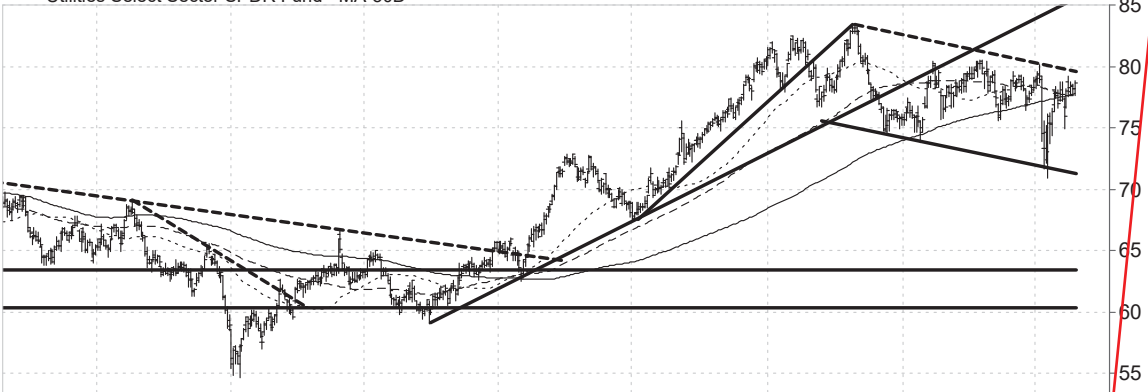
— Relative Strength (vs. S&P 500)

**Utilities Select Sector SPDR Fund**

XLU-USA 78.69 0.61%

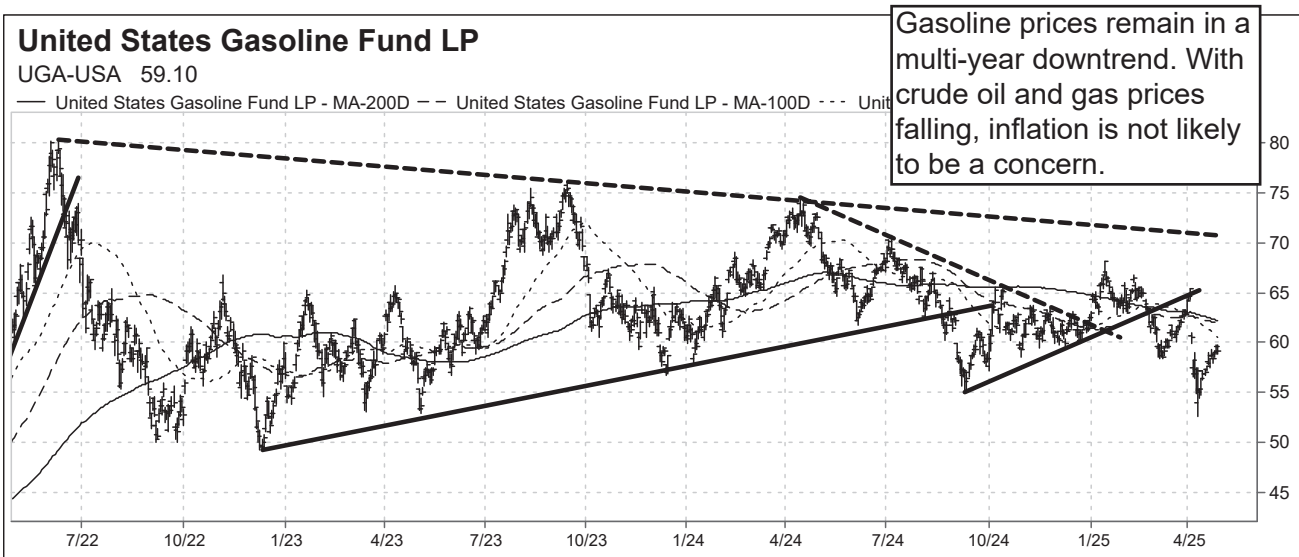
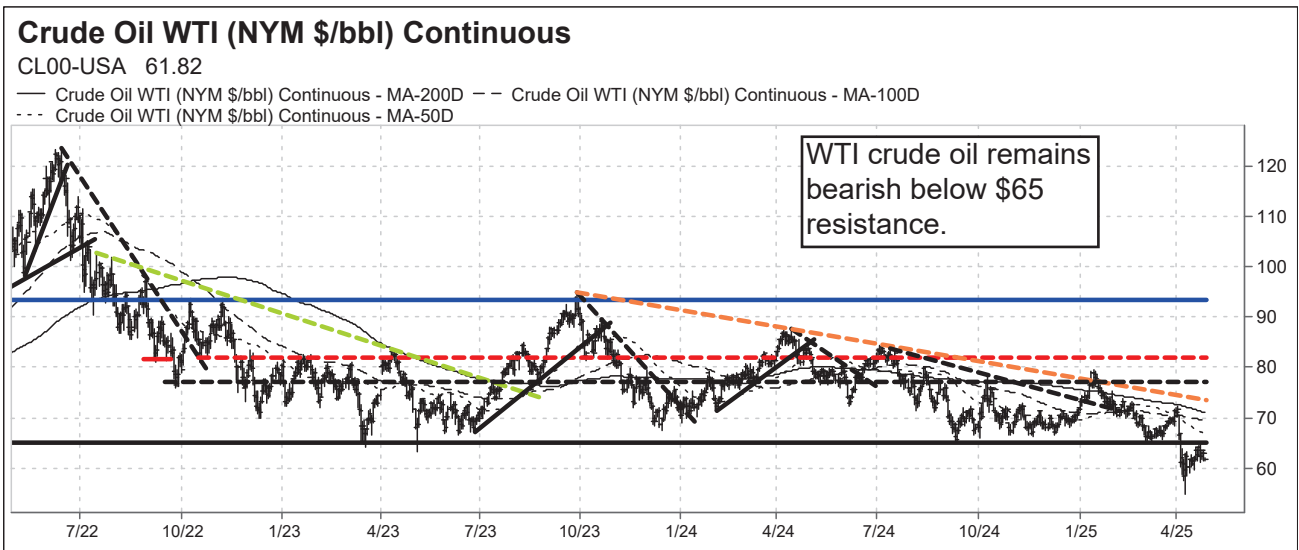
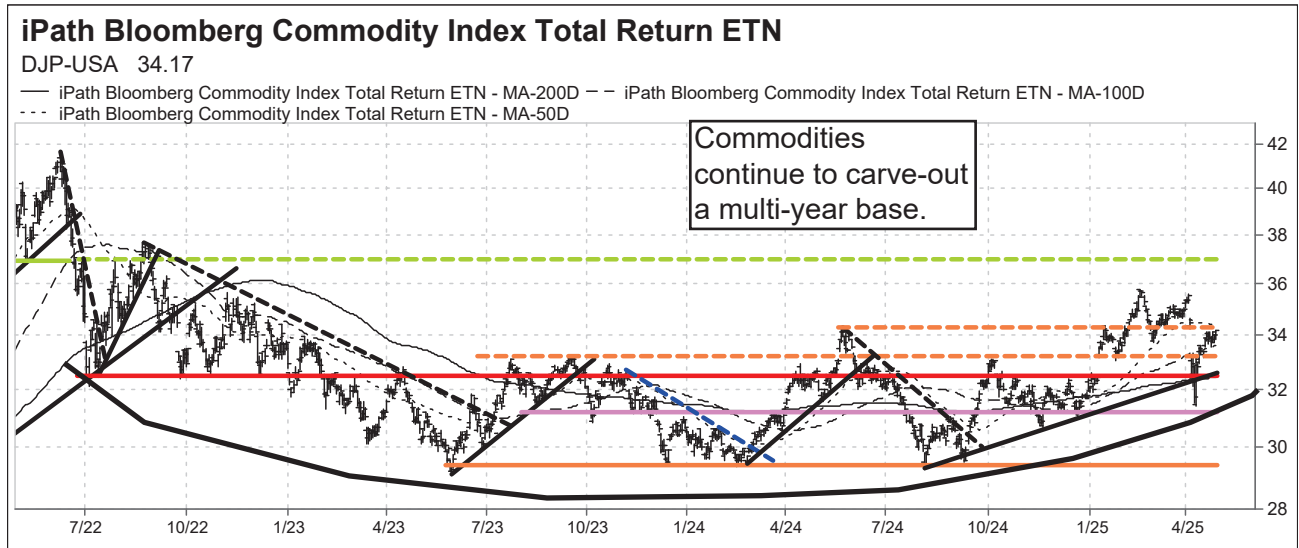
EF-36 Utilities

— Utilities Select Sector SPDR Fund - MA-200D -- Utilities Select Sector SPDR Fund - MA-100D
 Utilities Select Sector SPDR Fund - MA-50D



— Relative Strength (vs. S&P 500)

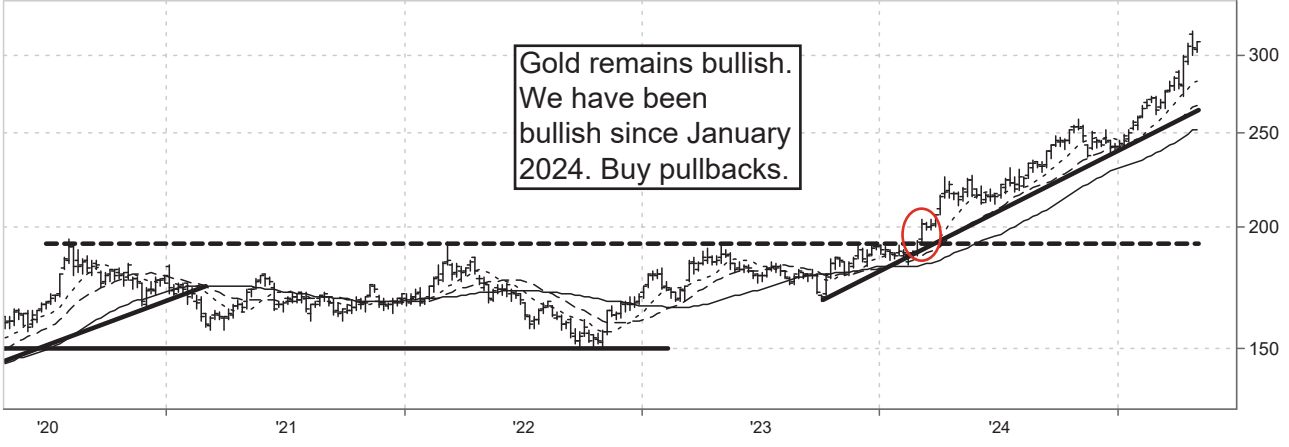




SPDR Gold Shares

GLD-USA 309.07

— SPDR Gold Shares - MA-200D -- SPDR Gold Shares - MA-100D --- SPDR Gold Shares - MA-50D



iShares Silver Trust

SLV-USA 30.19

— iShares Silver Trust - MA-200D -- iShares Silver Trust - MA-100D --- iShares Silver Trust - MA-50D



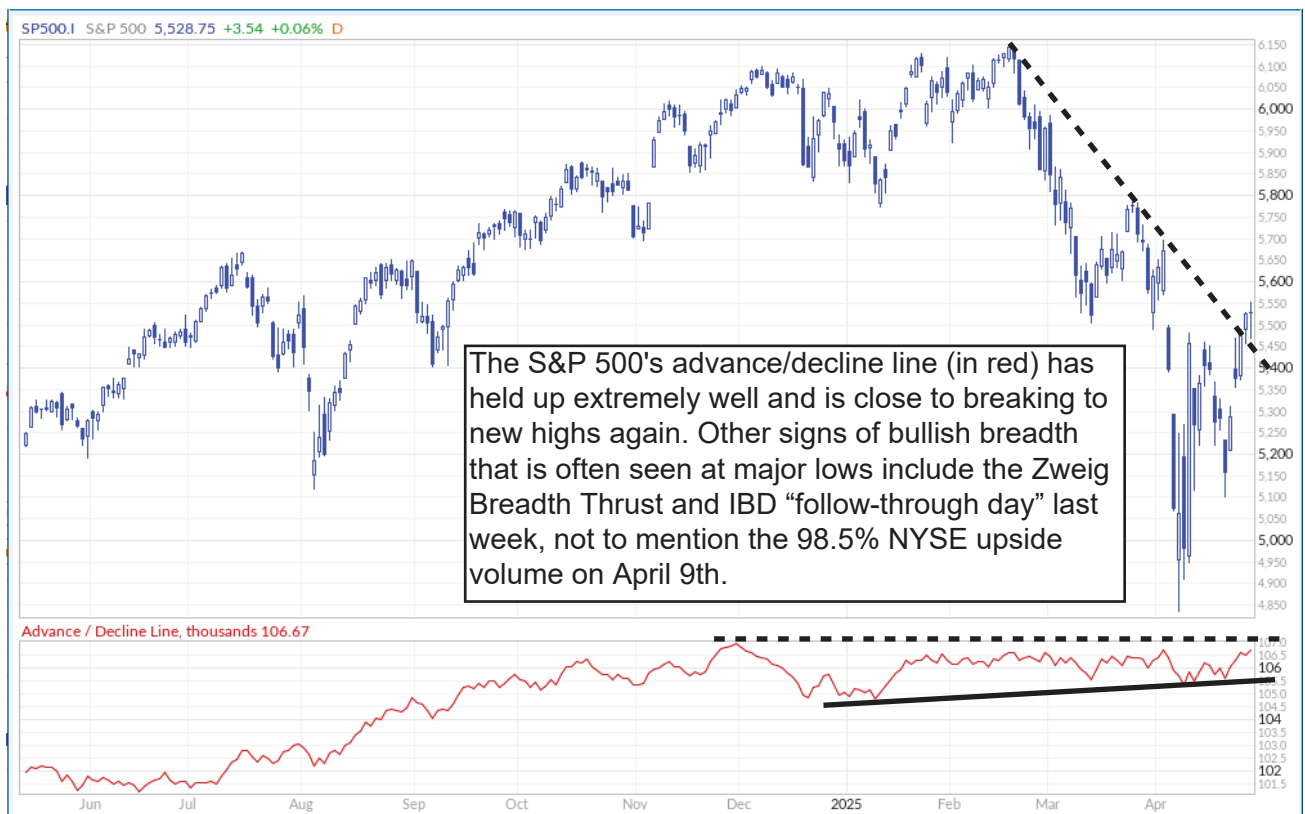
Bitcoin (BTC/USD)

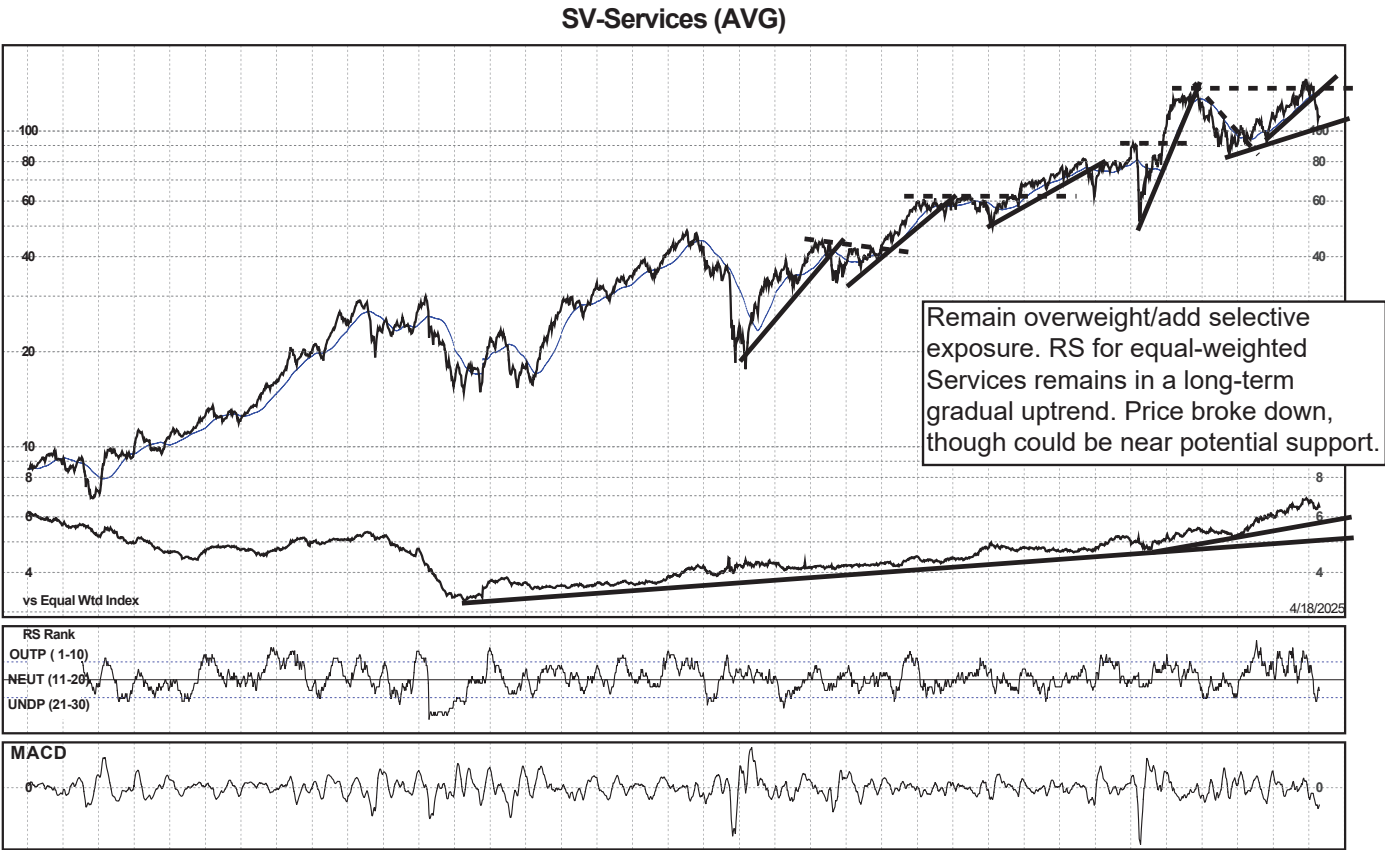
BTCUSD-BITS 94580.00

— Bitcoin (BTC/USD) - MA-200D -- Bitcoin (BTC/USD) - MA-100D --- Bitcoin (BTC/USD) - MA-50D



Russell 2000 (IWM) in blue with its % of stocks above their 200-day MAs in black. This hit a low of 10.5%; major bottoms going back to 2015 have all occurred in the 5%-15% range. This was one of the signs that told us there is capitulation going on (an important ingredient in establishing a major bottom), as highlighted in our 4/8/25 *Compass*.





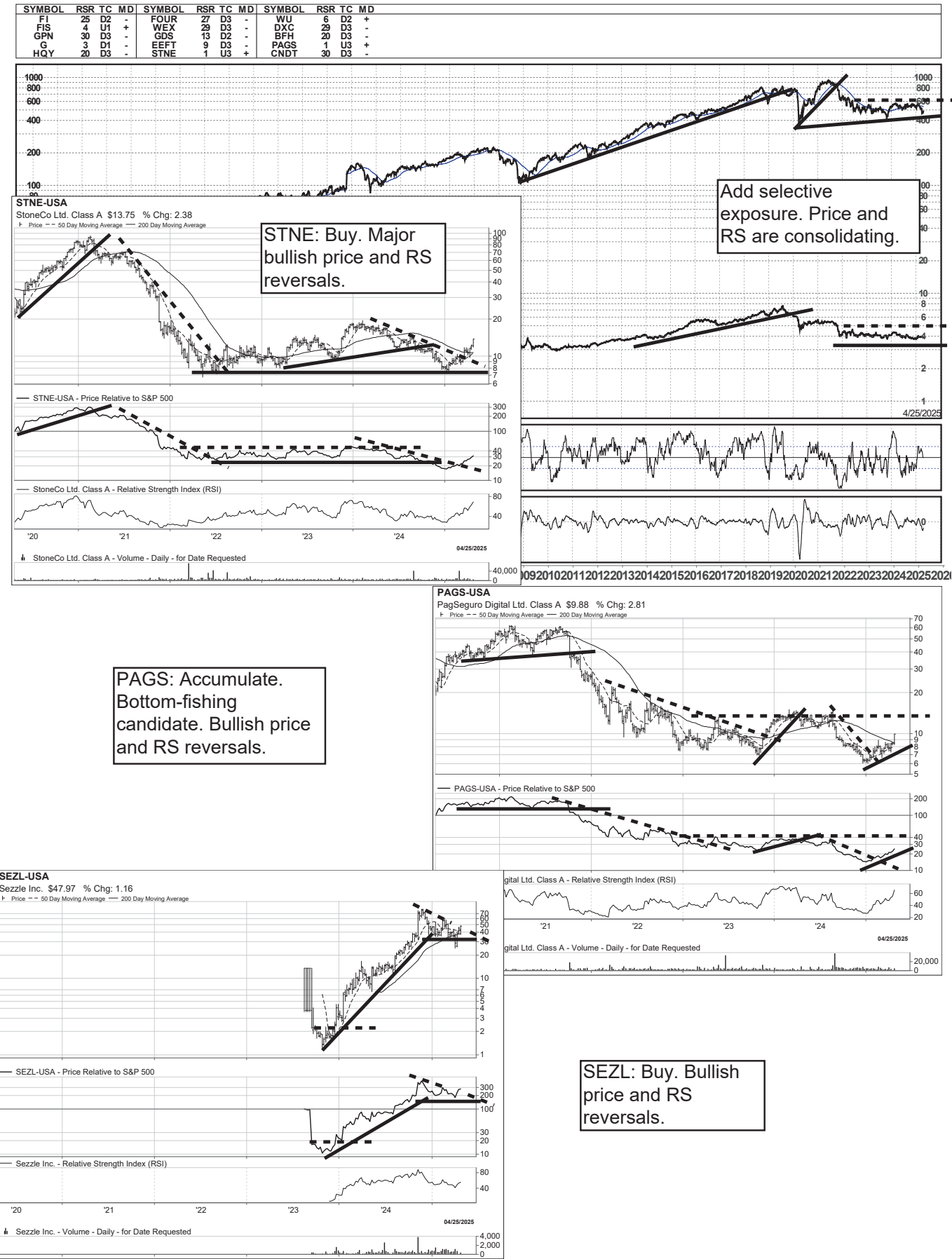
1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

SV-Services Stocks - Weekly Advance/Decline Line



STRATEGY: Services Remains Long-Term Leadership -- Remain Overweight

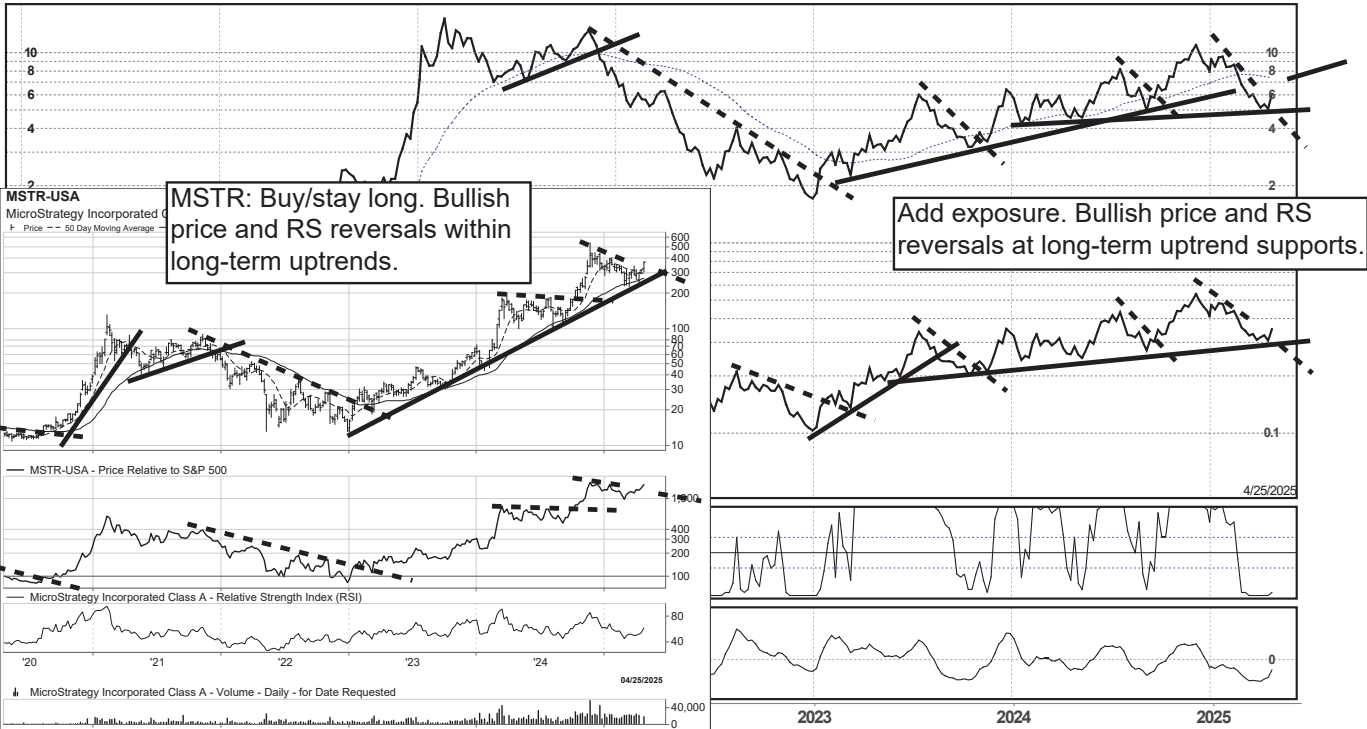
SV-02 Data Processing & Outsourcing Svcs., Mid-Cap

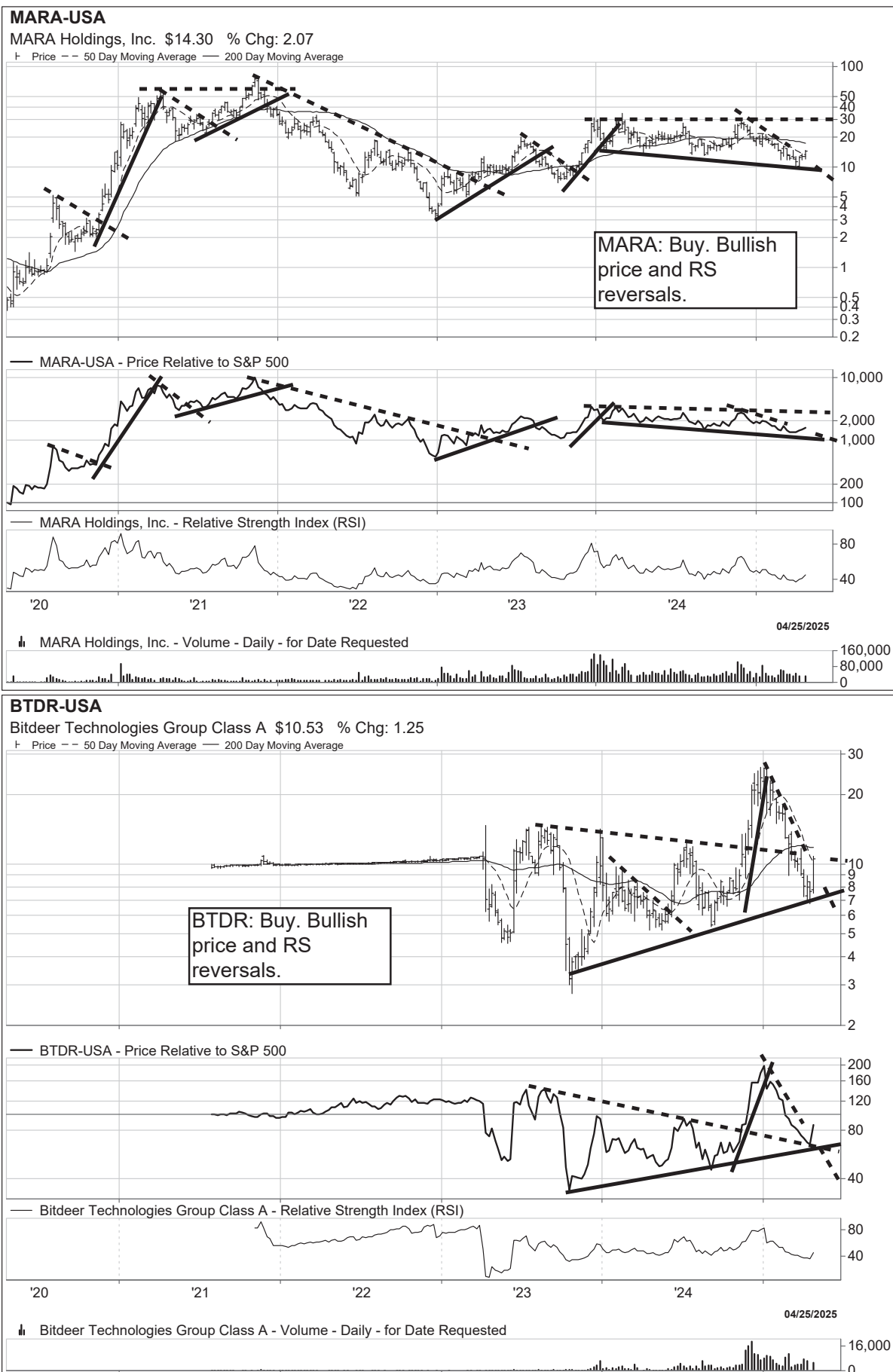


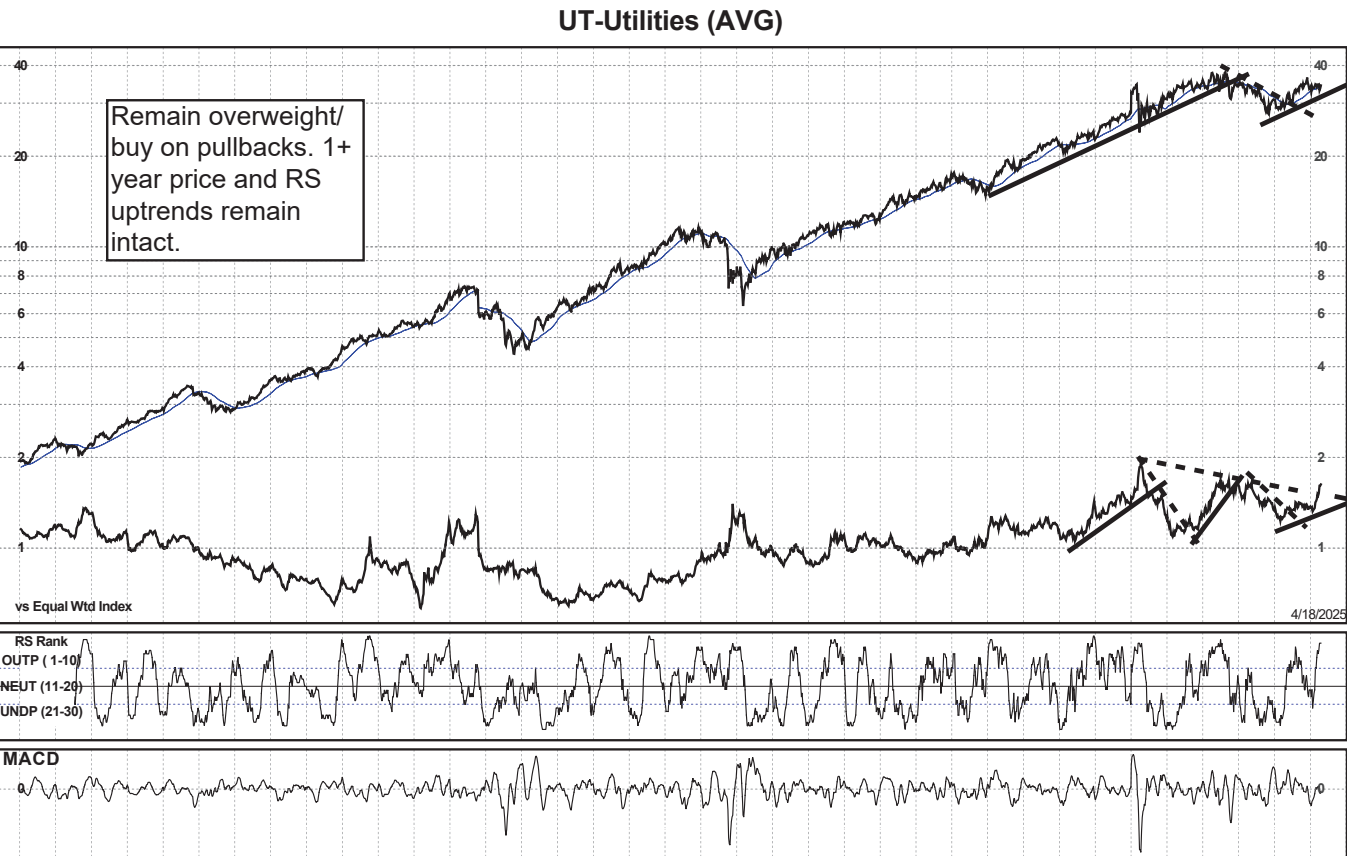
STRATEGY: Services Remains Long-Term Leadership -- Remain Overweight

SV-26 Crypto: Mining/Trading & Data Svcs.

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
MSTR	1	U1	+	CLSK	17	D3	+	WULF	30	D3	-	BTBT	30	D3	-
COIN	24	D3	-	CORZ	30	D3	-	CIFR	30	D3	-	HIVE	30	D3	-
HOOD	1	D2	-	BTDR	29	D3	-	APLD	30	D3	-	FUFU	29	D3	-
MARA	26	D3	-	IREN	30	D3	-	BITF	30	D3	-	BTC	27	D3	-
RIOT	30	D3	-	HUT	30	D3	-	EXOD	1	D1	-				







1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

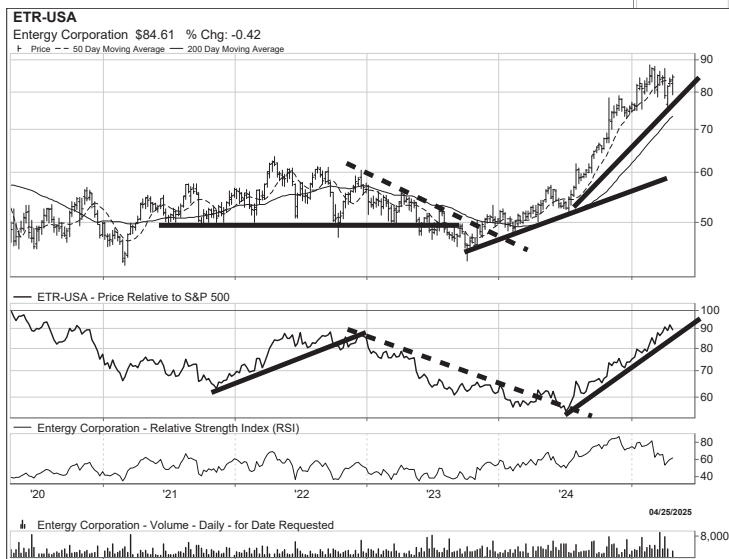
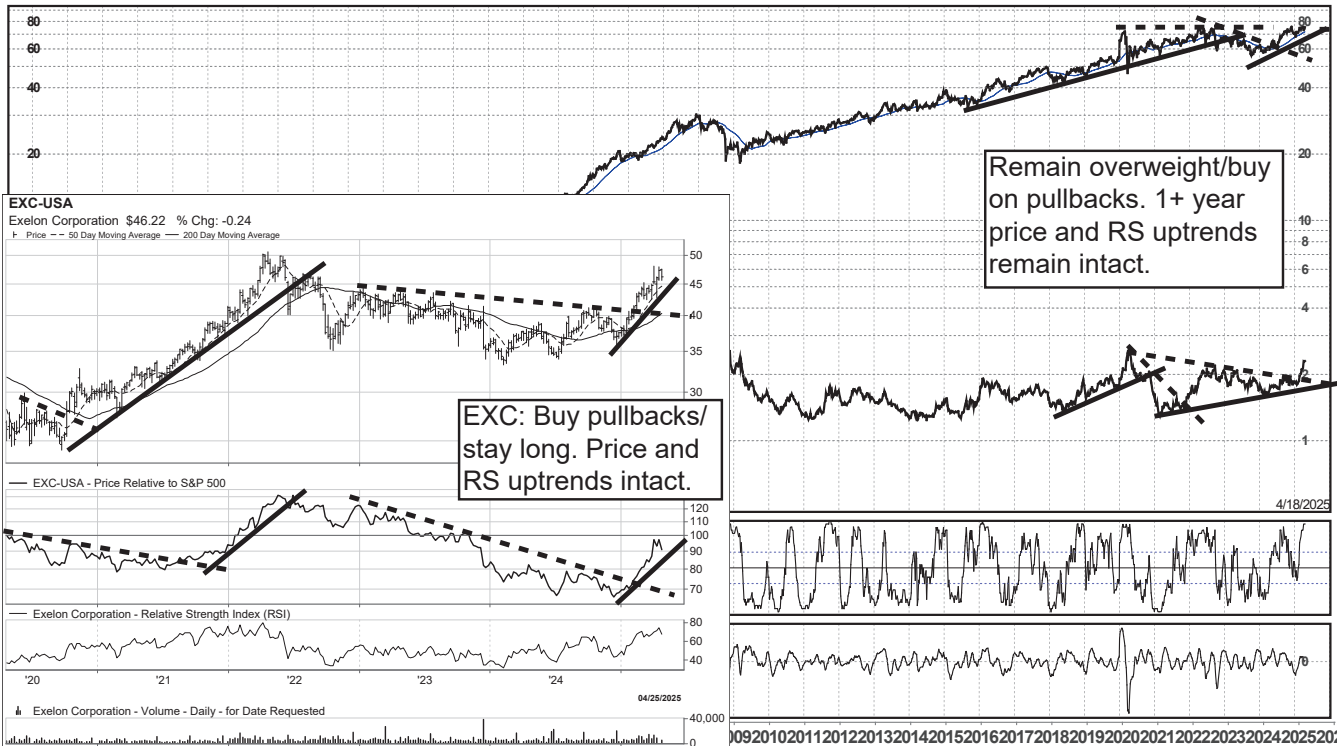
UT-Utilities Stocks - Weekly Advance/Decline Line



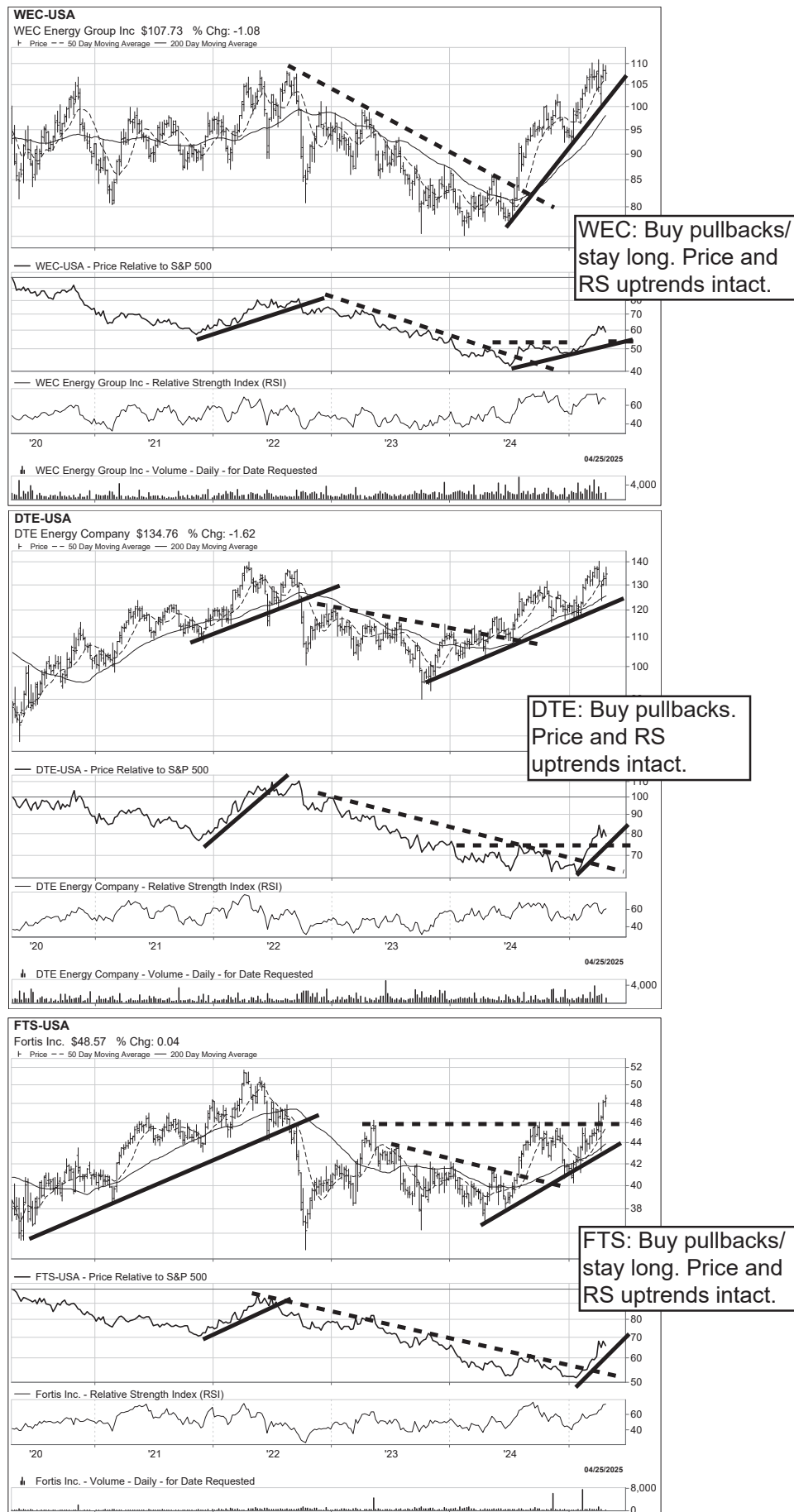
STRATEGY: Utilities Continues to Outperform -- Remain Overweight

UT-01 Multi-Utilities, Large-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
NEE	10	D3	+	PEG	5	D3	-	WEC	1	U3	-	CMS	2	U3	-
DUK	2	U3	+	XEL	2	U3	-	DTE	2	U3	-	ES	6	D2	+
EXC	1	U3	-	ED	1	U3	+	PPL	2	U3	-	NI	2	D1	-
SRE	15	D3	+	PCG	7	U1	+	CNP	1	U3	-	LNT	4	D1	-
D	6	D3	-	ETR	2	D1	-	FTS	1	U3	+				

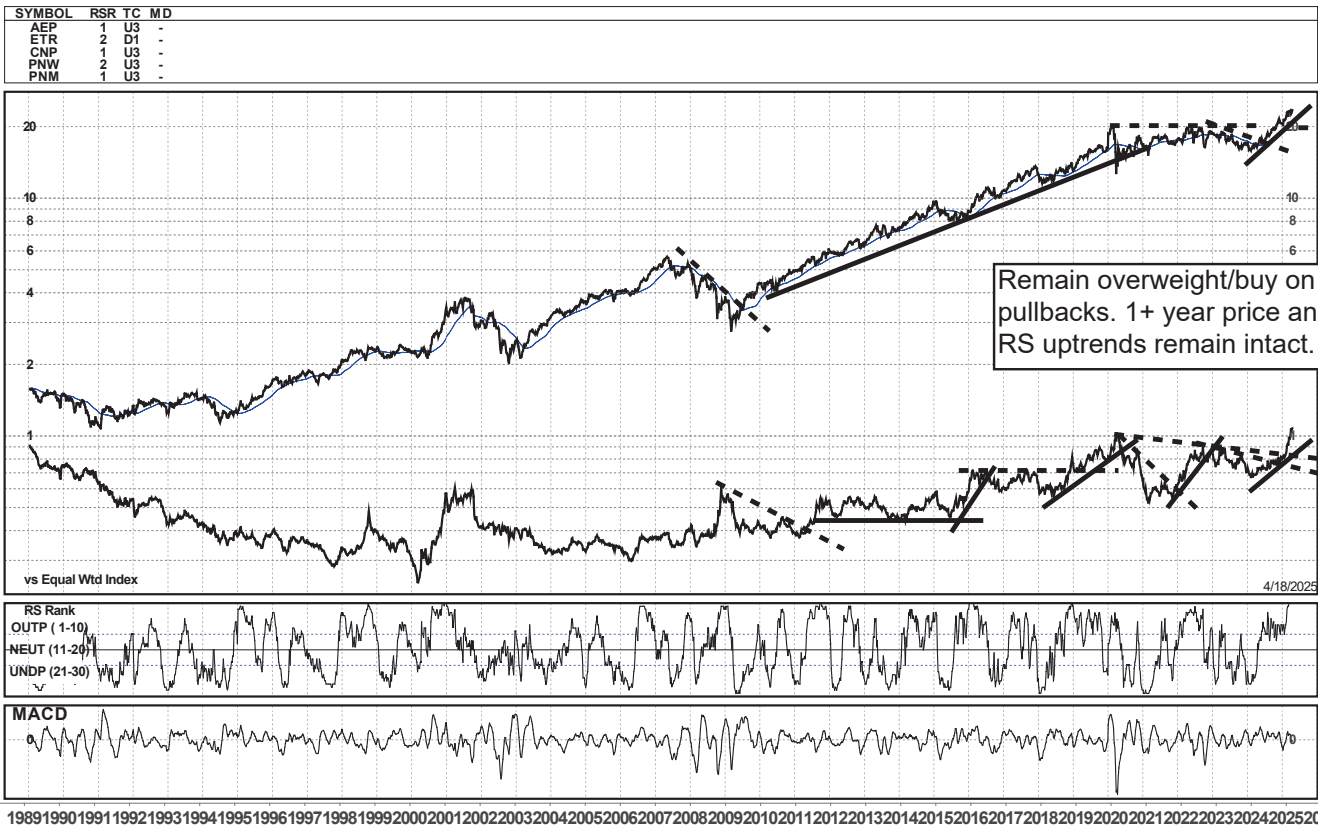


STRATEGY: Utilities Continues to Outperform -- Remain Overweight

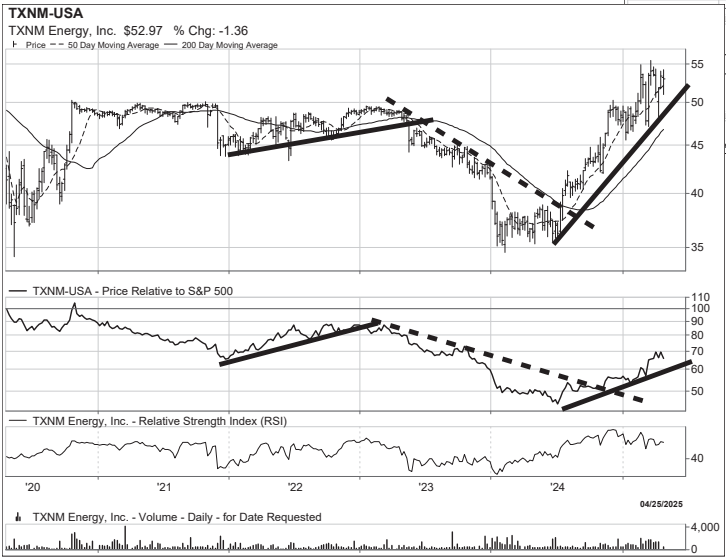
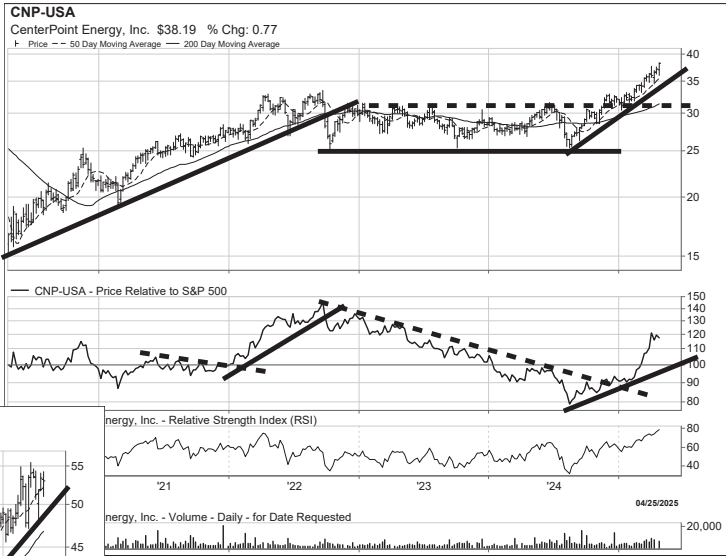


STRATEGY: Utilities Continues to Outperform -- Remain Overweight

UT-07 Electric, Southwest



CNP: Buy pullbacks/
stay long. Price and
RS uptrends intact.

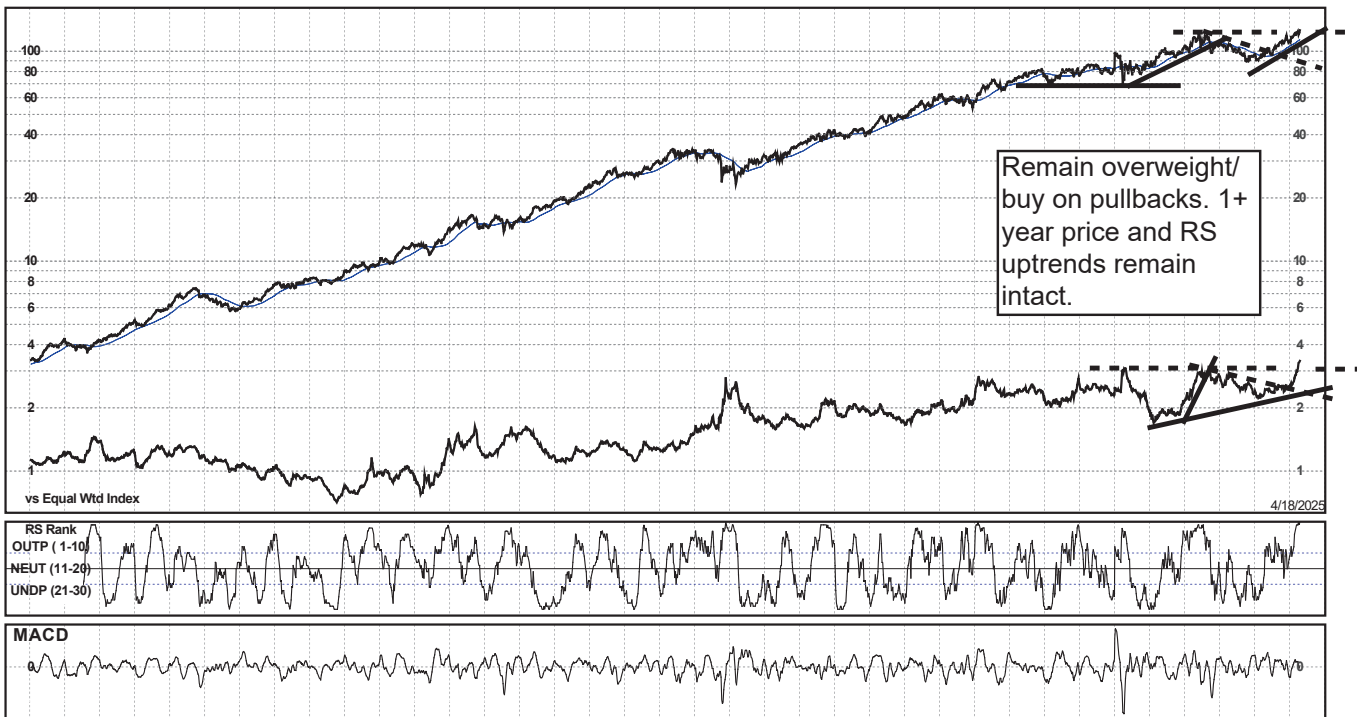


TXNM: Buy
pullbacks/stay long.
Price and RS
uptrends intact.

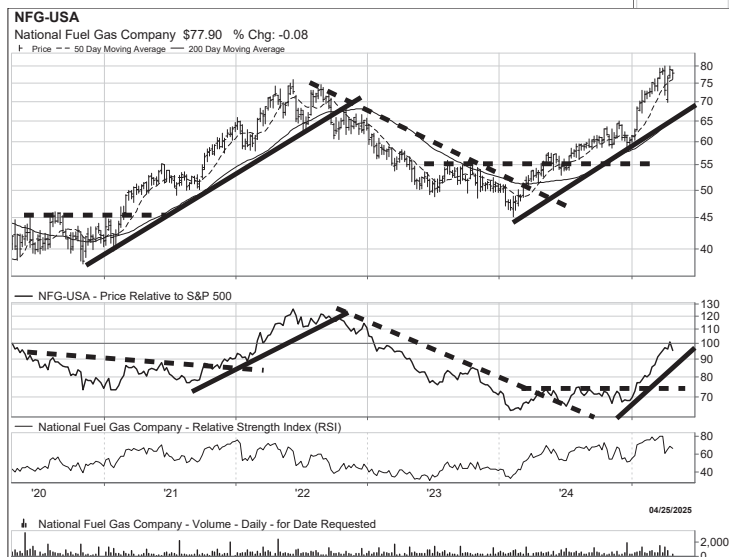
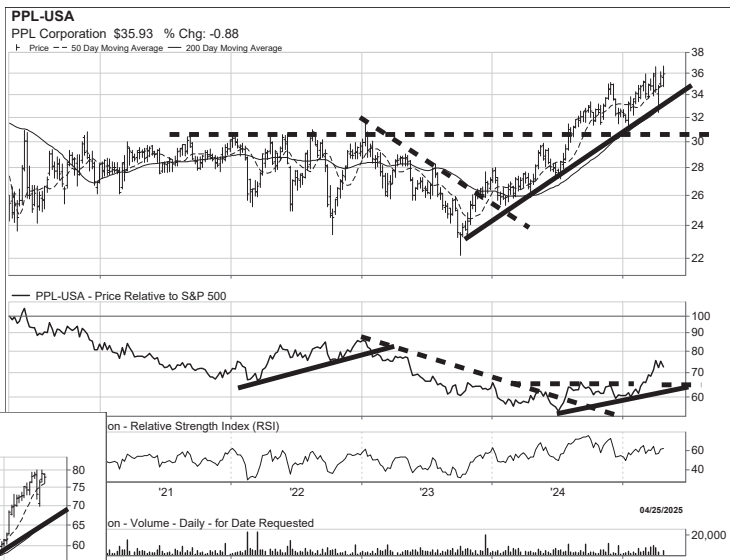
STRATEGY: Utilities Continues to Outperform -- Remain Overweight

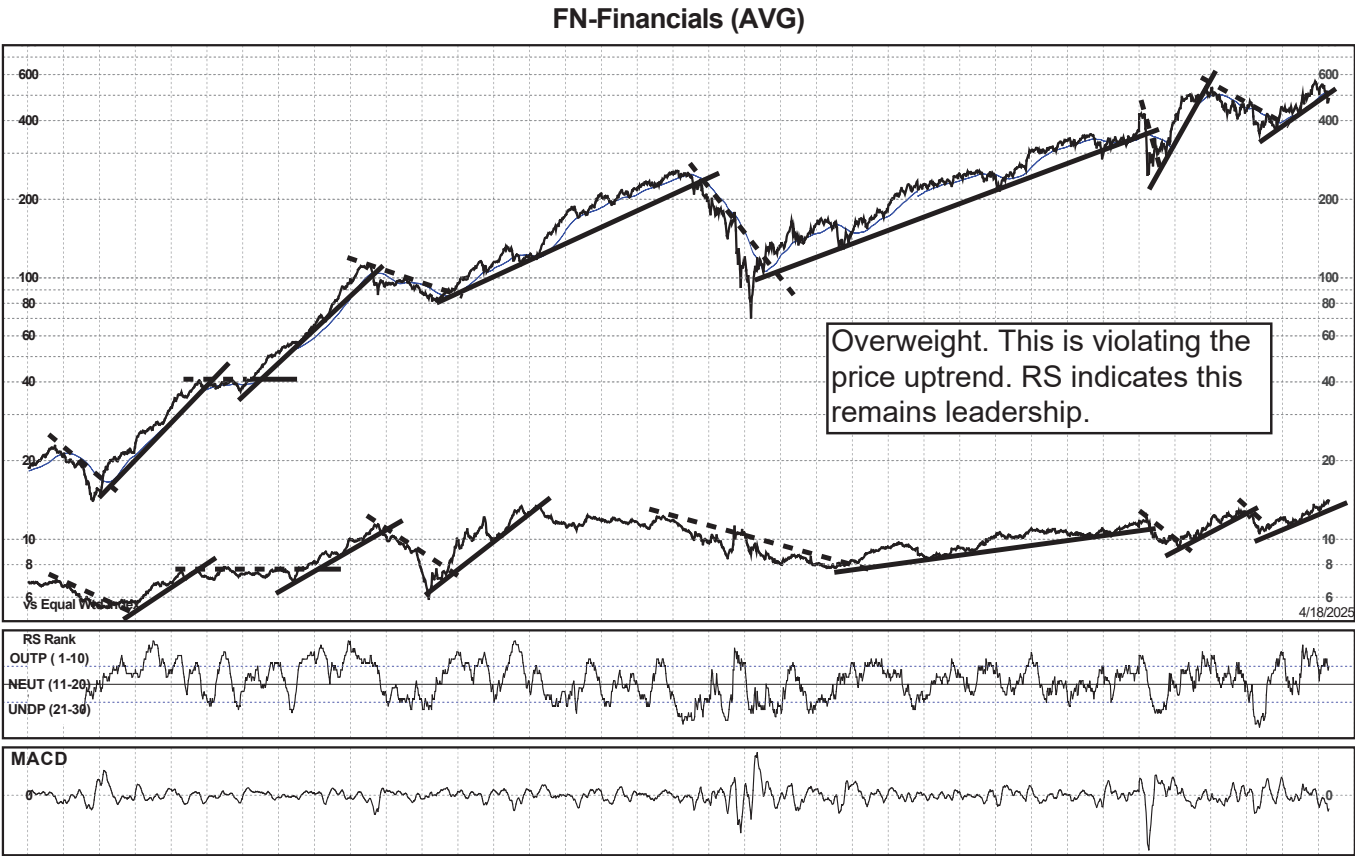
UT-10 Gas, Mid-Atlantic

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
EXC	1	U3	-	PPL	2	U3	-	CPK	1	U3	-
D	6	D3	-	N1	2	D1	-	UTL	2	U3	+
PEG	5	D3	-	NFG	1	U3	-				
ED	1	U3	+	UGI	1	D1	-				
EQT	1	D1	-	NJR	2	U3	-				



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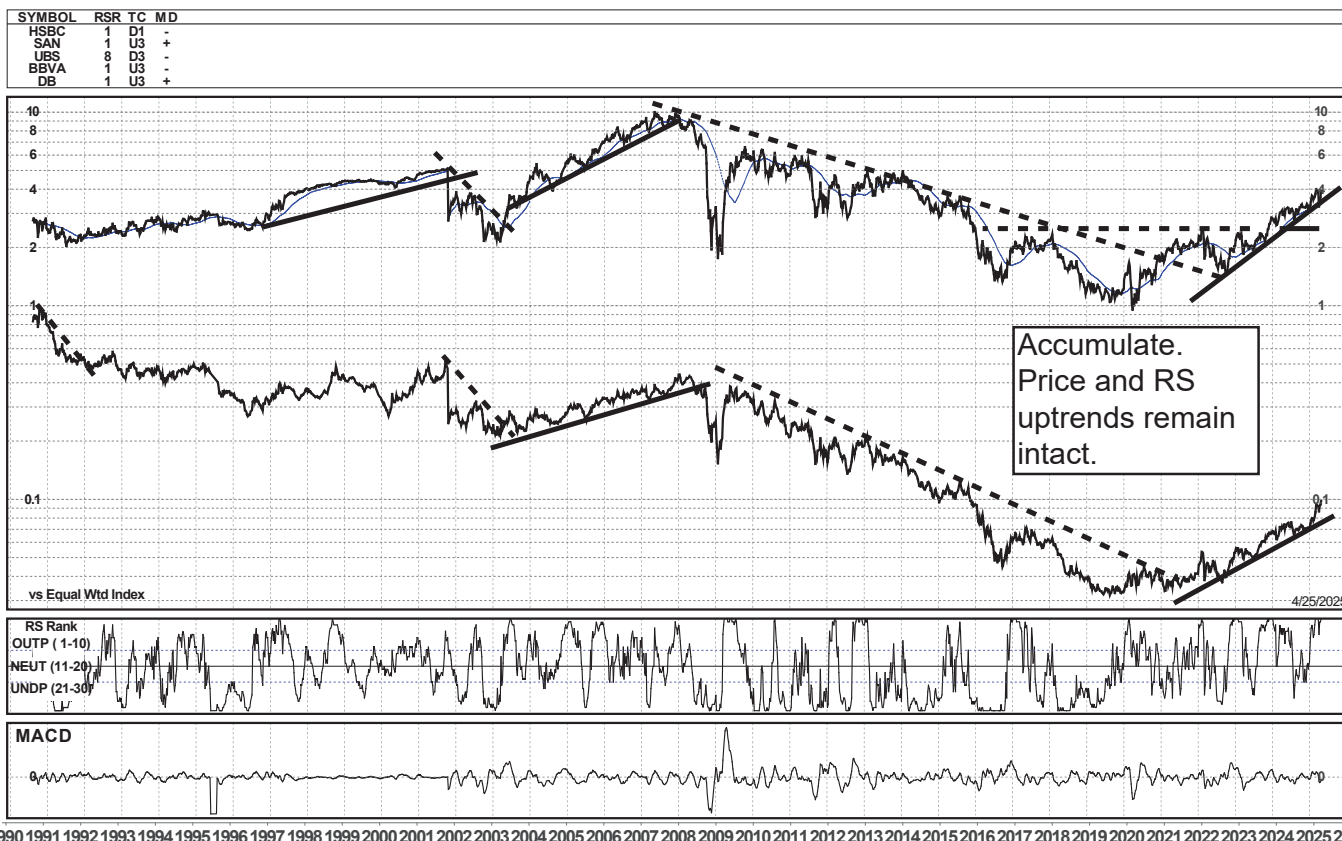
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FN-Financials Stocks - Weekly Advance/Decline Line

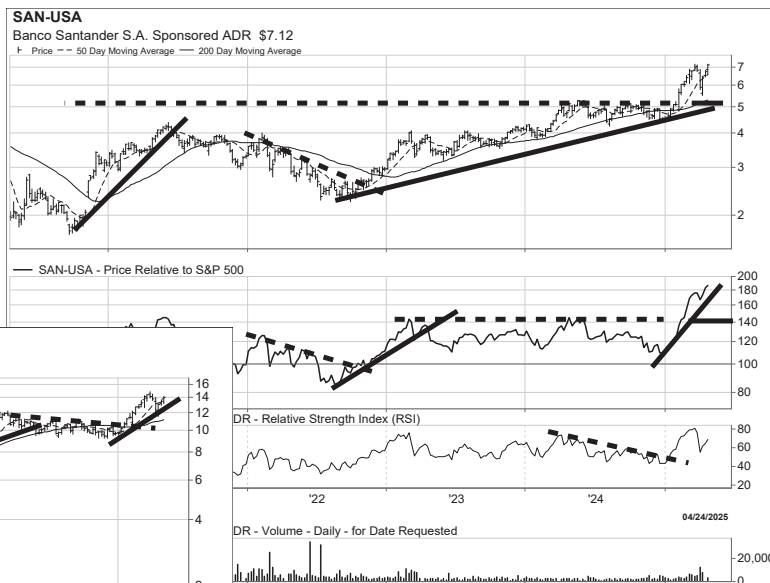


STRATEGY: RS Uptrend Intact for Financials -- Remain Overweight/Add Exposure

FN-01 European Banks

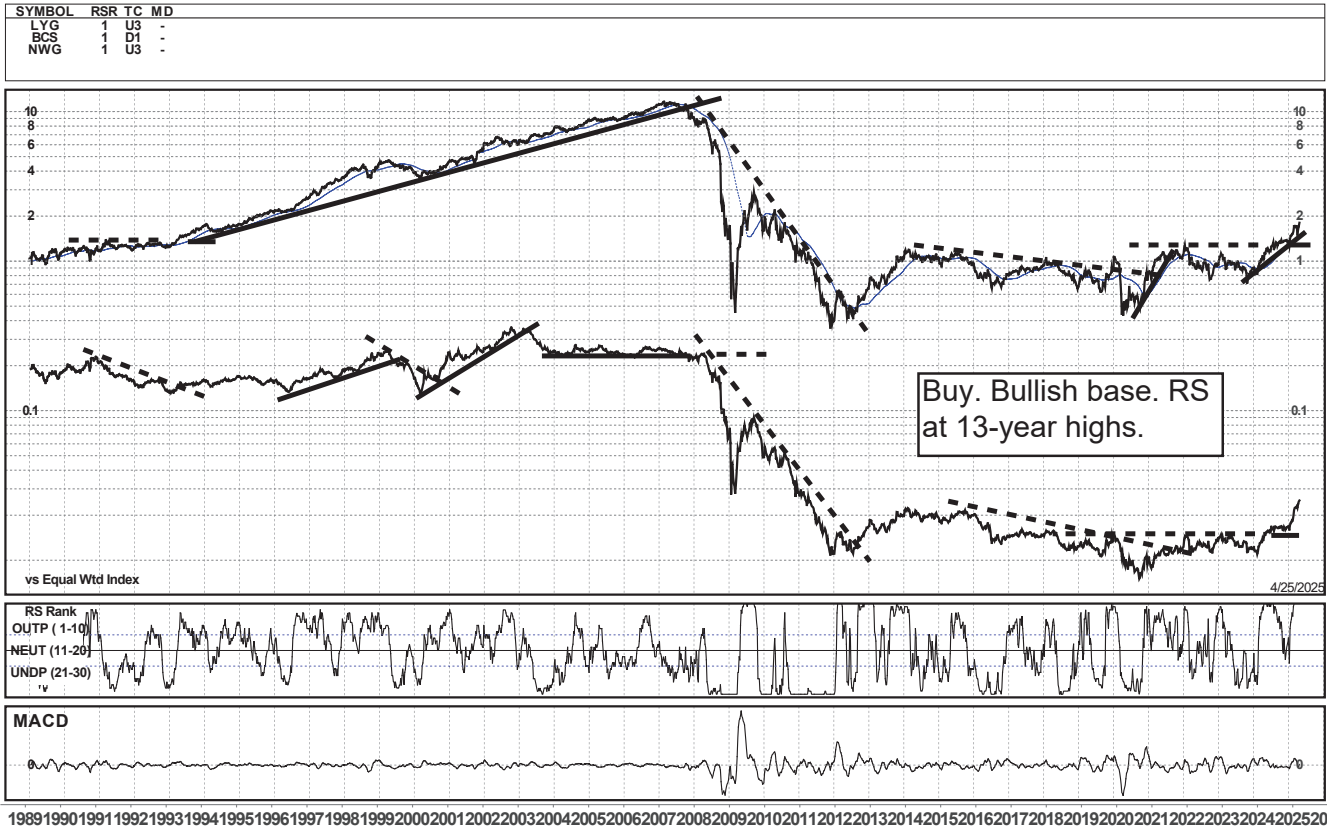


SAN: Accumulate.
Bullish base. RS
uptrend remains intact.

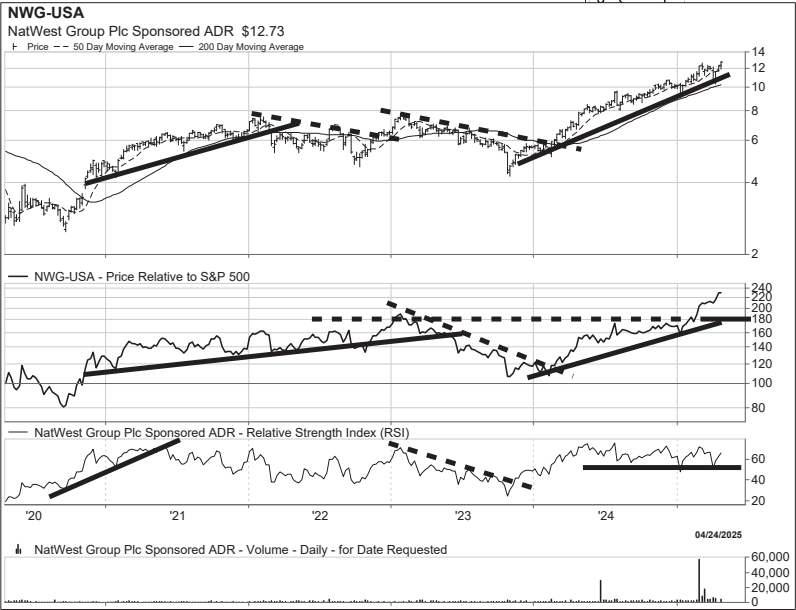
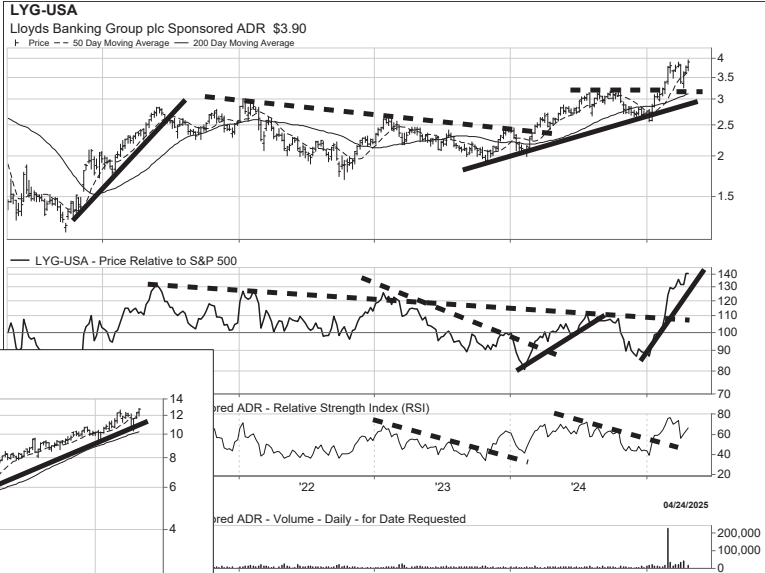


BBVA: Accumulate.
Price and RS uptrends
remain intact.

FN-02 U.K. Banks



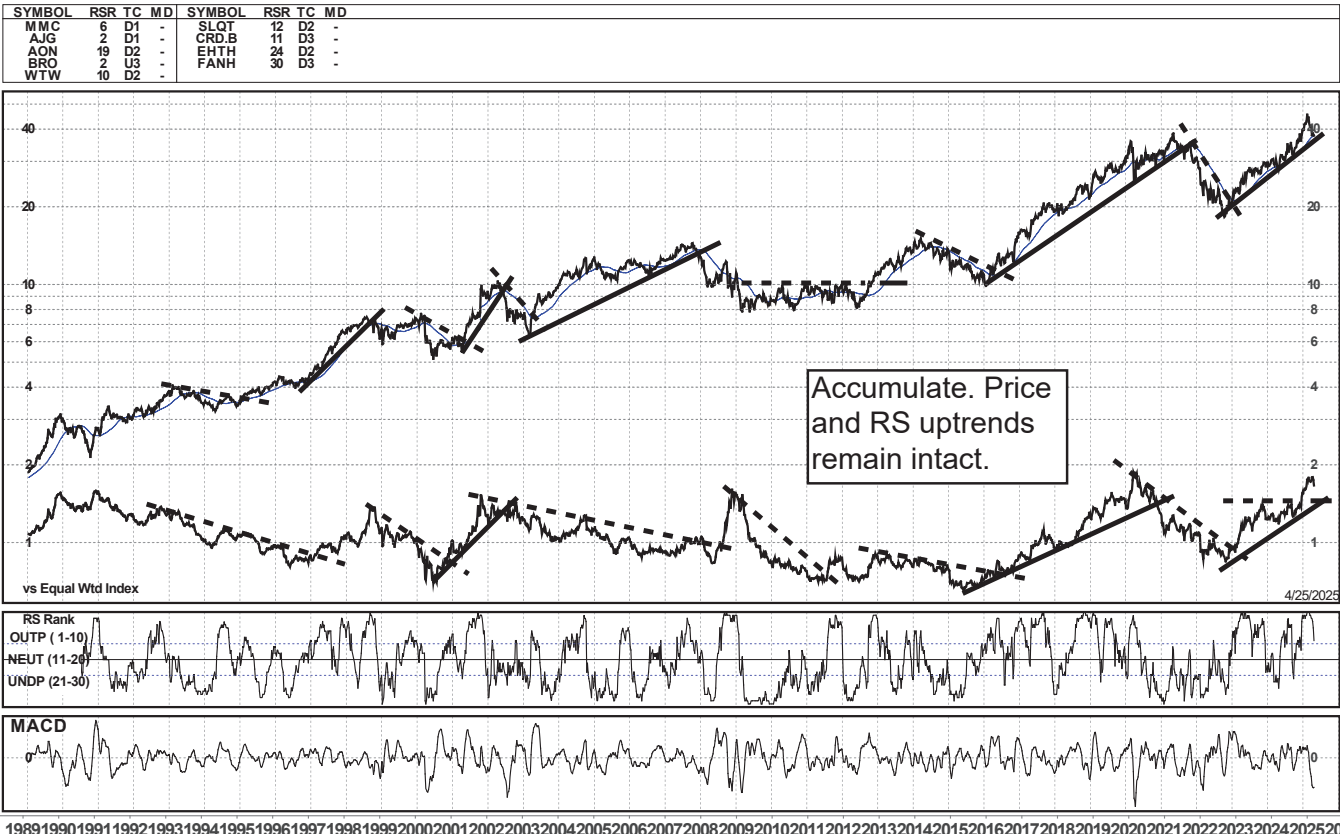
LYG: Buy on pullbacks.
Major RS reversal.



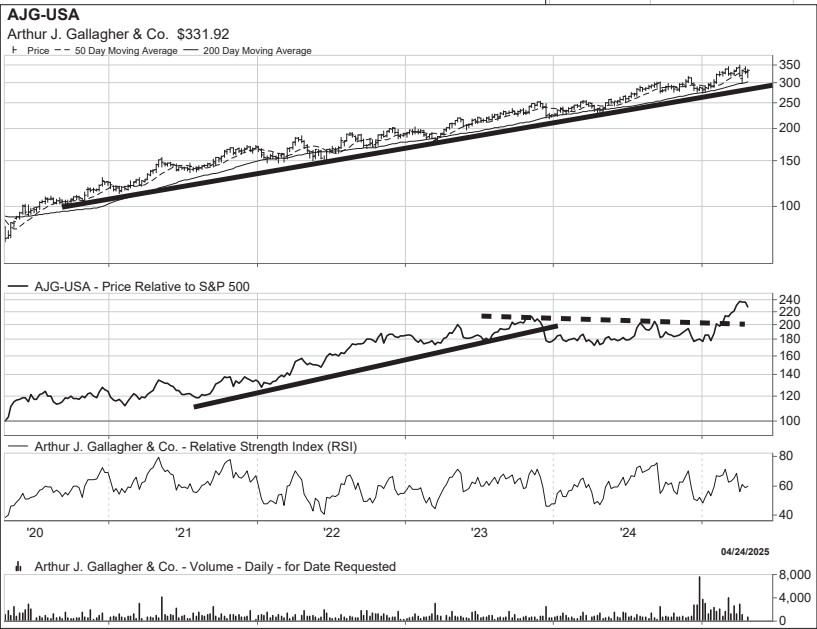
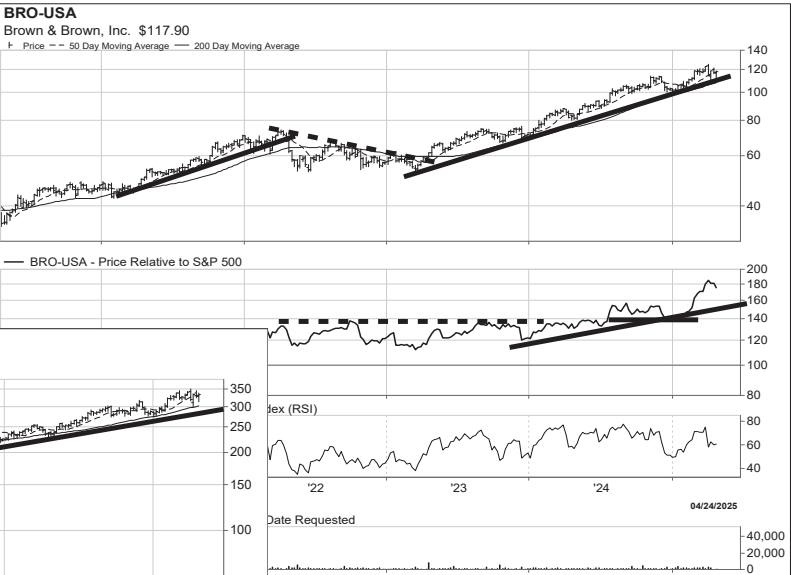
NWG: Buy on pullbacks.
Price and RS uptrends
remain intact.

STRATEGY: RS Uptrend Intact for Financials -- Remain Overweight/Add Exposure

FN-35 Insurance Brokers



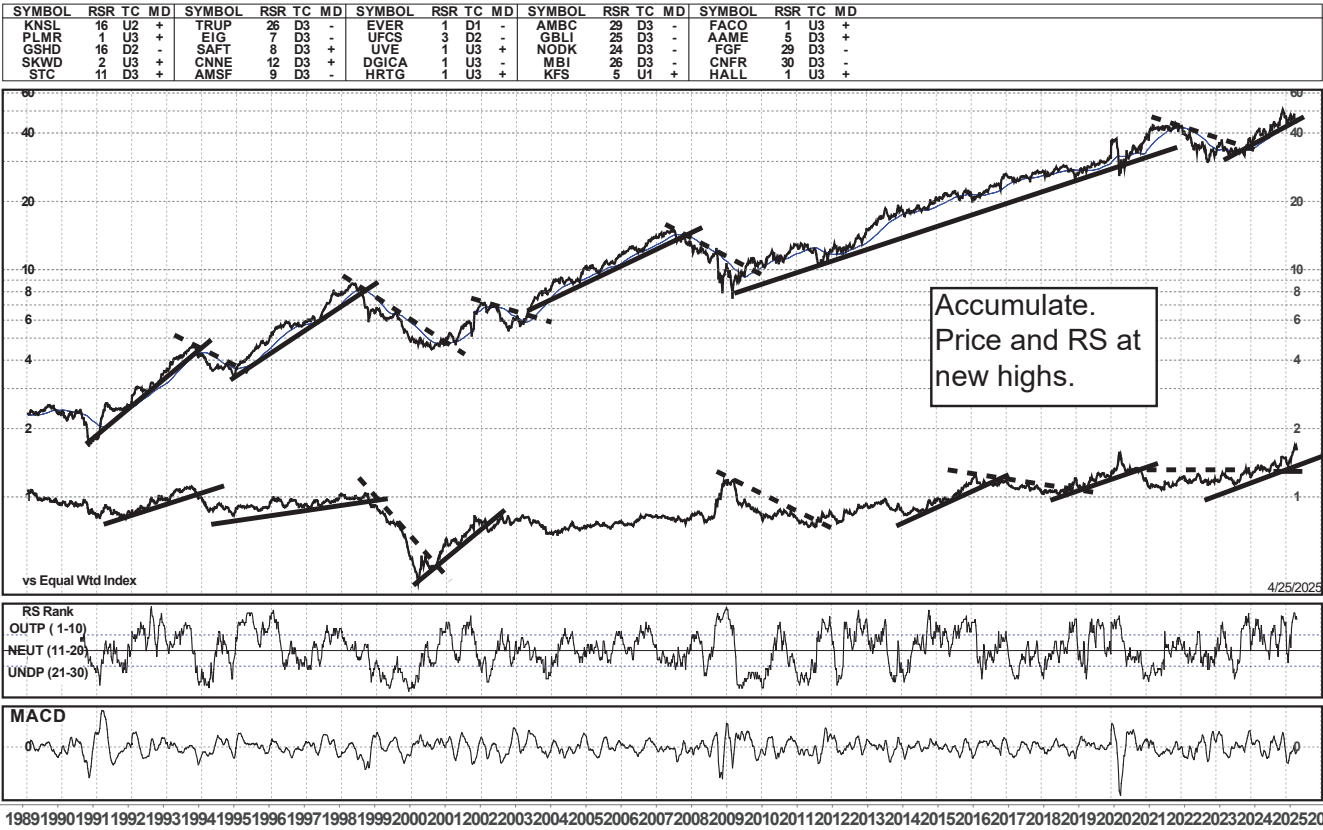
BRO: Accumulate.
Price and RS uptrends
remain intact.



AJG: Accumulate. Price
and RS uptrends
remain intact.

STRATEGY: RS Uptrend Intact for Financials -- Remain Overweight/Add Exposure

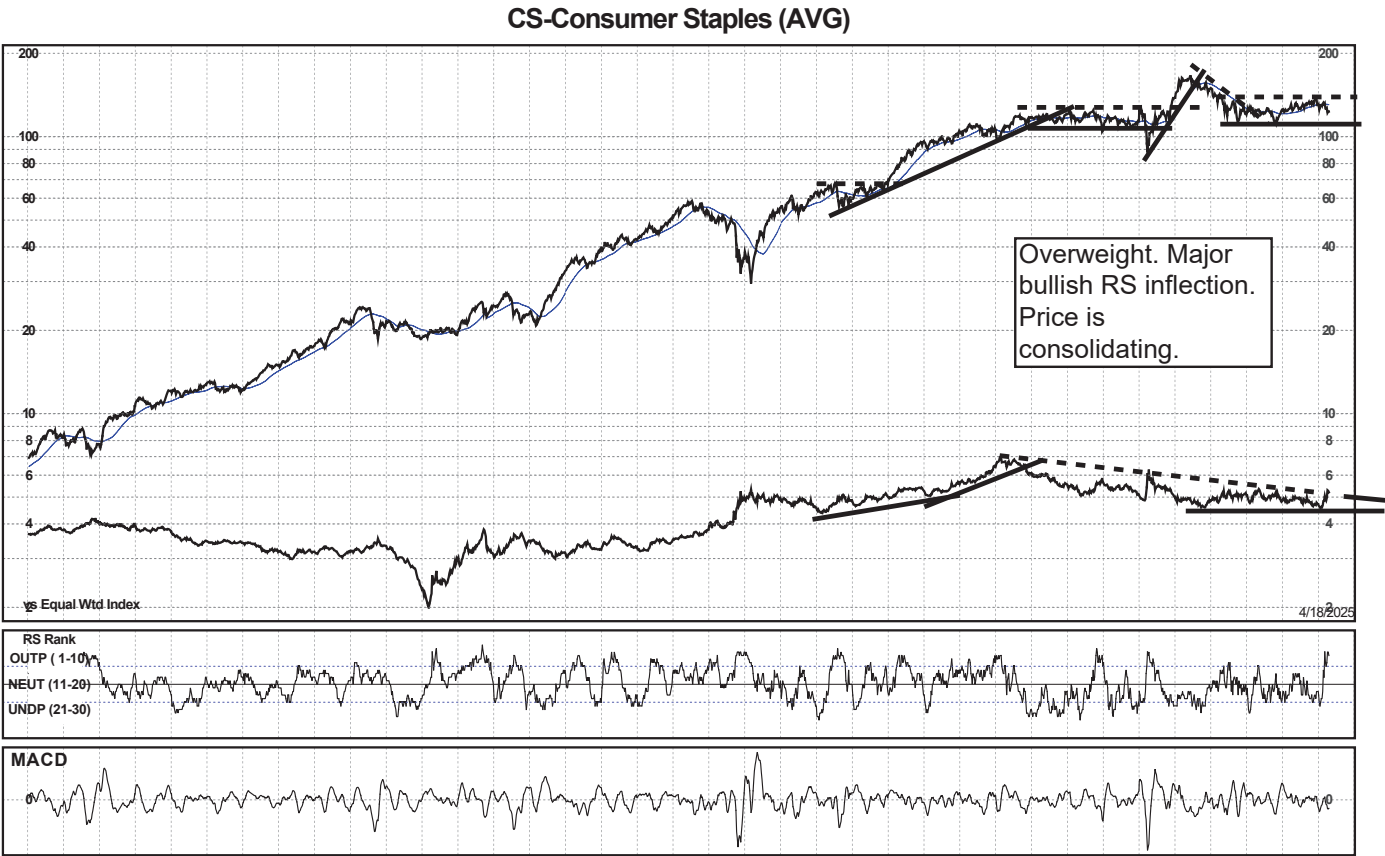
FN-42 Property & Casualty Insurance, Small-Cap



PLMR: Buy. Price and RS uptrends remain intact.



SKWD: Buy. Price and RS uptrends remain intact.



1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

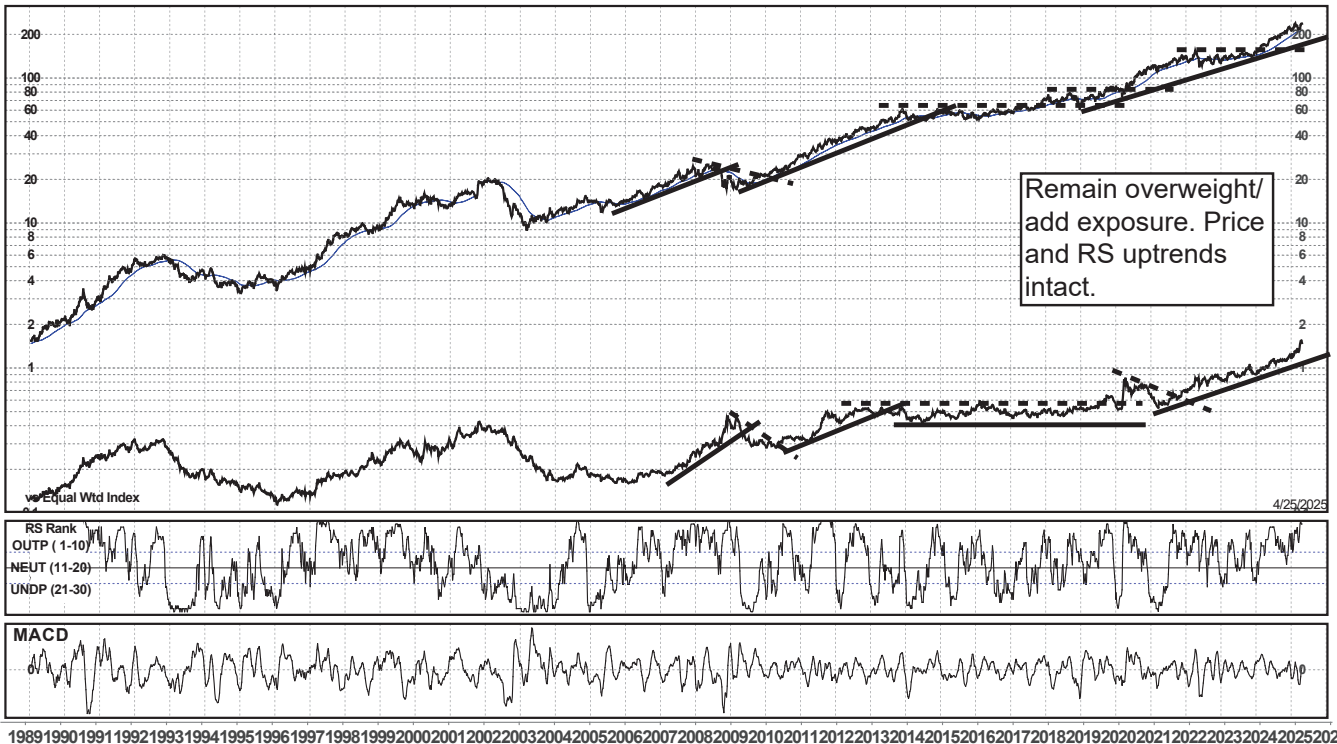
CS-Consumer Staples Stocks - Weekly Advance/Decline Line



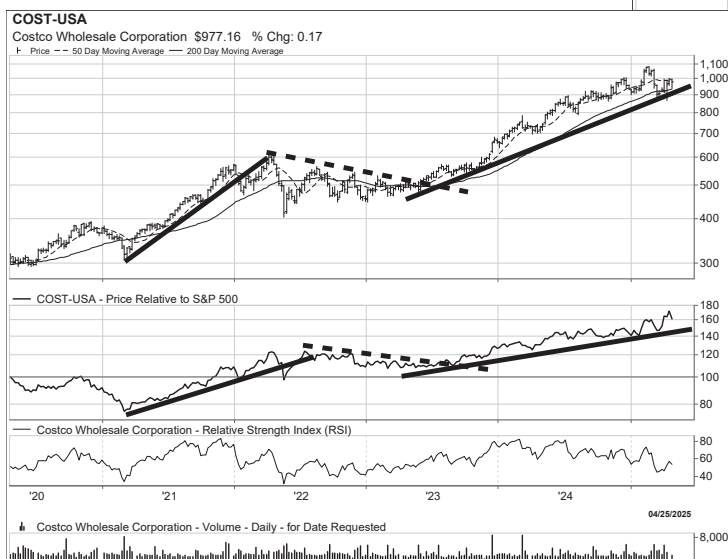
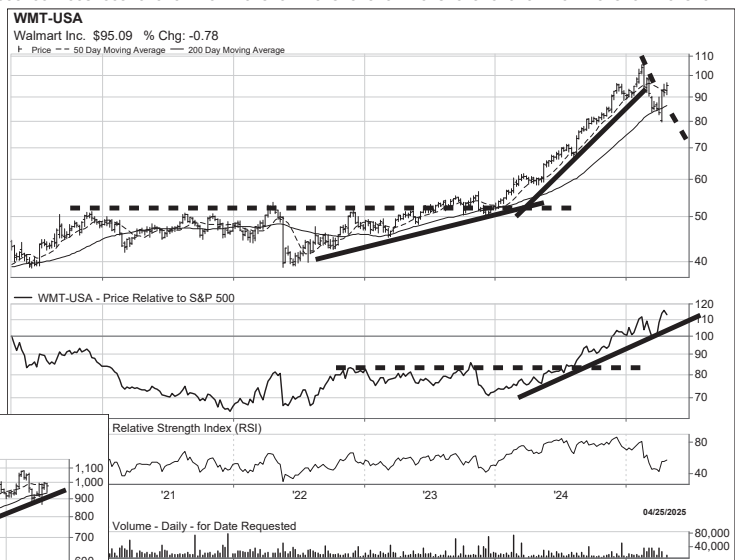
STRATEGY: Consumer Staples With a Major Bullish RS Inflection -- Remain Overweight/Add Exposure

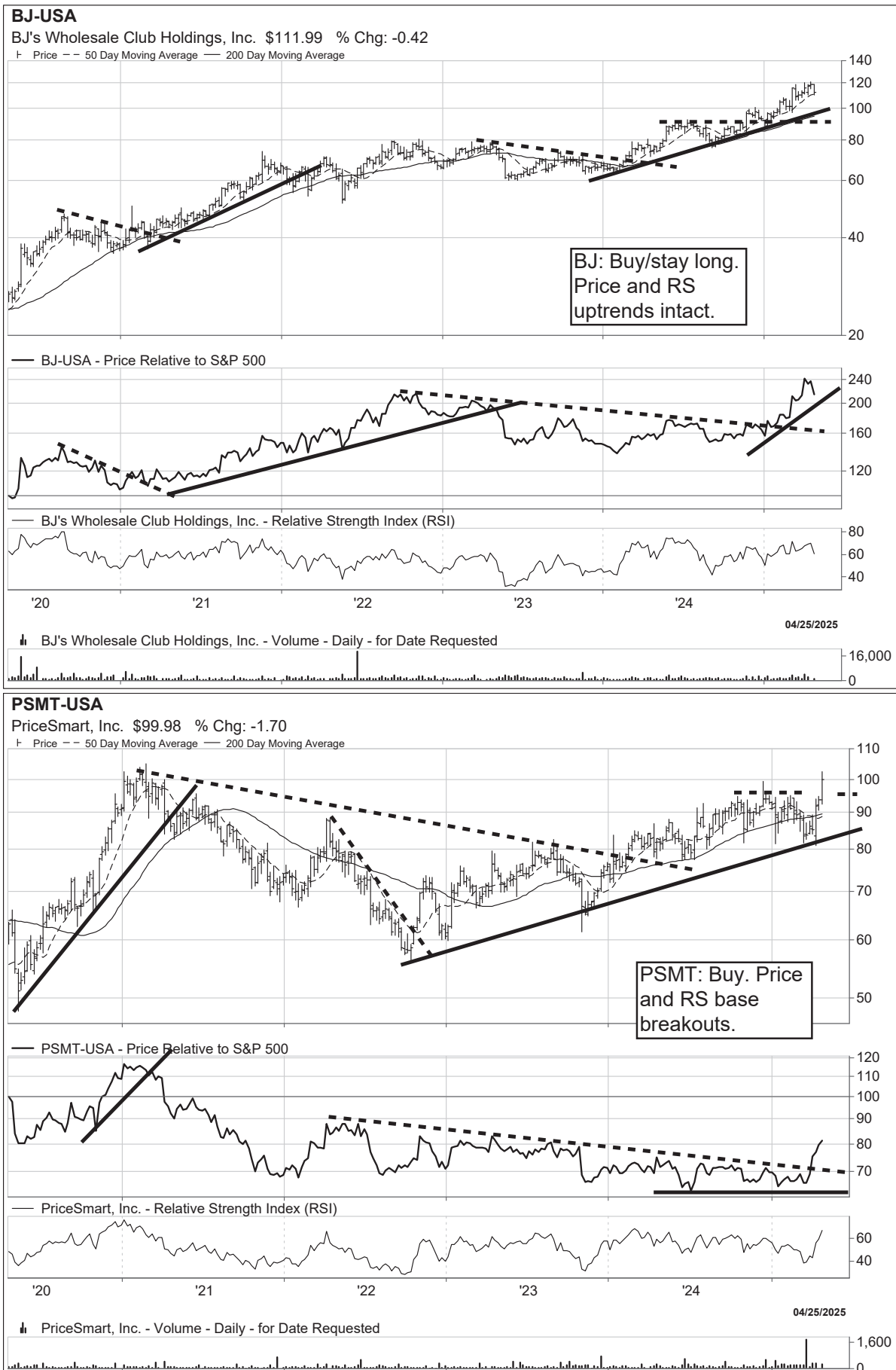
CS-03 Hypermarkets & Super Centers

SYMBOL	RSR	TC	MD
WMT	2	D2	-
COST	4	D1	-
BJ	1	U3	+
PSMT	1	U2	-
CBD	1	U3	+



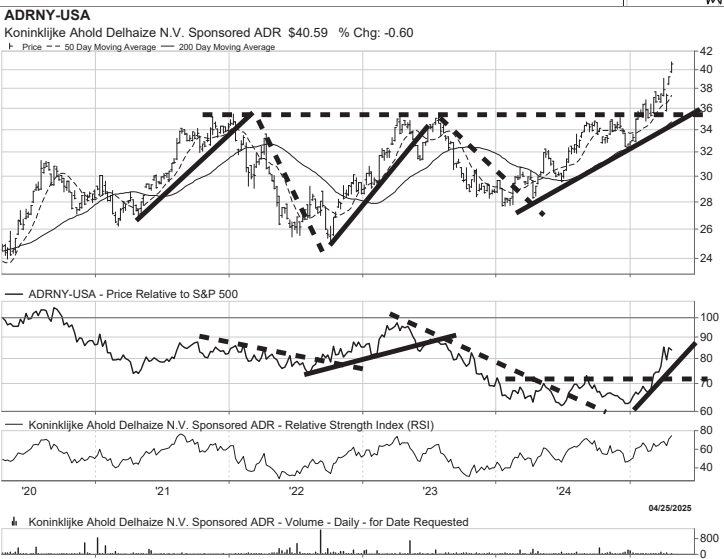
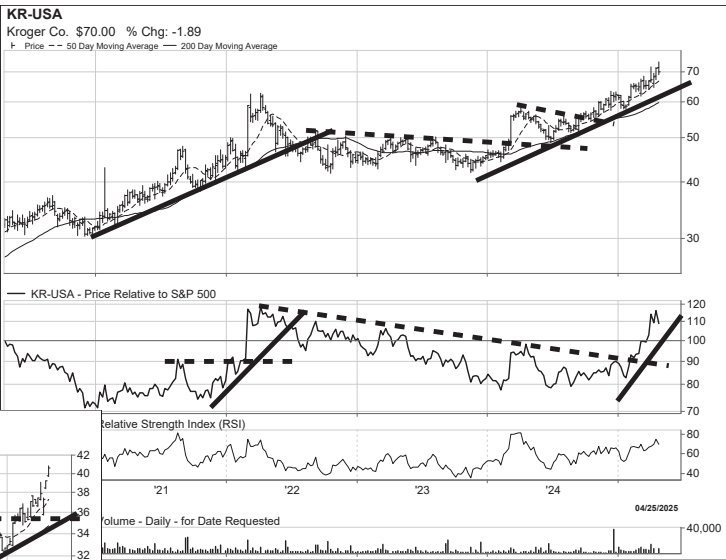
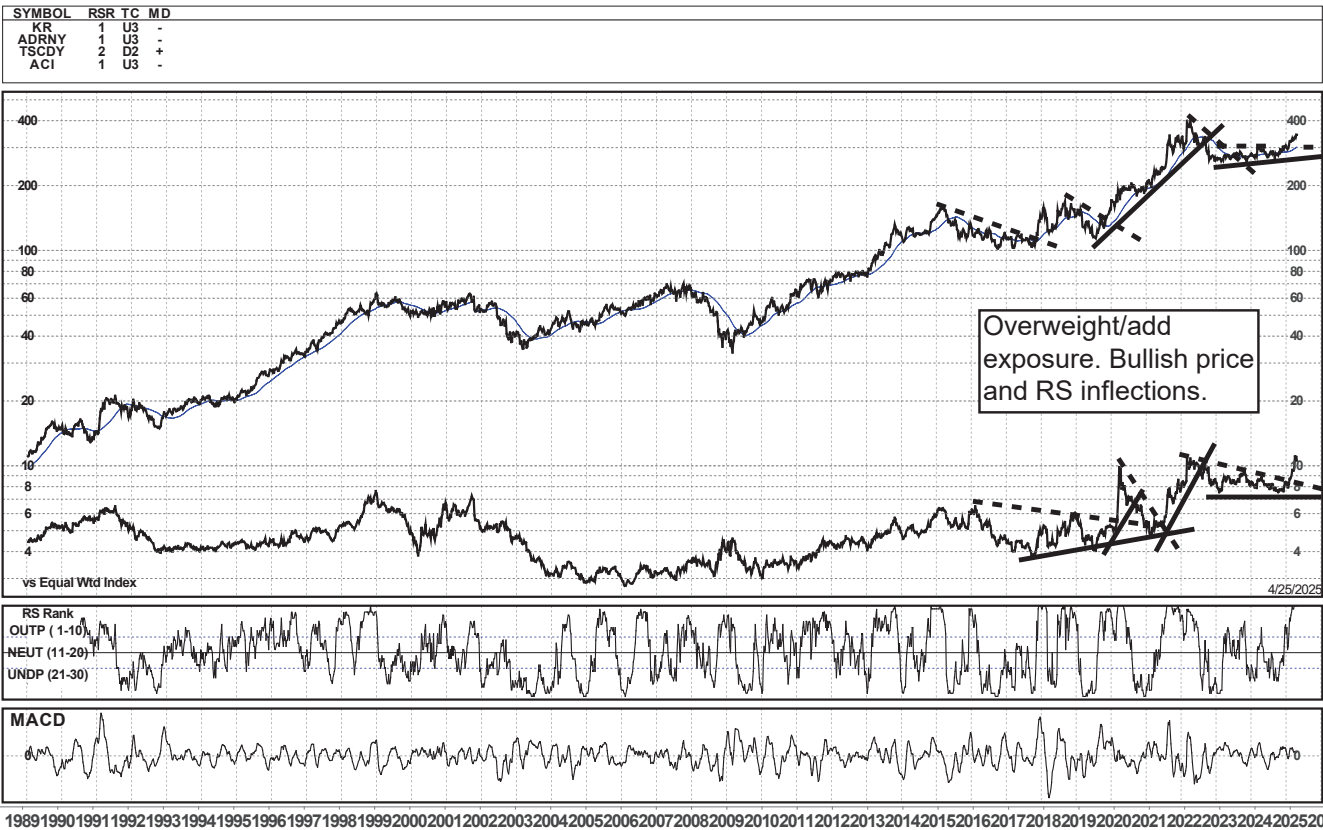
WMT: Buy/stay long.
Held at the 200-day
MA. RS uptrend
intact.





STRATEGY: Consumer Staples With a Major Bullish RS Inflection -- Remain Overweight/Add Exposure

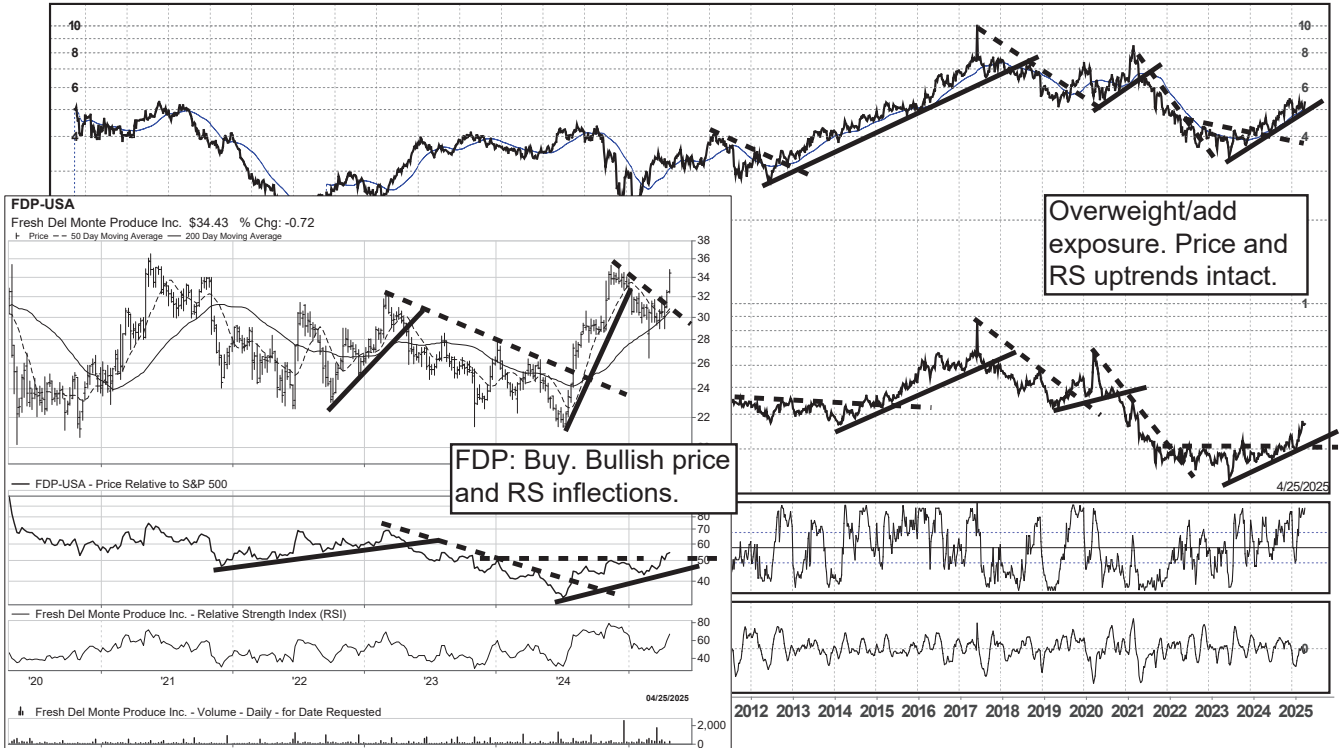
CS-04 Grocery Retailers, Large-Cap



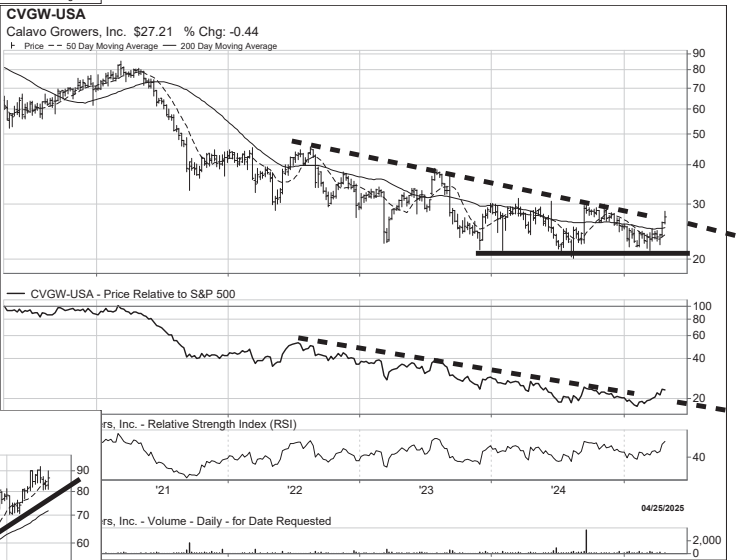
STRATEGY: Consumer Staples With a Major Bullish RS Inflection -- Remain Overweight/Add Exposure

CS-08 Processor, Produce

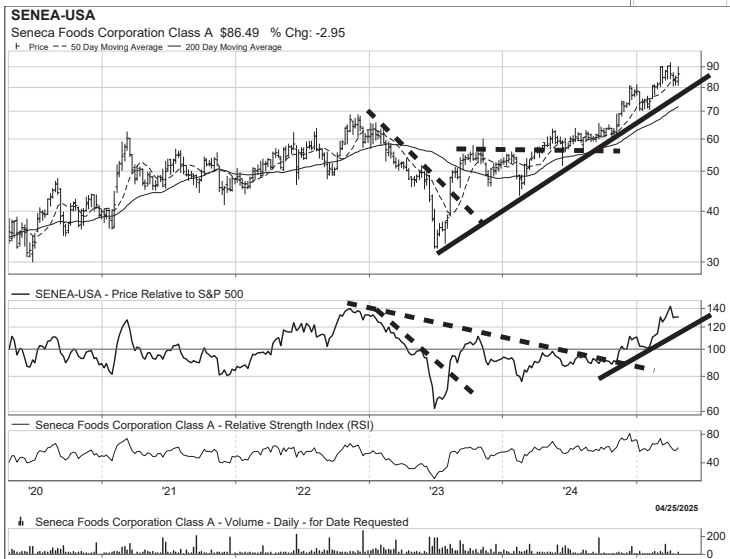
SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
FDP	1	U2	+	FAMI	30	D3	+
CVGW	1	U2	+				
SENEA	1	U3	-				
MLP	29	D3	-				
SENEB	1	U3	-				



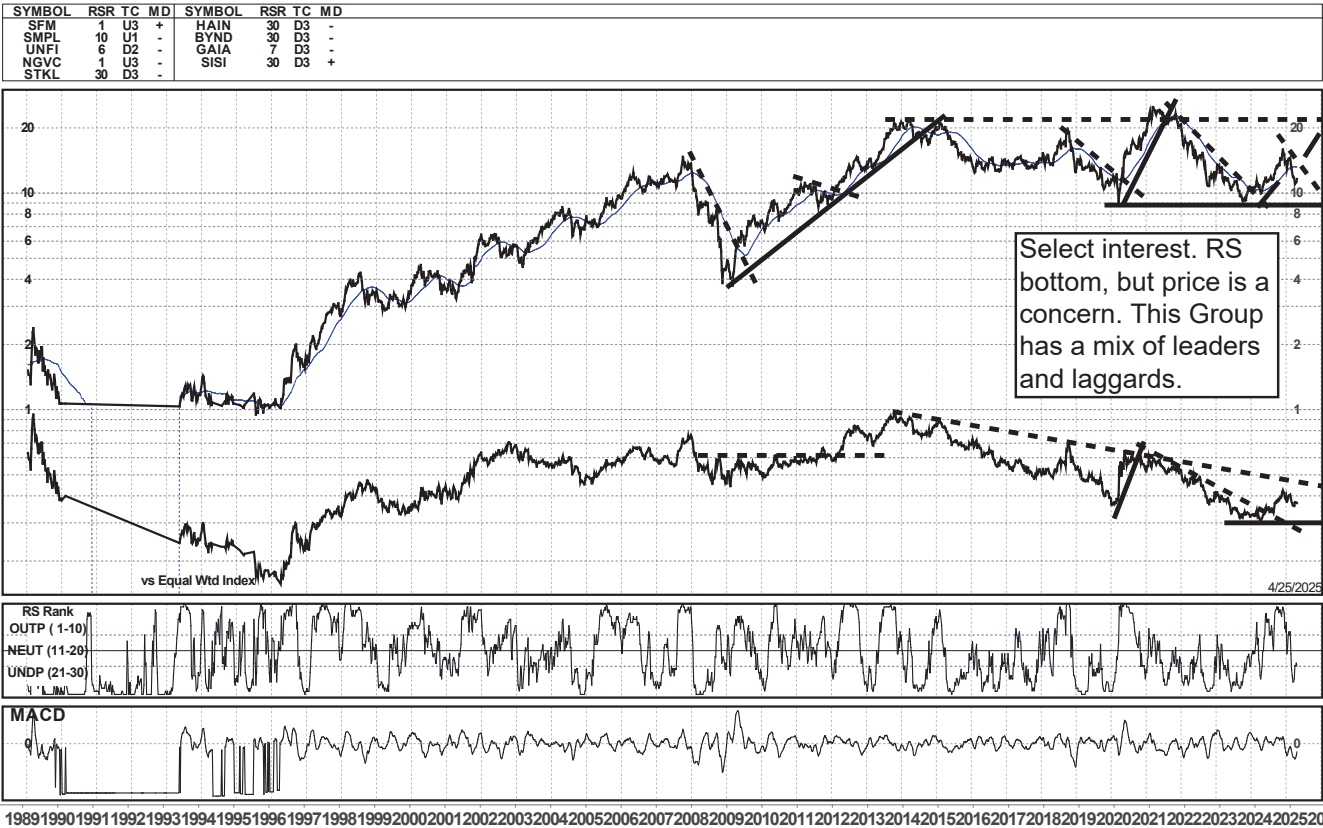
CVGW: Buy. Bullish price and RS reversals.



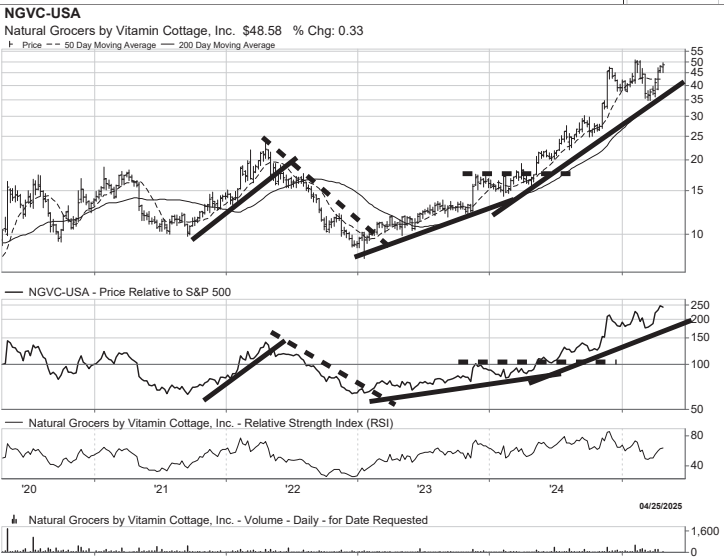
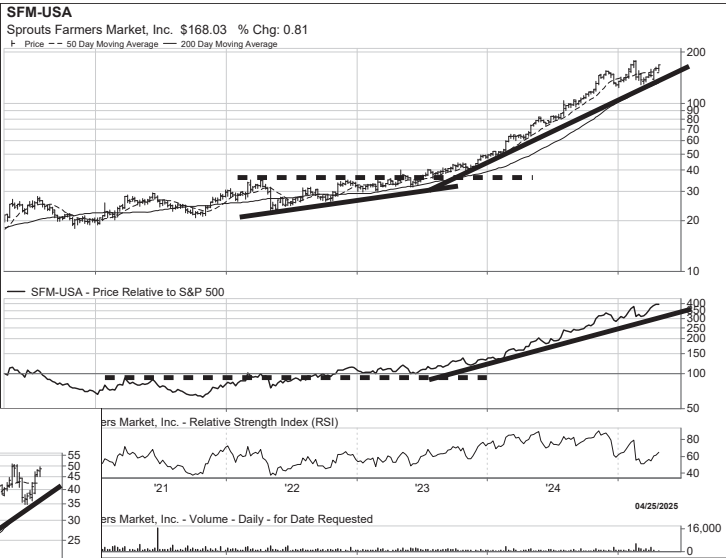
SENEA: Buy. Price and RS uptrends intact.



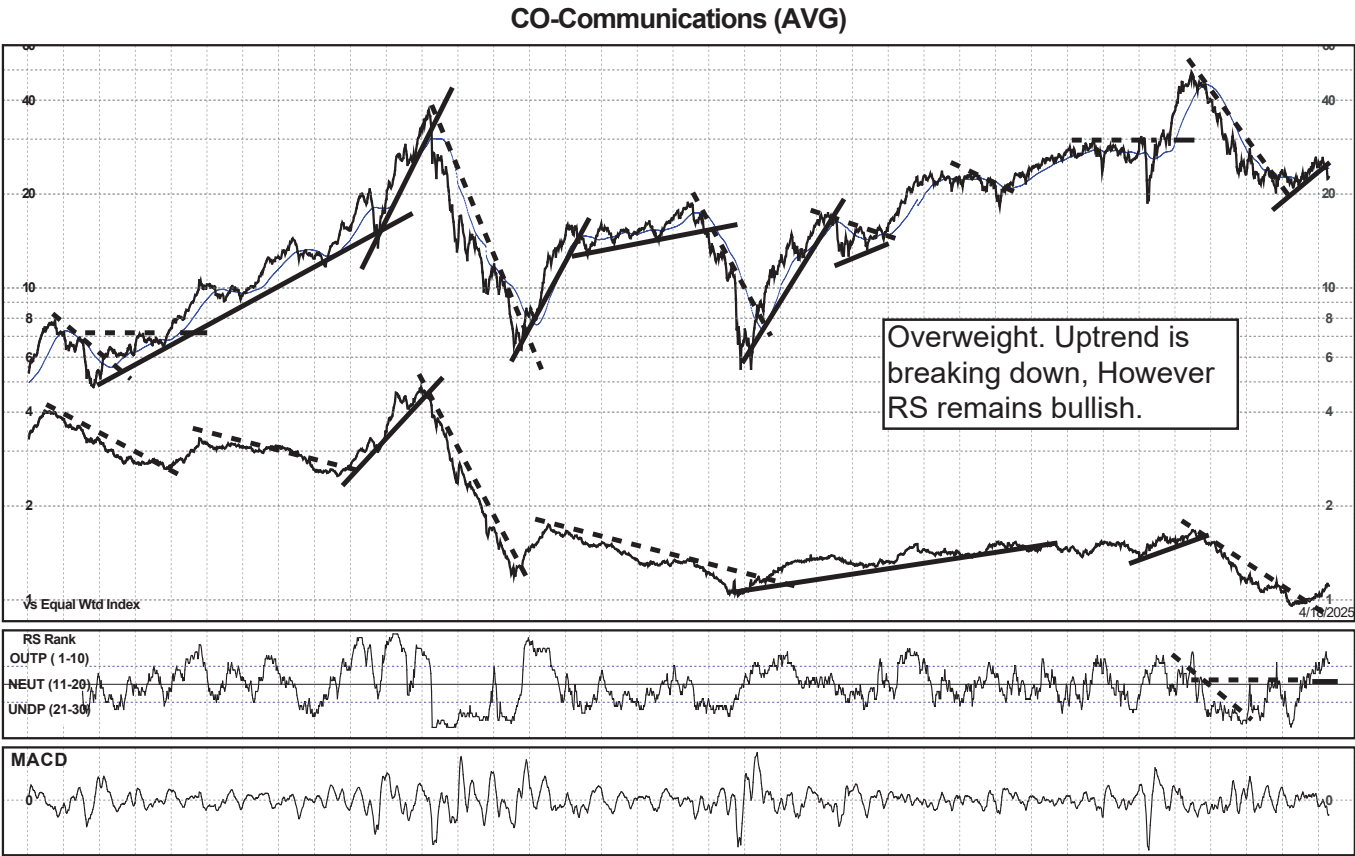
CS-18 Organic & Natural



SFM: Buy pullbacks/
stay long. Price and
RS uptrends intact.

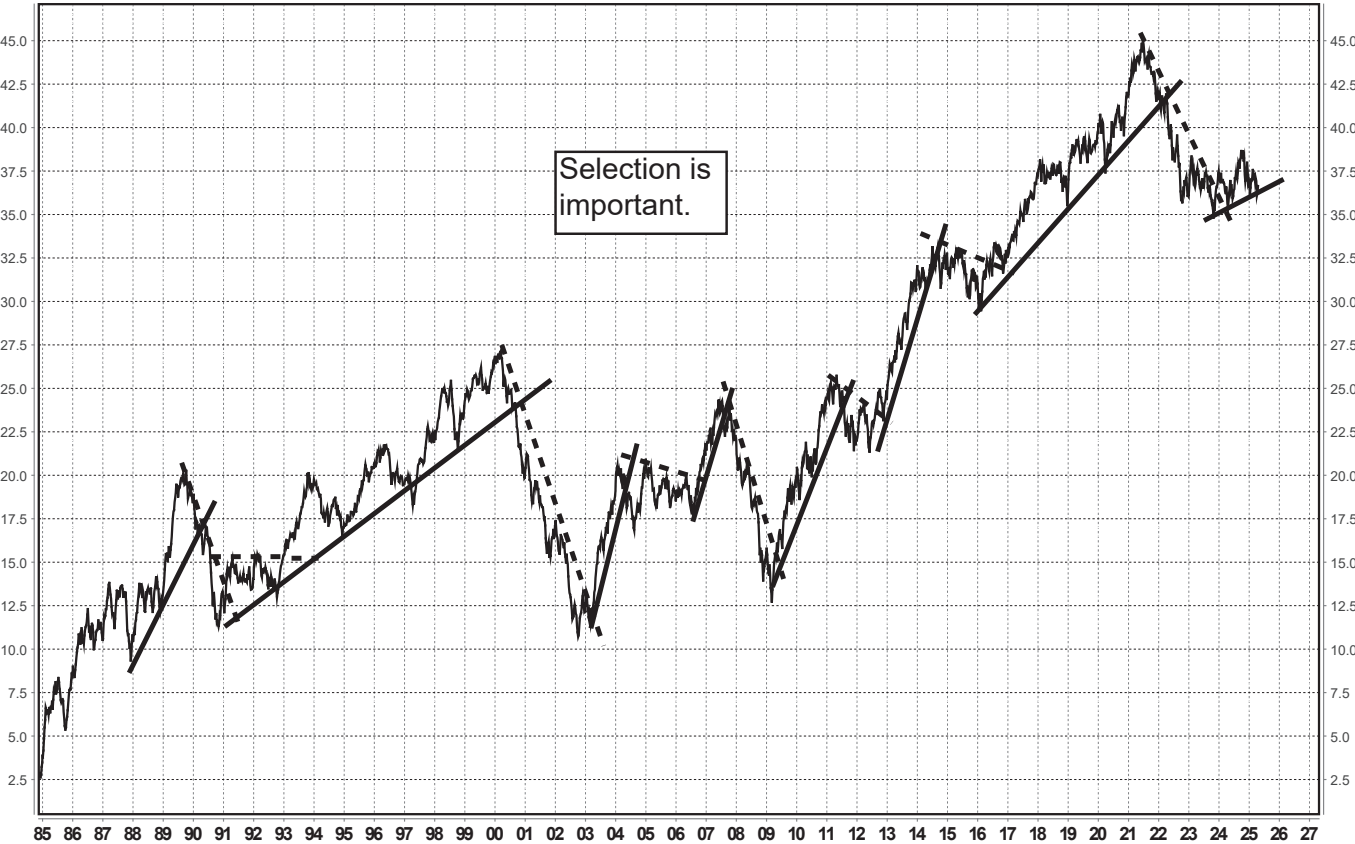


NGVC: Buy
pullbacks/ stay long.
Price and RS
uptrends intact.

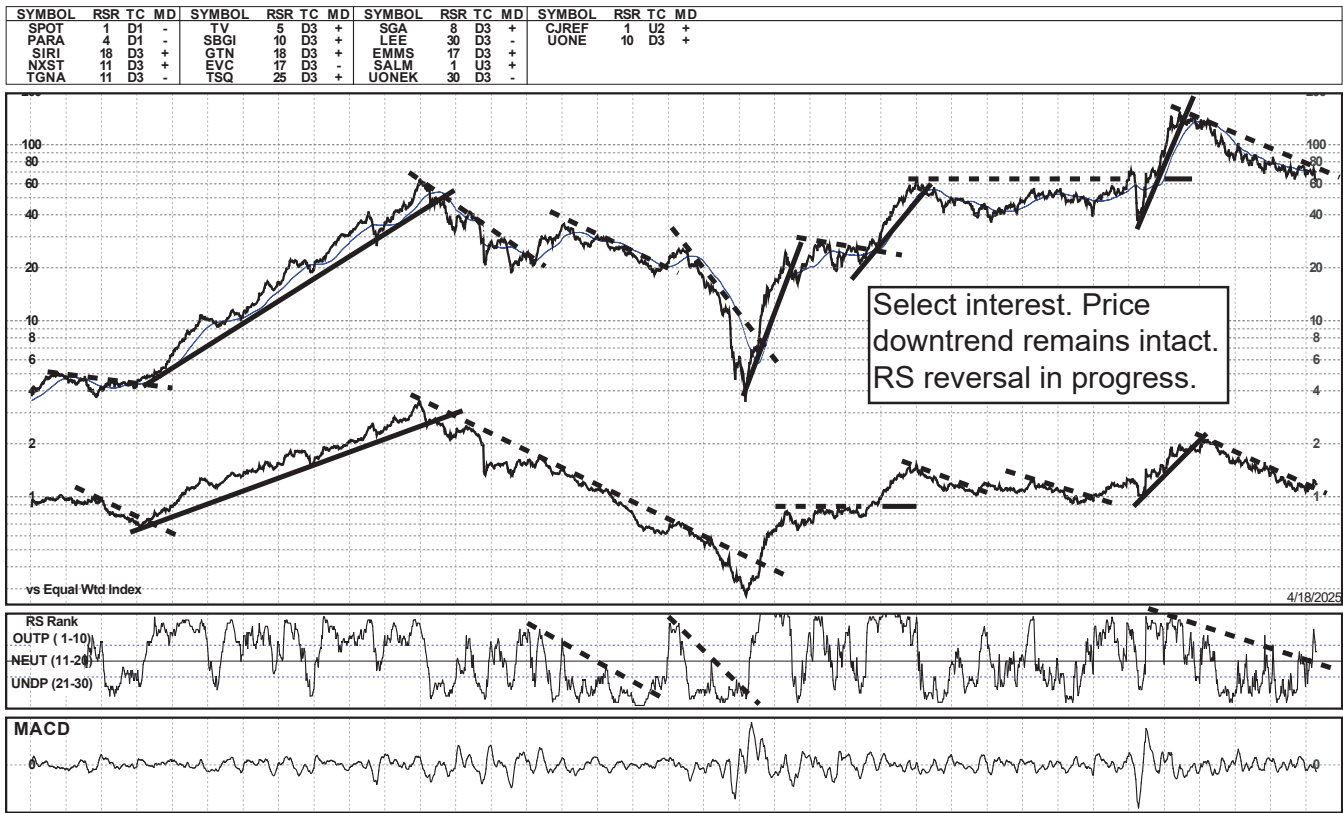


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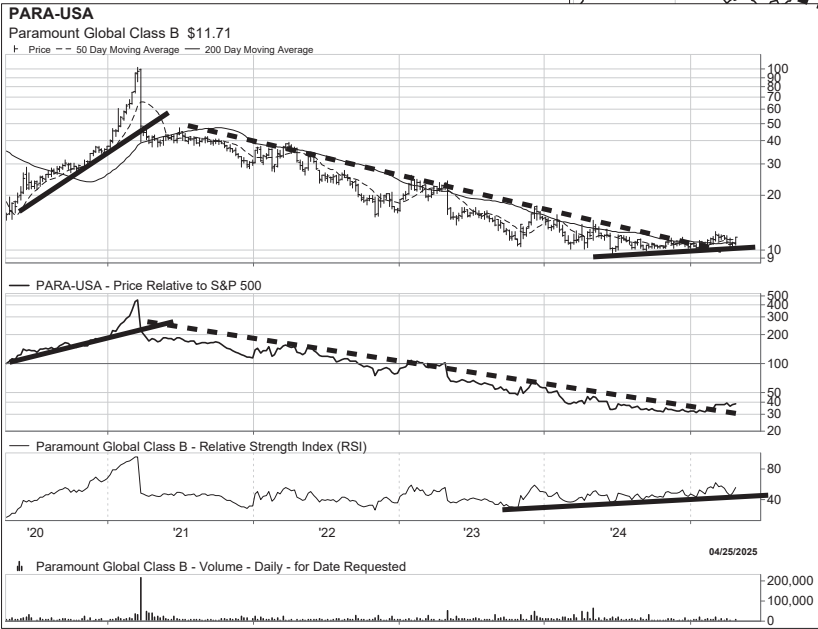
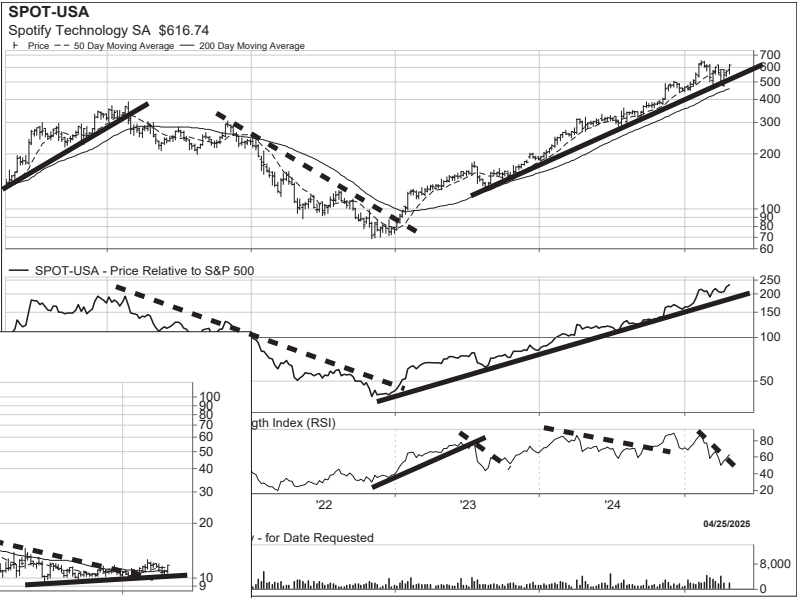
CO-Communications Stocks - Weekly Advance/Decline Line



CO-01 Broadcasting



SPOT: Buy on any weakness. Price and RS uptrends remain intact.

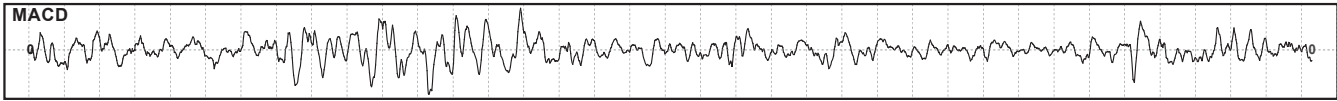
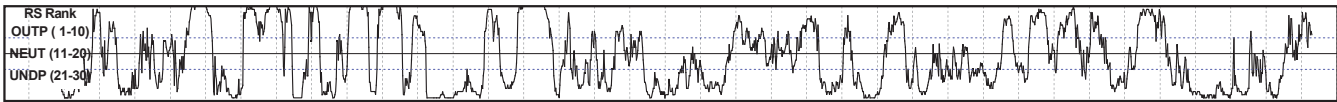
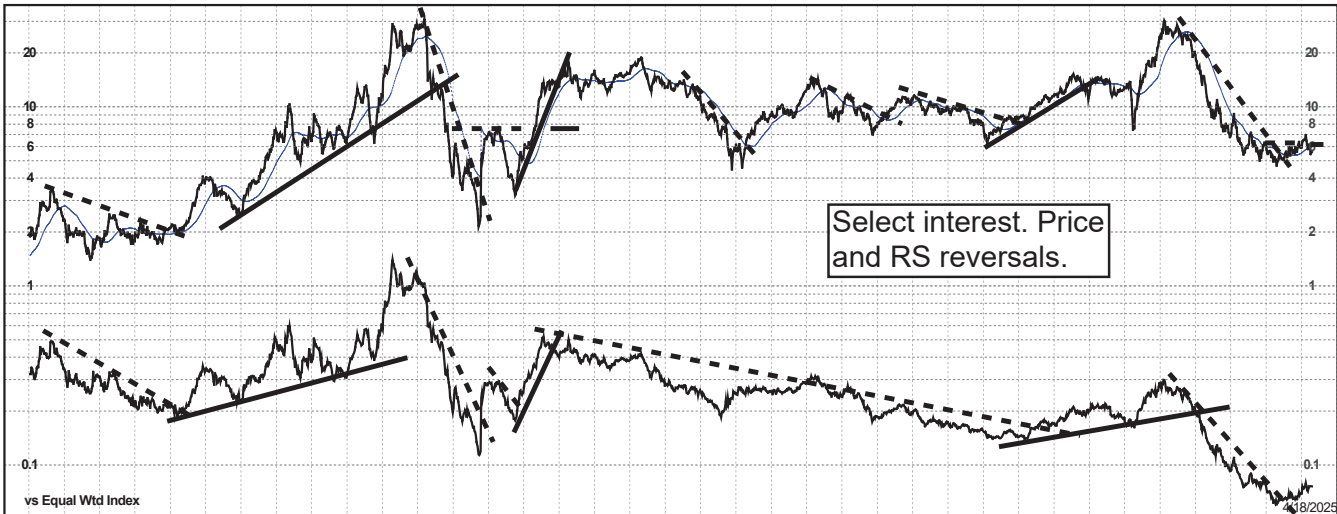


PARA: Accumulate. Major price and RS reversals.

STRATEGY: *Communications (XLC, RSPC) Remain in RS Uptrends -- Stay Overweight*

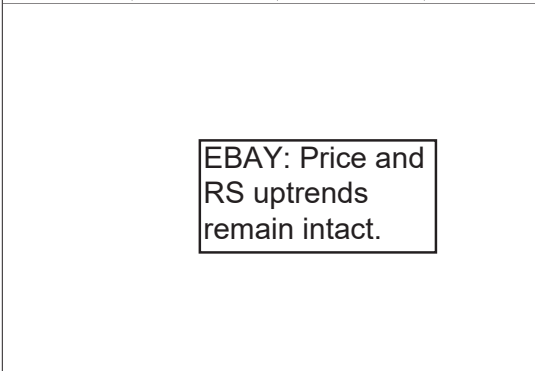
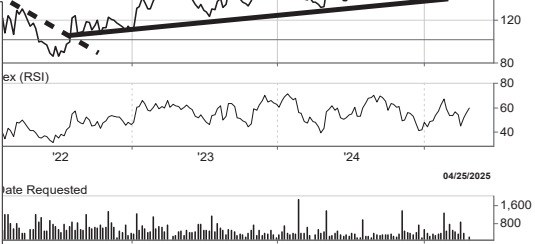
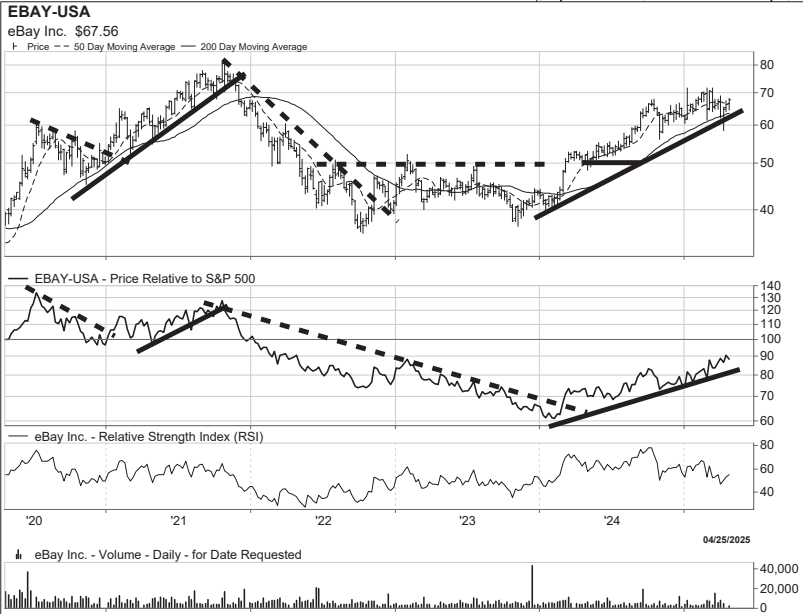
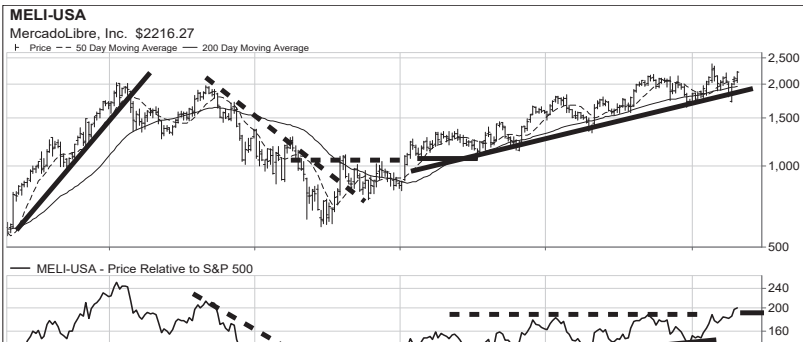
CO-24 Internet Content/Commerce

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
MELI	1	D1	-	ATHM	8	D2	-	IQ	27	D2	-	XNET	1	D1	-	SFUNY	7	D3	-
EBAY	3	D1	-	RDFN	5	U3	+	RVLV	30	D3	-	TCX	6	D2	-	LTRPA	19	D3	+
ROKU	26	D3	-	FUBO	1	D1	-	GRPN	1	U3	+	TGLO	1	D1	-	LPTV	14	D3	+
ETSY	18	D3	-	QNST	26	D3	-	CARS	29	D3	-	BZUN	26	D2	-	LEJU	30	D3	+
ZG	18	D3	-	FVRR	19	D3	-	ANGI	30	D3	+	IHRT	30	D3	-	BBIG	30	D2	-



19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

MELI: Buy. Price and RS uptrends remain intact.



EBAY: Price and RS uptrends remain intact.

Services: Overweight. RS for equal-weighted Services remains in a long-term gradual uptrend – remain overweight. Price broke down, though appears to be finding support – add exposure. Services Groups that are worthy of an overweight include SV-01 Data Processing & Outsourcing Svcs., Large-Cap (buy/stay long **V, MA, and BR**), SV-15 Waste Services, Large-Cap (buy/stay long **RSG, WCN, and ROL**), and SV-21 Auctions (buy/stay long **CPRT and RBA**). Additional attractive Groups include SV-02 Data Processing & Outsourcing Svcs., Mid-Cap (buy **STNE, PAGS, and SEZL**), SV-06 Research & Consulting Services (buy **FICO and VSEC**), and SV-26 Crypto: Mining/Trading & Data Svcs. (buy/stay long **MSTR, COIN, HOOD, MARA, and BTDR**).

Utilities: Overweight. Remain overweight Utilities with 1+ year price and RS uptrends remain intact on our equal-weighted Vermilion Sector. The 1+ year RS uptrends remain intact on the cap- and equal-weighted Sectors as well (**XLU, RSPU**). Virtually all Groups within the Sector remain attractive and remain leadership; names highlighted today to buy/stay long include: **EXC, ED, ETR, WEC, DTE, FTS, CNP, TXNM, PPL, NFG, EONGY, VEOEY, EBR, SBS, ENIC, and ELP**.

Consumer Staples: Overweight. Price is consolidating, but RS displays major bullish RS inflections on our equal-weighted Vermilion Consumer Staples Sector and the cap-weighted **XLP**. Our favorite Groups to *overweight* include CS-03 Hypermarkets & Super Centers (buy/stay long **WMT, COST, BJ, and PSMT**), CS-04 Grocery Retailers, Large-Cap (buy pullbacks/stay long **KR and ADRNY**), CS-08 Processor, Produce (buy **FDP, CVGW, and SENE**), CS-10 Meat & Poultry (buy/stay long **PPC**), CS-14 Soft Drinks Bottlers, Small-Cap (buy/stay long **COKE and PRMB**), CS-15 Soft Drinks & Bottlers, Foreign (buy **FMX, CCHGY, and KOF**), and CS-21 Tobacco, Large-Cap (buy pullbacks/stay long **PM, MO, BTI, and IMBBY**). Additional attractive names from a bottoms-up perspective include: **ABEV, CCU, MNST, CCEP, CELH, SFM, and NGVC**.

Financials: Overweight. Small-cap banks remain the weakest link within Financials. The cap-weighted **XLF** has recaptured the 200-day moving average, but a break back below the 200-day would be bearish. Insurance and exchange-related names remain the most constructive, but have also had uptrend violations that had significant rebounds. If you look at the RSR rankings in the top 30% of the market you will notice that much of the strength is relegated to foreign banks/ADRs. Group FN-01 European Banks is a leadership Group, and is at 8-year price and RS highs. Attractive names include: **HSBC, UBS, SAN, BBVA, and DB**. Group FN-02 U.K. Banks is breaking topside of a 13-year base and breaking to 7-year RS highs. Attractive names include: **BCS, LYG, and NWG**. Group FN-05 Latin/South American Banks has several leadership names, including: **ITUB, BSBR, BAP, BCH, BBD, BSAC, BSAC, GGAL, BMA, BBAR, and BLX**. Group FN-20 Mortgage Insurance remains in a price and RS uptrend. Attractive names include: **MTG, ESNT, and RDN**. Group FN-29 Pawn Shops/Cash Advance remains in a price uptrend. Attractive names include: **FCFS, EZPW, ELA, and QCCO**. Group FN-34 Electronic Exchanges/Markets is hitting new price highs and 4-year RS highs. Attractive names include: **CME, NDAQ, IBKR, VIRT, and SNEX**. Group FN-35 Insurance Brokers is a leadership Group. Many of these are extended and we would prefer to buy on pullbacks. Attractive names include: **AJG, BRO, SLQT, and EHTH**. Group FN-38 Multi-Line Insurance, Large-Cap is a leadership Group. Price and RS uptrends remain intact. Attractive names include: **AXAHY, ZURVY, TKOMY, ING, AIG, FRFHE, HIG, L, and AFG**. Group FN-40 Property & Casualty Insurance, Large-Cap is a leadership. Attractive names include: **BRK.B, BRK.A, CB, TRV, ALL, MKL, and FNF**.

Communications: Overweight. This Sector has formed a bullish base but is suffering from a 1-year uptrend violation, but RS is at 2-year highs. The cap-weighted index (**XLC**) Just broke above the 200-day moving average. Leadership is broadening and is being led by **SPOT**, and **NFLX** (which we remain bullish on), but and we would recommend looking down cap for new ideas. Group CO-06 Movies, Entertainment, Programming, Small-Cap is pulling back to support and RS is breaking a 6-year downtrend. Attractive names include: **NWS and LYV**. Group CO-08 Publishing has a number of technically attractive names that include: **RELX, TRI, and NPSNY**. Group CO-12 Telecomm Svcs., Europe/U.K. is a leadership Group and is breaking to 4-year price highs and 5-year RS highs. Attractive names include: **DTEGY, ORAN, SCMWY, TLGPY, TEF, VOD, TELNY, KKPNY, HLTOY, THAY, TIGO, MYTAY, and TIAIY**. Group CO-13 Telecomm Svcs., Asia/Pacific is a leadership Group. Attractive names include: **NTTY, CHT, KT, SKM, PHI, PCCWY, and HKTVY**. Group CO-17 Telecomm Svcs., U.S. Wireless is a leadership Group. Attractive names include: **TMUS, TDS, USM, SHEN, and SPOK**. Group CO-19 Cellular Towers appears to be bottoming, although the have not broken longer-term downtrends, RS is reflecting leadership.

Attractive names include: **AMT**, **CCI**, and **SBAC**. Group C)-21 Movie Theaters is a leadership Group. Attractive names include: **EPR**, **CNK**, and **IMAX**. Group CO-24 Internet Content/Commerce is forming a rounding bottom and a RS reversal. Attractive names include: **MELI**, **EBAY**, **FUBO**, **ATHM**, **RDFN**, **GRPN**, and **XNET**.

Consumer Discretionary: Market Weight. RS has stabilized on the cap-weighted Sector (**XLY**), and could be carving-out a bullish base. RS has been consolidating for almost a year on the equal-weighted Sector (**RSPD**). Price and RS are also testing major supports on our Vermilion equal-weighted Sector. Our favorite Group to overweight is CD-19 Education Services, Small-Cap (buy pullbacks/stay long **LRN**, **ATGE**, **LAUR**, **UTI**, **LINC**, and **APEI**). Additional attractive Groups where we have selective interest include CD-01 Major Auto Manufacturers (buy **TSLA**, **RYCEY**, and **HMC**), CD-03 Tires & Rubber (buy **GT**), CD-05 Auto Parts Retailers (buy/stay long **ORLY** and **AZO**), CD-09 Consumer Electronics Mfrs. (buy/stay long **SONY** and **NTDOY**), CD-30 Restaurants, Casual Dining (buy/stay long **DRI**, **EAT**, **CAKE**, and **NATH**), CD-50 Internet Retailers (buy pullbacks/stay long **NFLX**, **REAL**, and **TDUP**), and CD-63 Online Gaming/Gambling/Sports Betting (buy **GENI**).

Manufacturing: Market Weight. The price uptrend is decisively breaking the uptrend that has been intact for the last 27 months; however, RS continues to be in an uptrend but is close to breaking down. On a cap-weighted basis (**XLI**), RS has been moving sideways for two years, and price remains below the 200-day MA; until it recovers the 200-day MA, we would be concerned of a potential further decline. Group MF-03 is a leadership Group based on RS. Attractive names include: **BA**, **LMT**, **NOC**, and **GD**. Group MF-04 Aero Defense, Small-Cap has several strong components reflecting good RS. Attractive names include: **ESLT** and **HII**. Group MF-06 Aerospace, Components, & Products, Small-Cap has several names that are leadership. Attractive names include: **ERJ**, **DCO**, **ATRO**, **TATT**, **TGI**, and **SYPR**. Group MF-09 Aerospace, Controls/Simulation remains in a price and RS uptrend. This Group is very extended, and we would wait for pullbacks. Attractive names include: **CAE**, **KTOS**, **ISSC**, and **TIKK**. Group MF-17 Agricultural Equipment is emerging as a leadership Group. Attractive names include: **CNHI**, **AGCO**, **VMI**, **LNN**, and **TITN**. Group MF-34 Climate Controls & Systems is a leadership Group. The price uptrend is breaking and we have been bullish this group for the last 3-years. RS indicates it is still leadership; however, the price uptrend violation indicates that this is likely to trade lower but still out-perform. Attractive names include: **WSO**, **MCCK**, **HDSN**, **LMB**, and **TGEN**.

Health Care: Market Weight. RS on cap-weighted Health Care (**XLV**) is consolidating. Groups highlighted today that are worthy of an overweight include HC-04 Pharmaceuticals, Small-Cap (buy pullbacks/stay long **CORT**, **CPRX**, and **ETON**), HC-11 Cardiovascular Products (buy/stay long **BSX** and **TMDX**), HC-15 Diagnostic & Test Services (buy/stay long **DGX** and **GH**). Additional Groups where we have selective interest is HC-02 Pharmaceuticals, Large-Cap (buy **ABT**), HC-08 Biotech, Small-Cap (buy/stay long **TGTX** and **ADMA**), and HC-23 Health Care Distributors (buy/stay long **MCK**, **COR**, and **CAH**).

Real Estate: Market Weight RS on the equal-weighted Vermilion Sector broke the price uptrend and RS is on the cusp of reversing the downtrend. The cap-weighted **XLRE** is near a downtrend reversal but remains below the 200-day and 50-day moving averages. Group RE-01 Real Estate Developers displays an uptrend violation, but RS is inflecting bullishly. Attractive names include: **CKHUY**, **INVH**, **FPAFY**, **GZTGF**, **TRC**, **PDER**, and **CHCI**. RE-06 REITs, Residential is a leadership Group based on RS, and the price uptrend remains intact, yet vulnerable, to a breakdown. Attractive names include: **MAA**, **AVB**, **ESS**, **AMH**, and **FPH**. Group RE-09 REITs, Healthcare is near 52-week RS highs and the price uptrend remains intact. Attractive names include: **WELL**, **VTR**, **DHI**, **SBRA**, **NHI**, **MPW**, **LTW**, and **UHT**.

Energy: Market Weight. We prefer the E&P names over services names, with one exception being the offshore space due to longer-term contracts. Midstream companies are the safest area in the Sector. The cap-weighted Sector (**XLE**) is coming up into resistance at the \$83 level. A move above this would be constructive. Despite the absolute weakness RS is near the 2-year lows. Group EN-01 is breaking through major support, but RS is attempting a reversal with many names reflecting a turn in RS. Attractive names include: **XOM** and **SHEL**. Group EN-12 Energy Trusts Continues to be in a price downtrend, however RS is inflecting bullishly. Attractive names technically are: **TPL**, **AAVVF**, **KRP**, **BJT**, **PVL**, **PRT**, **NRT**, and **ECTM**. Group EN-13 Natural Gas integrated/Diversified is near 9-year price highs and reversing a 2.5-year downtrend. Attractive names include: **WMB**, **EQT**, **CTRA**, **TXO**, and **EE**. Group EN-25 Gas Transmission & Delivery remains in a price uptrend and RS is breaking to new highs. There

are a number of names standing out on an RS basis such as: **ENB, KMI, TRP, PBA, PAA, and GEL**. Group EN-26 Gas Processing/Storage/Distribution is violating a price uptrend but RS continues to be in an uptrend. Attractive names include: **EPD, ET, MPLX, WES, AM, SUN, and HESM**.

Technology: Underweight. Despite our underweight recommendation, there are still several attractive areas where we want to be involved. RS remains in a 9.5-month downtrend on the cap-weighted **XLK**, and a 1+ year RS downtrend on the equal-weighted **RSPT**. Price and RS are testing support on our equal-weighted Sector. Our favorite Software Groups to overweight include TE-17 Network Security Services & Software (buy/stay long **FTNT, NET, VRSN, CYBR, and OKTA**), TE-42 Software, Enterprise Applications, Large-Cap (buy /stay long **SAP and IBM**), TE-43 Software, Enterprise Applications, Small-Cap (buy/stay long **GWRE and MGIC**), TE-49 Software, Network Solutions (buy/stay long **FFIV**), and TE-53 Software, Employee Mgt. (buy **PAYC**). Additional Groups to overweight include TE-11 Electronic Manufacturing Services (buy/stay long **CLS**), TE-14 Personal Wireless Communication Equipment (buy/stay long **NOK**), and TE-16 Security & Surveillance Systems (buy **OSIS and ITRN**). Additional attractive names from a bottoms-up perspective include **IDCC, PRCH, and TTWO**.

Materials: Underweight. This Sector is breaking down and hitting 4.5-year lows. RS remains in a downtrend. The recent announcements on tariffs for steel and aluminum may provide a catalyst for many names within this area to rally. Precious metals are a standout and display secular bottoms based on RS. We would stay bullish on this for several years based on the technicals. Group MA-01 Metals, Steel, Integrated, U.S. remains in a price downtrend, but RS is breaking above its 1-year downtrend. Attractive names include: **STLD, RS, X, WOR, SMSMY, and SCHN**. Group MA-02 Metals, Steel, Integrated, Non-U.S. remains in a price downtrend, however once again RS is breaking above its 1-year downtrend. Attractive names include: **SIM and MT**. Group MA-03 Metals, Specialty is breaking to 5-year price highs and reversing a secular RS downtrend. An attractive name is: **CRS**. Group MA-11 Cement/Aggregates is at all-time high, Attractive names include: **VMC, SUM, CX, and KNF**. Group MA-14 Fertilizer is bottoming. Most names are reversing price and RS downtrends. Attractive names include: **NTR, CF, MOS, ICL, SQM, UAN, and IPI**. Group MA-26 Gold, Western Hemisphere, Large-Cap is pulling back to a logical support area and RS has pulled back to prior downtrend support. Attractive names include: **AEM, NEM, FNV, and GOLD**. Group MA-27 Gold, Western Hemisphere Small-Cap has pulled back to its horizontal support level and RS is back at the long-term uptrend. Attractive names include: **KGC, RGLD, AGI, BTG, BVN, IAG, EXK, SMSTF, USGO, USAU, GORO, and AAU**.

Transportation: Underweight. This Sector remains in a price downtrend and remains under pressure and RS is hitting multi-year lows. Truckers, airlines, and dry-bulk shippers remain weak. Foreign airport operators and airlines are leading the Sector. Group TR-03 Airlines, South America is a RS leadership Group. Attractive names are: **CPA and GOL**. Group TR-07 Airport Operations is a leadership Group. Attractive names include: **PAC, ASR, and OMAB**.

Ross W. LaDuke, CMT
David P. Nicoski, CMT

Global Market Strategists

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Charts courtesy of FactSet Data Systems and Vermilion Technical Research