

# VERMILION MACRO VISION

JUNE 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

VERMILION RESEARCH

*Scroll to the next page to begin reading our U.S. equity strategy document, or click on the links below to download the strategy document, or individual sector commentaries:*

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## STRATEGY

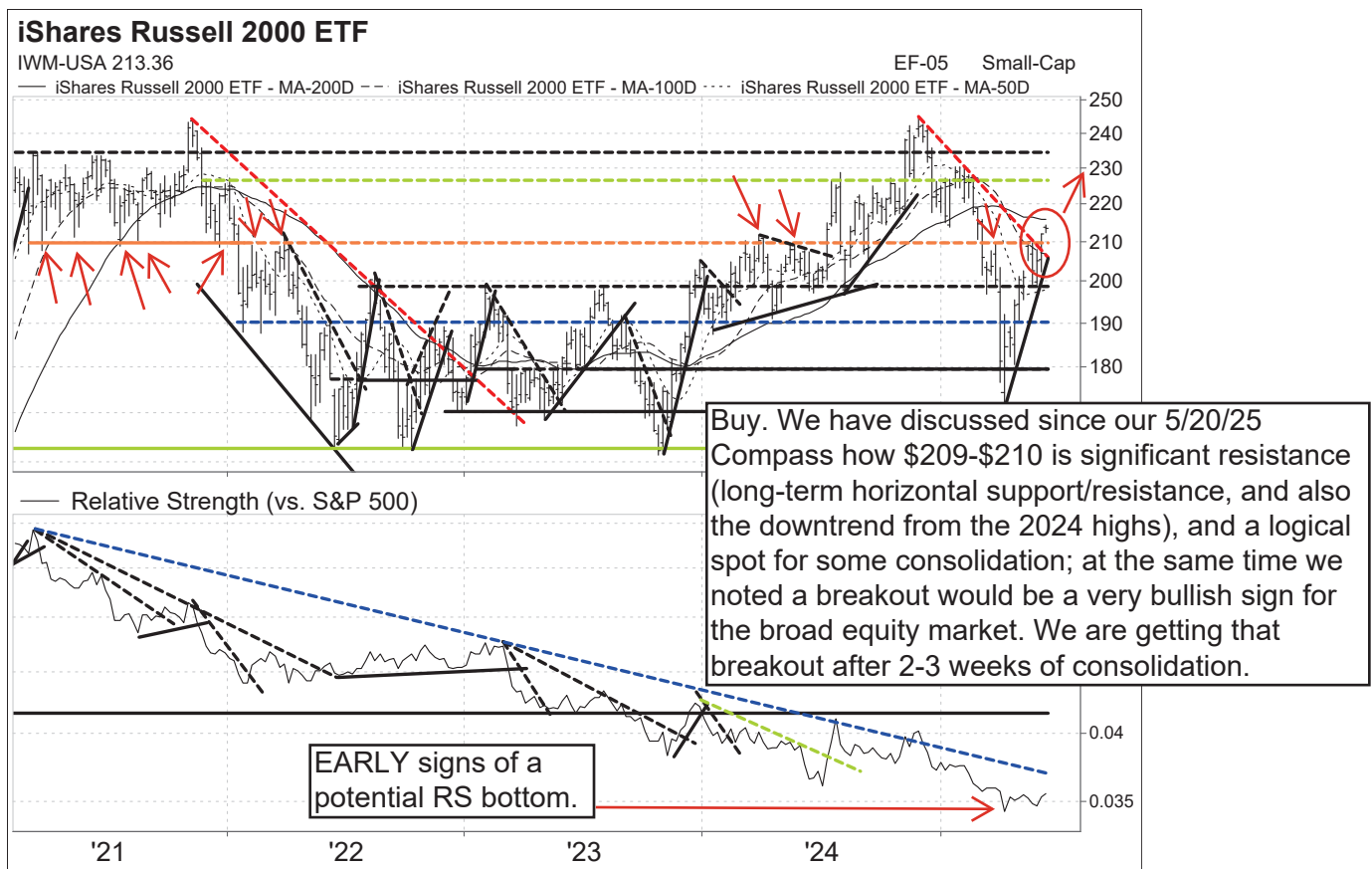
We remain near-term bullish since our 4/22/25 *Compass*, and our intermediate-term outlook remains bullish as well (as of our 5/14/25 *Compass*). We will maintain our bullish view as long as market dynamics remain healthy and the S&P 500 (SPX) is above 5500. Our base case expectation is that SPX tests all-time highs soon, then we expect it to hold above short-term gap support at 5700-5785 should we get a pullback.

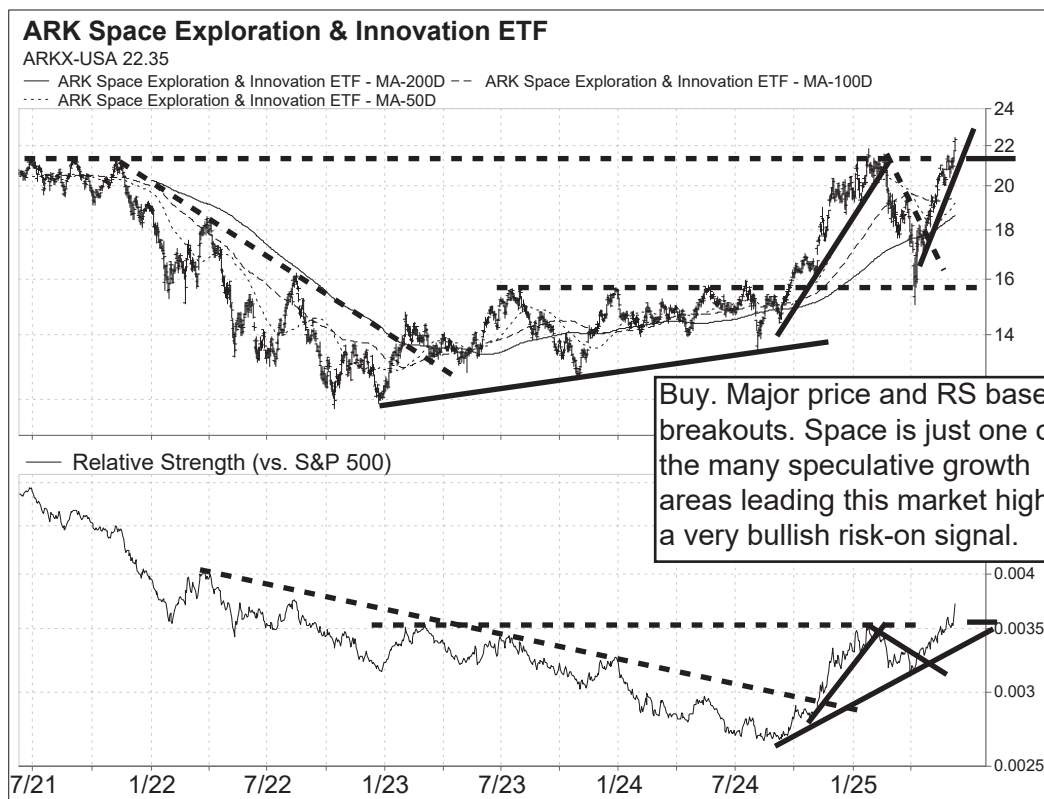
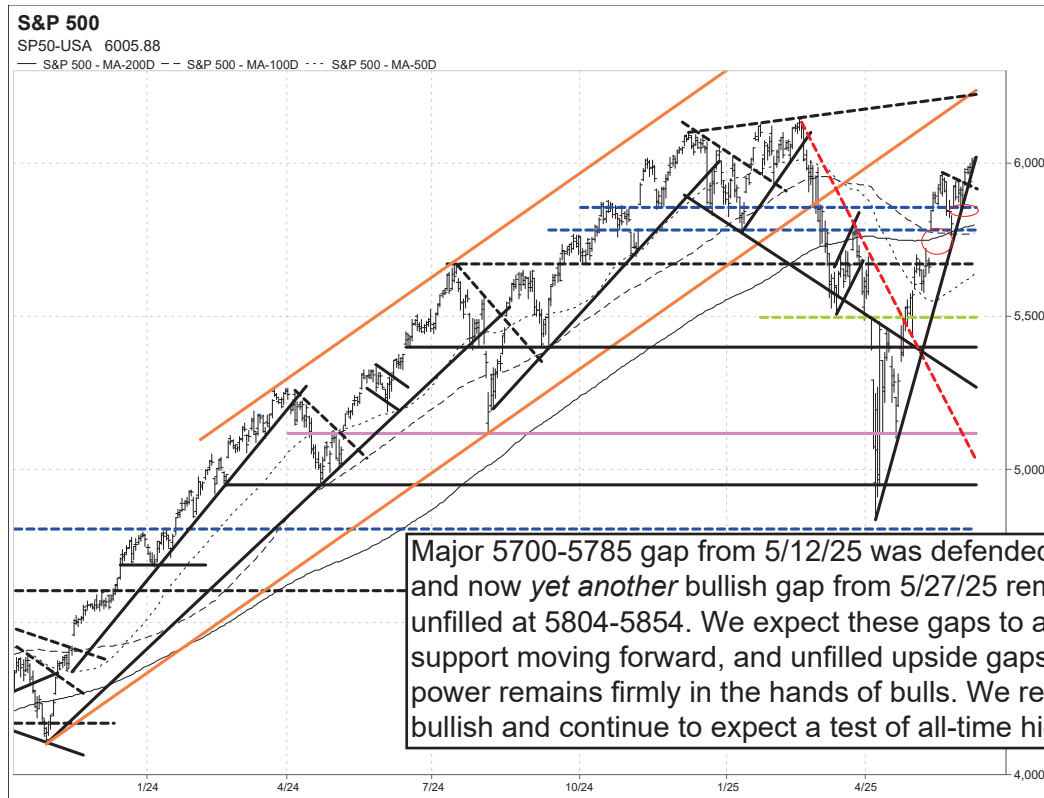
Perhaps one of the most encouraging signs yet (and there have been many) is that the small-cap Russell 2000 (**IWM**) broke above the crucial long-term \$209-\$210 level on Friday last week. It is far too early to declare small-caps as leadership, but the significance of this break above \$210 on IWM cannot be overstated; as long as the IWM is above \$209, it is an extremely bullish signal for the broad equity market.

Aside from the bullish price trend on the S&P 500 and Russell 2000, 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, 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) has fallen to the low-end of its 3-year range. (6) Breadth metrics remain healthy, with the S&P 500's advance/decline (A/D) line hitting YTD highs in May. (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**), and EAFE (**EFA**) are breaking to multi-year or all-time highs. These are all risk-signals that support our bullish outlook.

We are making two Sector weighting changes: (1) We are upgrading Technology (**XLK**) to overweight with RS breaking above 9.5-month horizontal resistance – add exposure. (2) We are downgrading Financials (**XLF**) to market weight with RS violating the 9.5-month uptrend – reduce exposure.

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



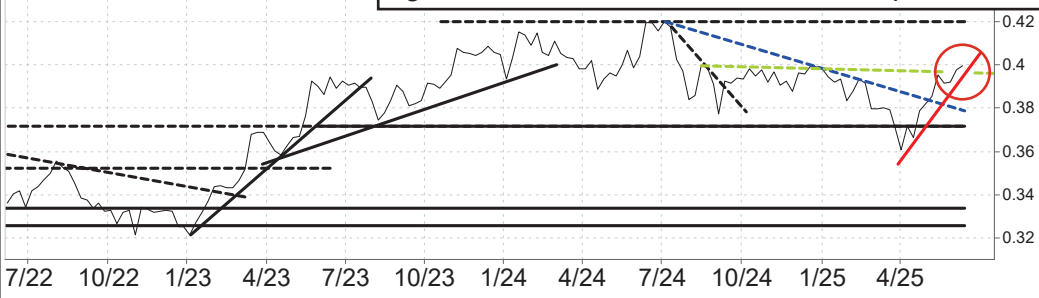
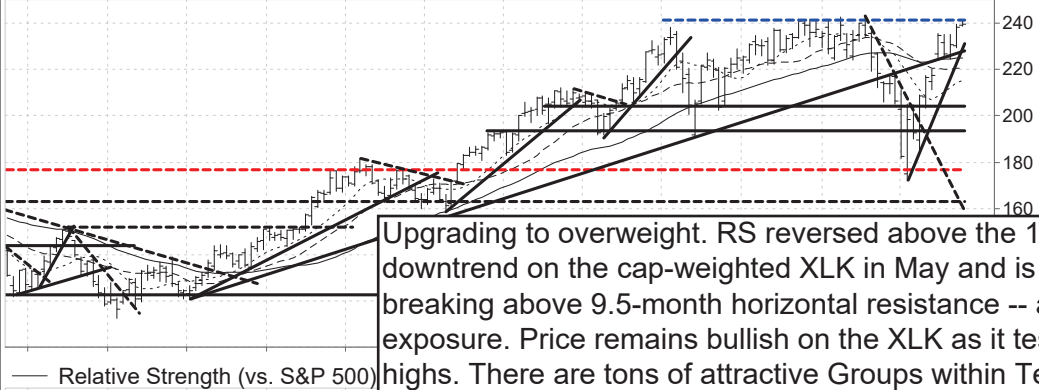


### Technology Select Sector SPDR Fund

XLK-USA 239.53 0.49%

EF-34 Technology

— Technology Select Sector SPDR Fund - MA-200D -- Technology Select Sector SPDR Fund - MA-100D  
 .... Technology Select Sector SPDR Fund - MA-50D

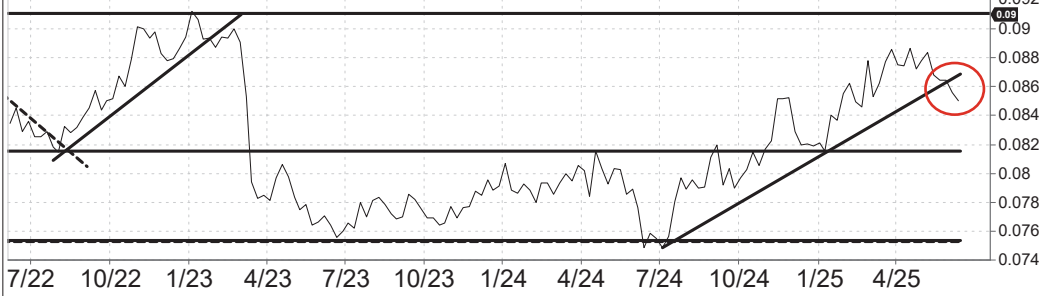
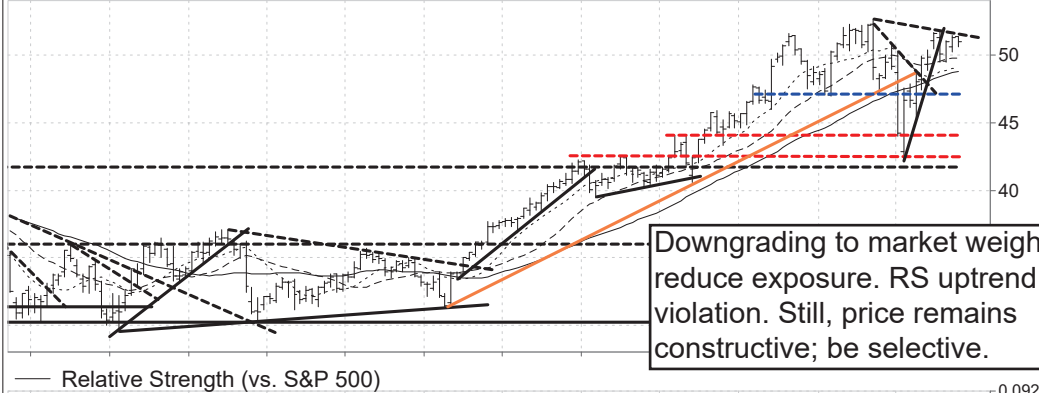


### Financial Select Sector SPDR Fund

XLF-USA 51.00 -0.55%

EF-29 Financials

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



## STRATEGY

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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. 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 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. Additionally, as long as the MOVE index remains subdued, the SPX bull market can continue even if the 10-year yield breaks out above 4.80%.
- **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 hit our \$100 target from late-February 2025, as investors priced-in higher political risk. If the DXY is below \$100, we expect a continued move lower and we are targeting \$94-\$95. DXY weakness is typically bullish for risk assets, but not when it is falling due to political uncertainty. Still, it appears 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, violated the 3-month uptrend in early-May, and is well-below the crucial 355bps level. As long as high yield spreads are below 355bps, we see it as a significant risk-on signal for U.S. equities.
- **Speculative Growth Leading, Defensive and Commodity Sectors Underperforming:** Communications (XLC) and Services Sectors remain long-term leadership. Other Sectors that are near 3+ month (i.e., short-term) RS highs include Technology (XLK) and Industrials (XLI). Sectors near 3+ month RS lows include defensive Sectors – Consumer Staples (XLP), Health Care (XLV), Real Estate (XLRE), and Utilities (XLU) – and commodity Sectors – Energy (XLE) and Materials (XLB). Meanwhile, all the speculative growth areas that we have been bullish on remain leadership (quantum computing, robotics, A.I., drones, autonomous driving, eVTOL, space, nuclear power, crypto, etc.). This all strongly points to a risk-on environment.
- **Small-Caps vs. Large-Caps:** The small-cap vs. large-cap ratio (Russell 2000 vs. S&P 500) remains at 25-year lows. With that said, we are starting to see some EARLY signs that RS could be bottoming, and we are watching 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. What matters most is price, and the Russell 2000 (IWM) is breaking above crucial long-term resistance at \$209-\$210, a very bullish signal for small-caps and the broad equity market.
- **Breadth Remains Healthy:** Breadth metrics remain bullish following the Zweig Breadth Thrust and IBD “follow-through day” in April, not to mention the 98.5% NYSE upside volume on April 9<sup>th</sup>. 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 hit new YTD highs in May. It all points to a risk-on environment.



## STRATEGY

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- **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; \$65 is now resistance, and only a break above it would get us bullish on crude oil. We are buyers on this breakout and will remain bullish as long as WTI is above \$64. 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 had been near-term bullish after bitcoin was able to get back above \$92,000 on 4/22/25, but we would look for near-term consolidation as long as bitcoin is below \$109,880, at the same time acknowledging that a break above \$109,880 would be a buy signal. Bitcoin was not able to sustain a breakout above \$109,880, signaling it likely needs more time to consolidate in the near-term.
  - **Foreign/Global Equities:** The general theme we are seeing globally is there is meaningful price improvement, with virtually all major indexes approaching all-time or multi-year highs (S&P 500, Europe's EURO STOXX 50, Japan's TOPIX, Hong Kong's Hang Seng, etc.). The MSCI ACWI (ACWI-US), ACWI ex-US (ACWX-US), and EAFE (EFA-US) are already breaking to multi-year or all-time highs, and we believe the U.S., Europe, Japan, and Hong Kong will do the same. 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 a very clear picture that points to a risk-on environment.
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In the remainder of our June Strategy, we highlight areas of the market where we see actionable opportunities:

- **Technology.** We are upgrading Technology to overweight. RS reversed above the 10-month downtrend on the cap-weighted **XLK** in May and is now breaking above 9.5-month horizontal resistance – add exposure. Price remains bullish on the **XLK** as it tests all-time highs. Favorite Groups that we are spotlighting within Technology include TE-01 Semiconductors, Large-Cap (buy **NVDA**, **MU**, **MCHP**, and **STM**), TE-04 Semiconductor Equip., Large/Mid-Cap (buy **LRCX** and **KLAC**), TE-10 Electronic Connectors (buy/stay long **APH** and **TEL**), TE-17 Network Security Services & Software (buy pullbacks/stay long **NET**, **ZS**, and **VRSN**), and TE-42 Software, Enterprise Applications, Large-Cap (buy /stay long **MSFT**, **ORCL**, **SAP** and **IBM**).
- **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-03 Data Processing & Outsourcing Svcs., Small-Cap (buy/stay long **SEZL** and **INOD**), SV-14 Construction & Engineering, Small-Cap (buy/stay long **BWXT**, **DY**, **AGX**, **TPC**, and **WLDN**), and SV-26 Crypto: Mining/Trading & Data Svcs. (buy/stay long **MSTR**, **HOOD**, **CORZ**, **HUT**, **APLD**, and **WULF**).
- **Consumer Discretionary.** Remain overweight cap-weighted Consumer Discretionary (**XLY**) which remains in a RS uptrend. Favorite Groups that we are spotlighting within Discretionary include CD-22 Cruises (buy **RCL**, **CCL**, and **VIK**) and CD-30 Restaurants, Casual Dining (buy/stay long **DRI**, **WING**, **EAT**, and **CAKE**).
- **Utilities.** RS has pulled back to test the uptrend on the **XLU**, and we would downgrade to market weight on a RS uptrend violation – be selective. We prefer independent power generation names (UT-18) as opposed to traditional electric utilities. Attractive names highlighted within UT-18 Independent Power Production include **VST**, **NRG**, and **TAC**.
- **Communications.** The cap-weighted Communications Sector (**XLC**) remains in a long-term RS uptrend – remain overweight. One favorite Group that we are spotlighting within Communications is CO-24 Internet Content/Commerce (buy/stay long **MELI** and **EBAY**).

Relative Strength Ranking - RSR : Sector Summary

Vermilion Sector	06/06	05/30	05/23	05/16	05/09	05/02	04/25	04/18	04/11	04/04	03/28	03/21	03/14	03/07	02/28	02/21	02/14	02/07	TRIPLE CYCLE	50 DAY	200 DAY													
MF Manufacturing(CAP)	8	7	8	7	8	9	10	11	10	14	13	11	10	11	14	18	18	17	U2	4	AR	AR												
TE Technology(CAP)	8	9	10	9	14	13	16	19	14	22	21	18	17	17	16	11	12	14	U2	2	AR	AR												
CO Communications(CAP)	9	9	8	11	12	9	9	10	8	10	11	9	8	6	7	6	6	7	U2	2	AR	AR												
FN Financials(CAP)	9	6	6	7	7	5	6	5	7	9	6	6	7	7	5	9	9	8	U3	1	AR	AR												
CO <u>Communications(AVG)</u>	10	8	8	9	6	7	6	7	7	7	7	6	6	6	8	8	7	10	U2	4	AR	AR												
MA Materials(CAP)	10	9	8	11	8	7	7	7	8	11	10	9	8	10	15	16	17	19	U2	4	AR	AR												
MF <u>Manufacturing(AVG)</u>	10	10	11	10	14	15	17	17	Upgrading Technology to overweight and downgrading Financials to market weight.										16	14	U2	2	AR	AR										
CS Consumer Staples(CAP)	11	6	6	8	5	3	2	2																					14	16	U3	8	AR	AR
MA <u>Materials(AVG)</u>	11	13	12	18	13	14	13	12																					21	20	U2	1	AR	AR
SV Services(CAP)	11	10	10	10	9	9	10	10																					10	9	U2	3	AR	AR
UT <u>Utilities(AVG)</u>	11	7	6	8	5	4	4	3																					17	18	U3	6	AR	AR
UT Utilities(CAP)	11	7	6	8	5	4	4	4	4	4	6	8	7	11	13	13	18	19	U3	6	AR	AR												
FN <u>Financials(AVG)</u>	13	11	11	11	10	9	9	10	11	10	8	9	9	10	8	11	10	10	U2	3	AR	AR												
TE <u>Technology(AVG)</u>	13	16	16	16	19	20	20	22	22	23	21	18	19	19	17	12	11	11	U1	4	AR	AR												
CD Consumer Disc(CAP)	14	10	11	10	12	12	10	17	10	13	15	15	14	11	9	8	6	7	U2	2	AR	AR												
CS <u>Consumer Staples(AVG)</u>	14	10	11	12	9	7	7	6	6	6	9	10	9	7	13	13	17	19	U2	4	AR	AR												
HC <u>Health Care(AVG)</u>	14	21	22	24	23	16	18	20	22	22	22	21	21	23	24	23	23	24	U1	4	AR	BF												
TR <u>Transportation(AVG)</u>	14	15	16	15	17	19	20	18	18	20	19	20	20	19	20	19	17	18	U1	4	AR	BF												
RE Real Estate(CAP)	15	13	15	13	10	10	10	8	11	9	10	10	9	8	8	13	16	18	U2	1	AR	BF												
TR Transportation(CAP)	15	15	13	12	17	17	19	13	15	18	19	17	17	13	14	15	14	16	U2	1	AR	BF												
SV <u>Services(AVG)</u>	17	19	18	20	19	22	21	22	21	22	24	25	25	24	23	23	19	19	U1	4	AR	BF												
RE <u>Real Estate(AVG)</u>	18	18	19	18	15	15	15	11	14	10	11	12	11	10	13	18	21	20	U1	2	AF	BF												
CD <u>Consumer Disc(AVG)</u>	21	21	22	21	23	24	24	23	22	21	23	24	25	22	20	20	17	19	U1	4	AR	BF												
EN <u>Energy(AVG)</u>	22	23	22	23	22	23	21	17	21	20	12	13	14	21	16	15	16	18	U1	2	AF	BF												
EN Energy(CAP)	22	22	21	21	19	18	14	2	13	11	6	7	9	14	14	15	18	19	D3	13	AF	BF												
HC Health Care(CAP)	22	21	22	24	20	13	11	7	9	8	10	9	9	8	13	17	22	20	D3	10	AF	BF												

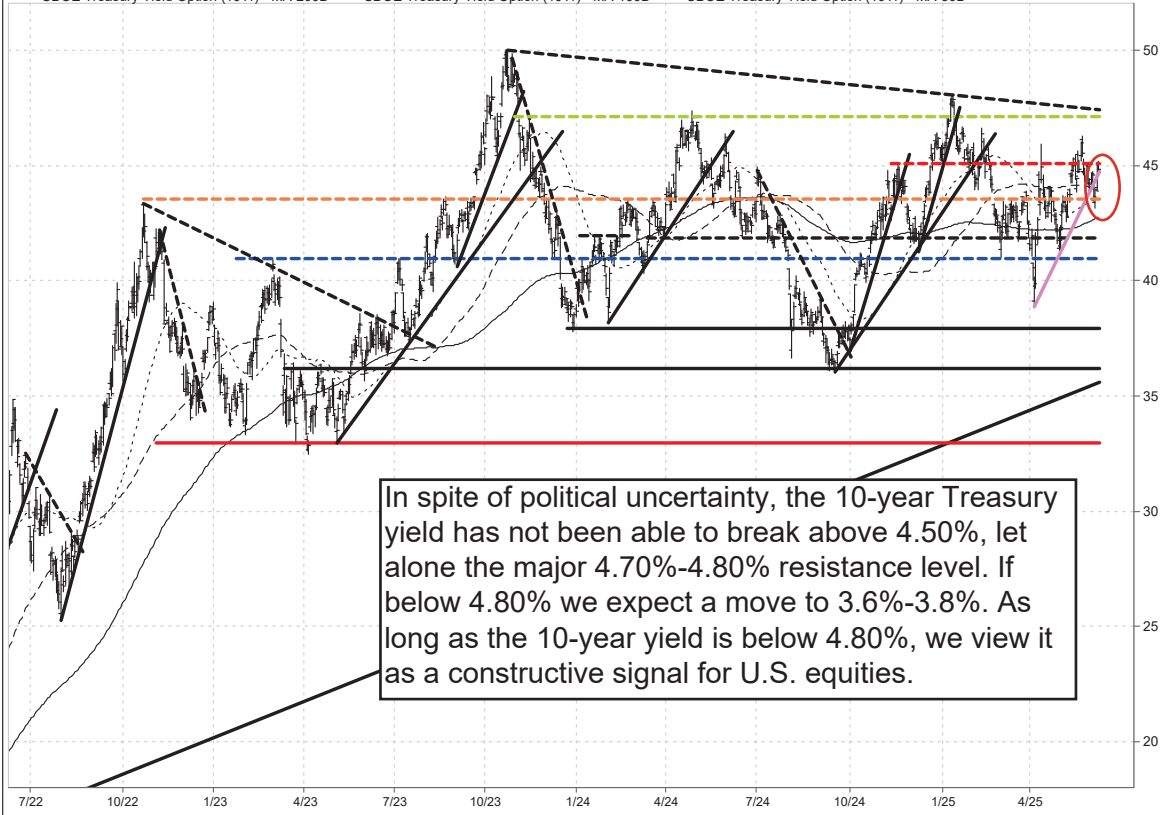




**CBOE Treasury Yield Option (10Yr)**

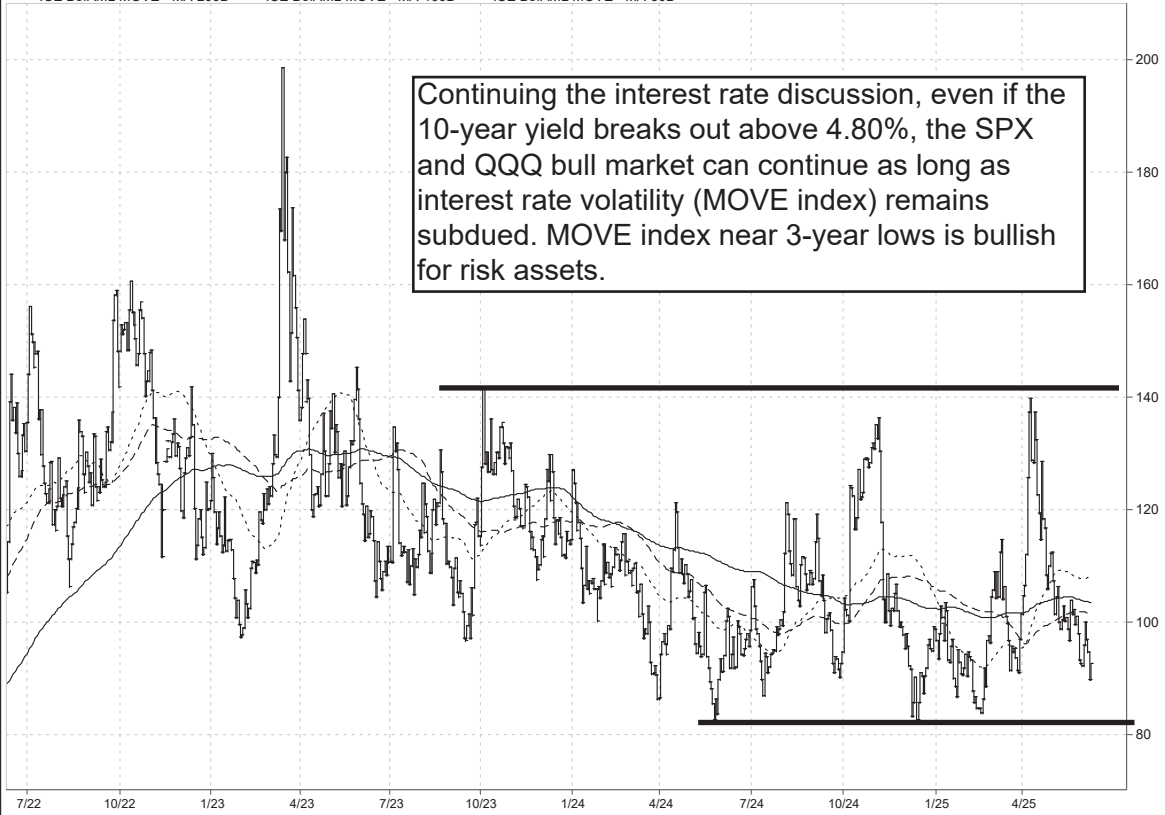
TNX-CBO 44.82

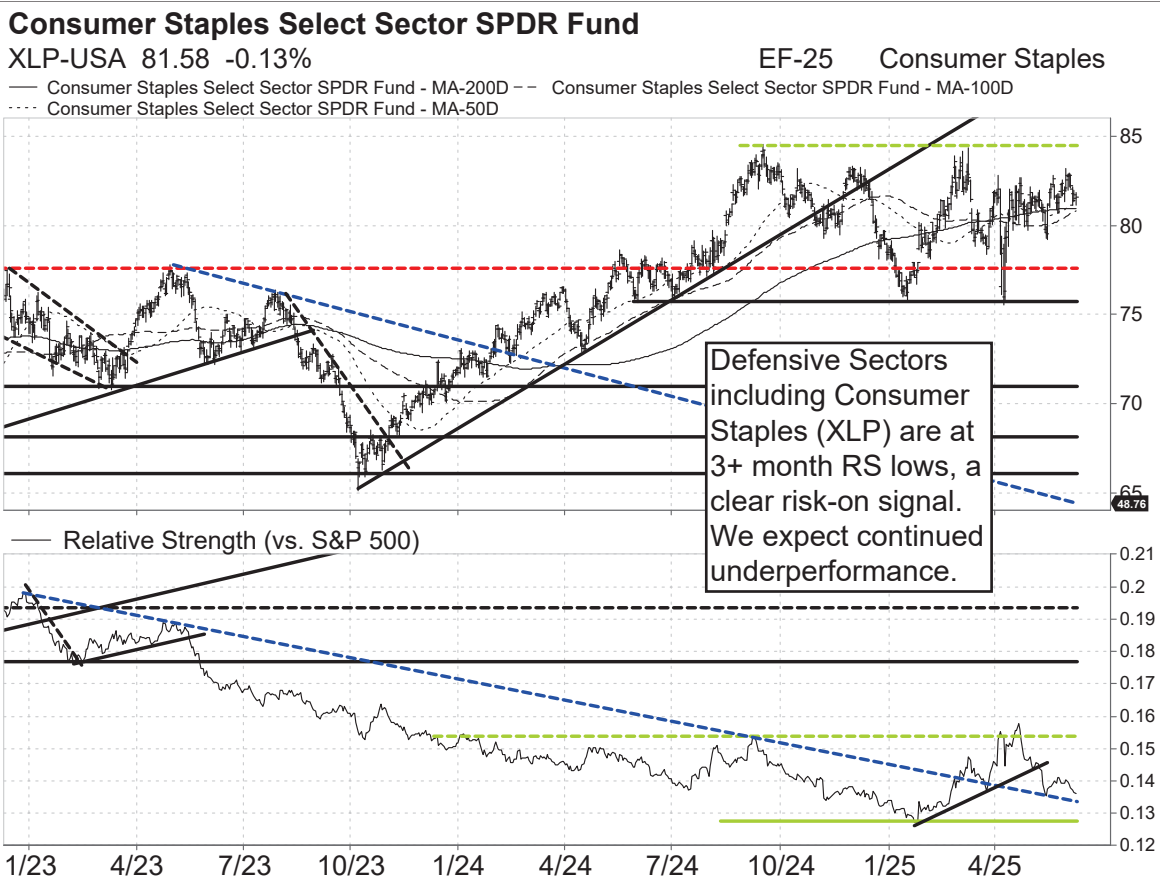
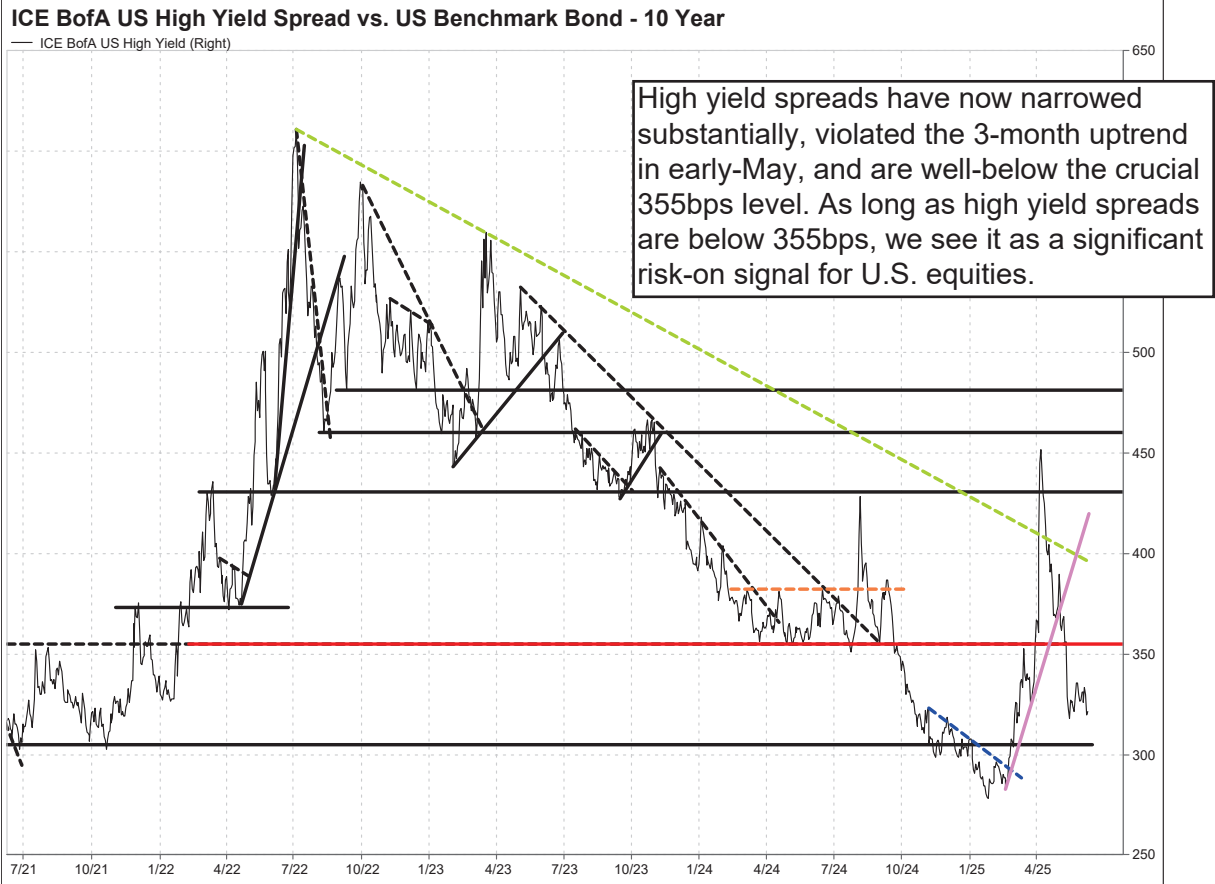
— CBOE Treasury Yield Option (10Yr) - MA-200D -- CBOE Treasury Yield Option (10Yr) - MA-100D --- CBOE Treasury Yield Option (10Yr) - MA-50D

**ICE BofAML MOVE**

MOVE.IDX-USA 92.62

— ICE BofAML MOVE - MA-200D -- ICE BofAML MOVE - MA-100D --- ICE BofAML MOVE - MA-50D





**Utilities Select Sector SPDR Fund**

XLU-USA 80.67 -0.64%

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&amp;P 500)



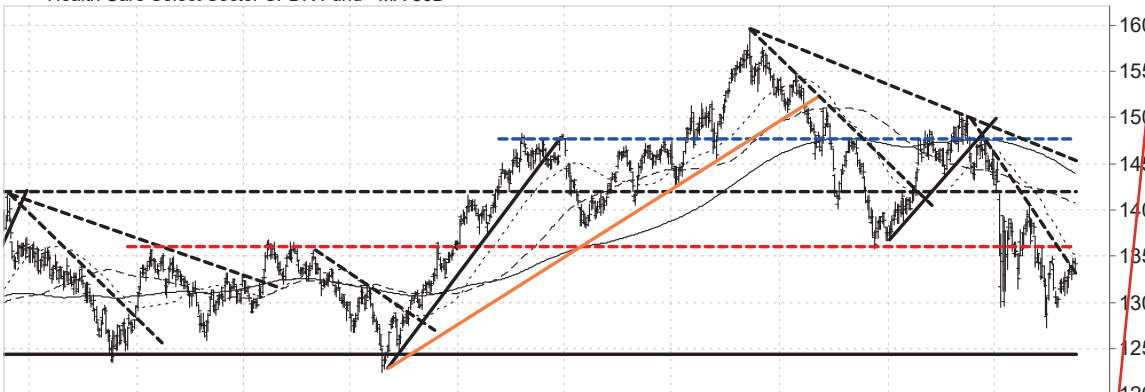
Defensive Sectors including Utilities (XLU) and Health Care (XLV) are also at 3+ month RS lows, a clear risk-on signal. We expect continued underperformance and we would downgrade Utilities on a RS uptrend violation.

**Health Care Select Sector SPDR Fund**

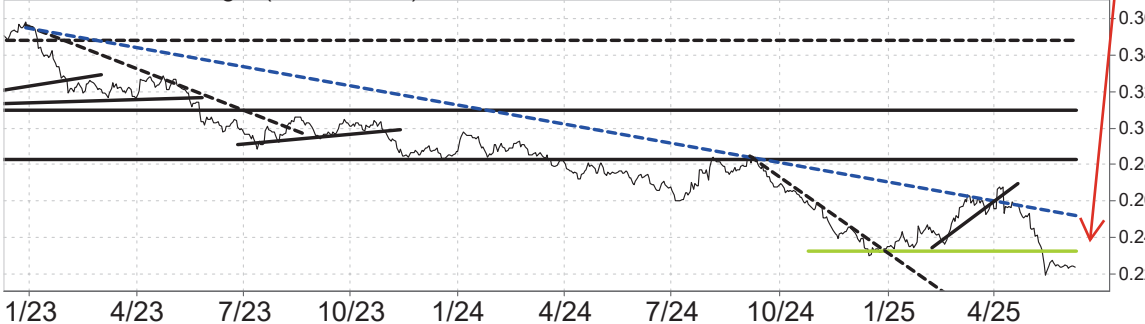
XLV-USA 134.15 -0.17%

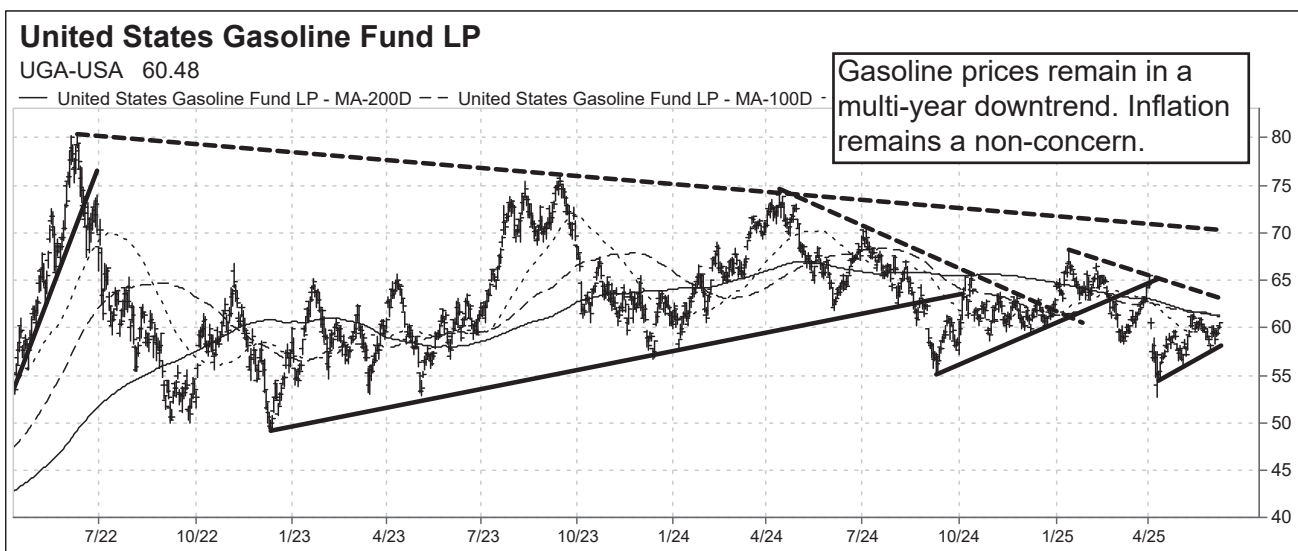
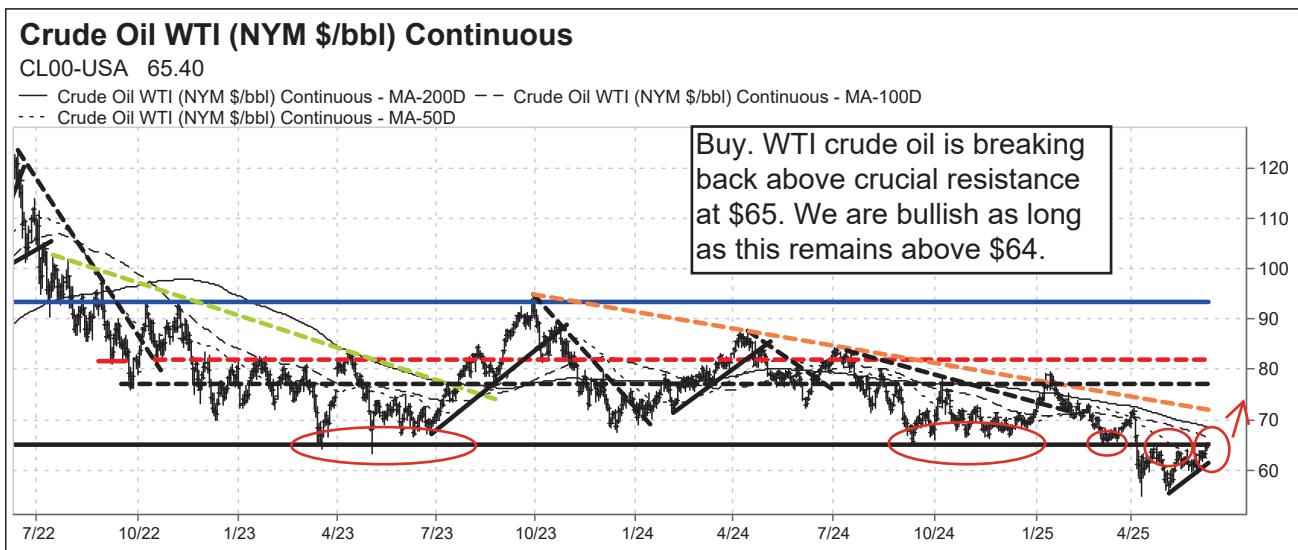
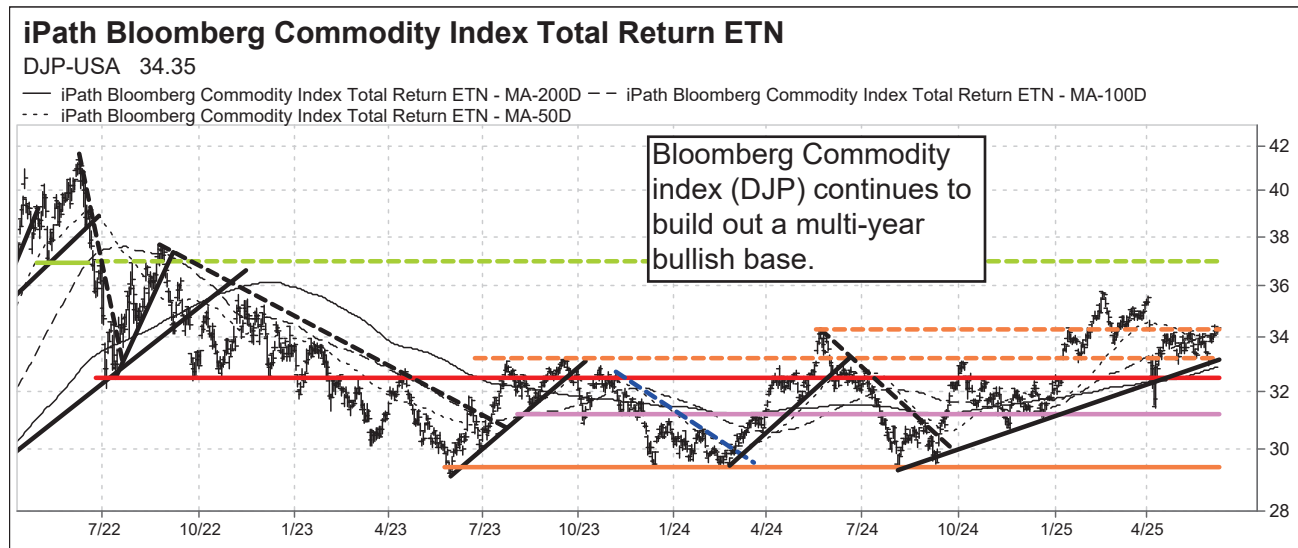
EF-30 Healthcare

— Health Care Select Sector SPDR Fund - MA-200D -- Health Care Select Sector SPDR Fund - MA-100D  
 .... Health Care Select Sector SPDR Fund - MA-50D



— Relative Strength (vs. S&amp;P 500)

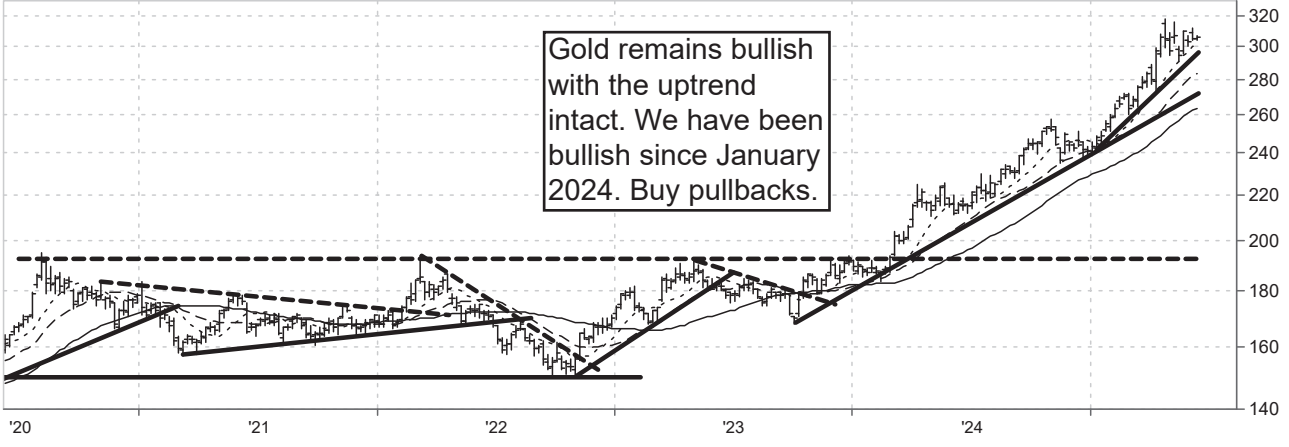




### SPDR Gold Shares

GLD-USA 306.62

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



### iShares Silver Trust

SLV-USA 33.39

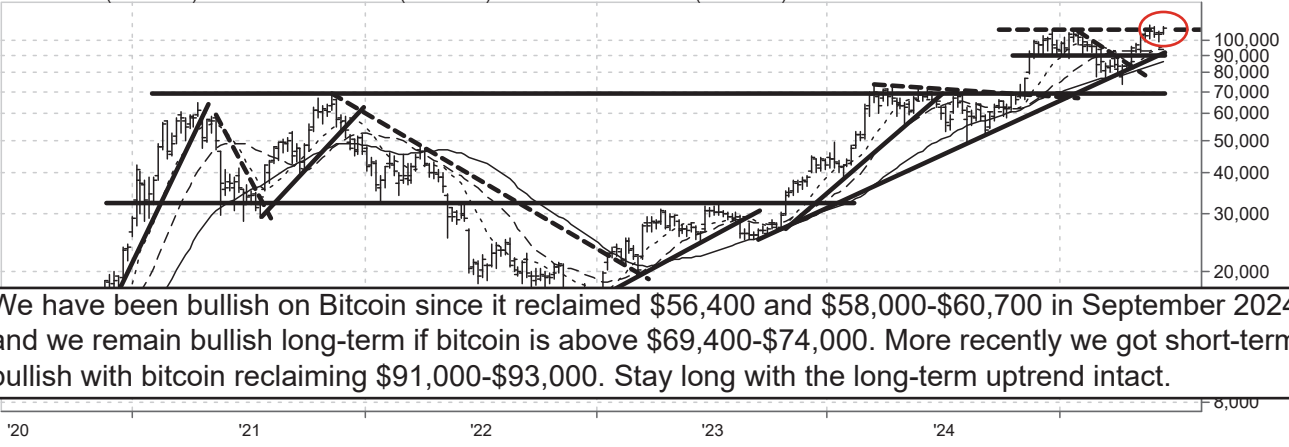
— iShares Silver Trust - MA-200D - - iShares Silver Trust - MA-100D - - - iShares Silver Trust - MA-50D



### Bitcoin (BTC/USD)

BTCUSD-BITS 109580.00

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

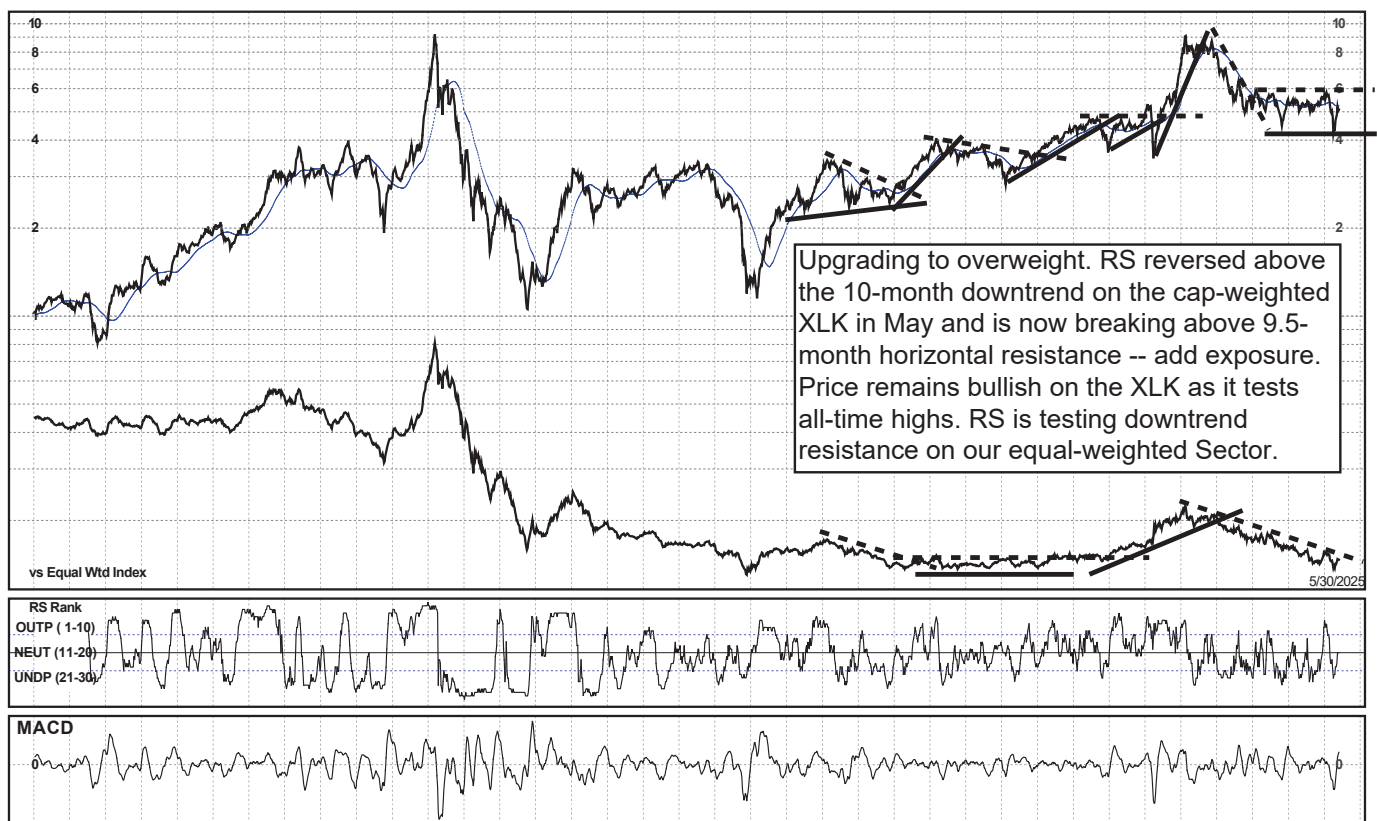




## STRATEGY



### TE-Technology (AVG)



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

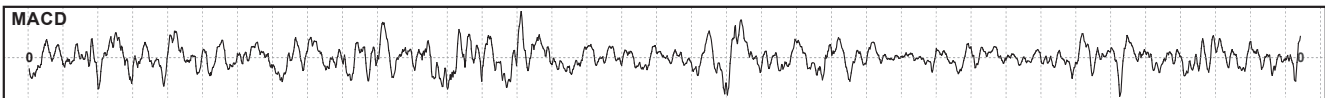
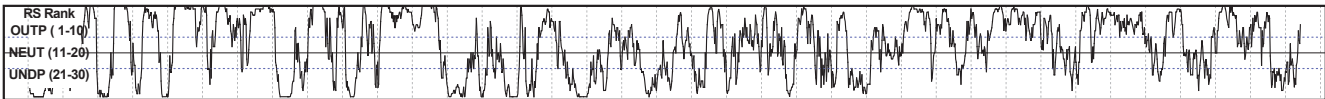
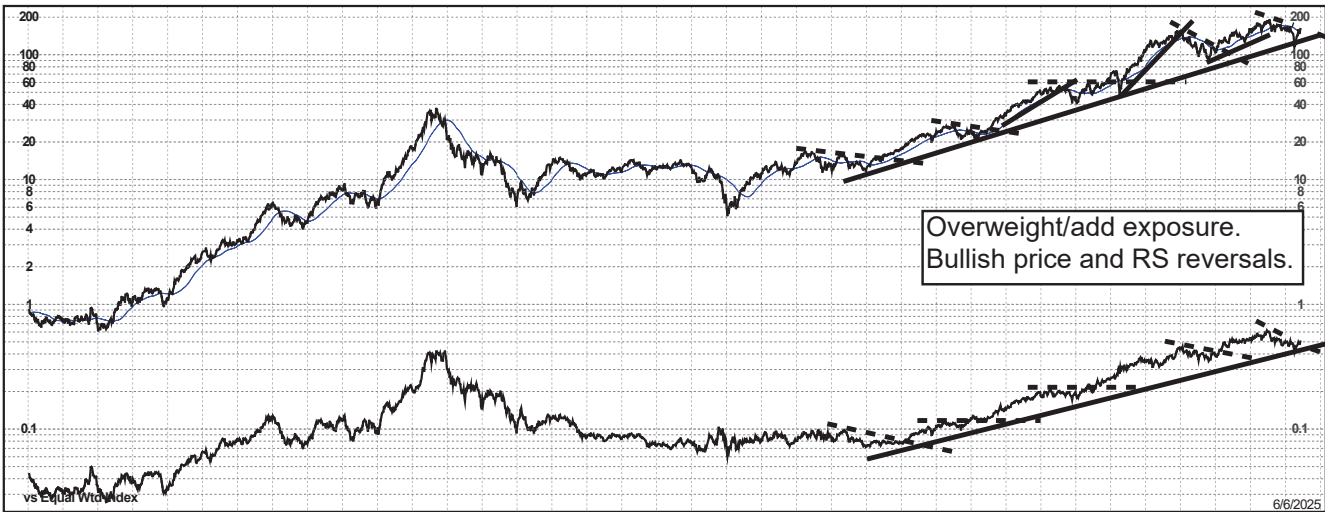
### TE-Technology Stocks - Weekly Advance/Decline Line



STRATEGY: Upgrading Technology (XLK) to Overweight Due to 9.5-Month RS Breakout -- Add Exposure

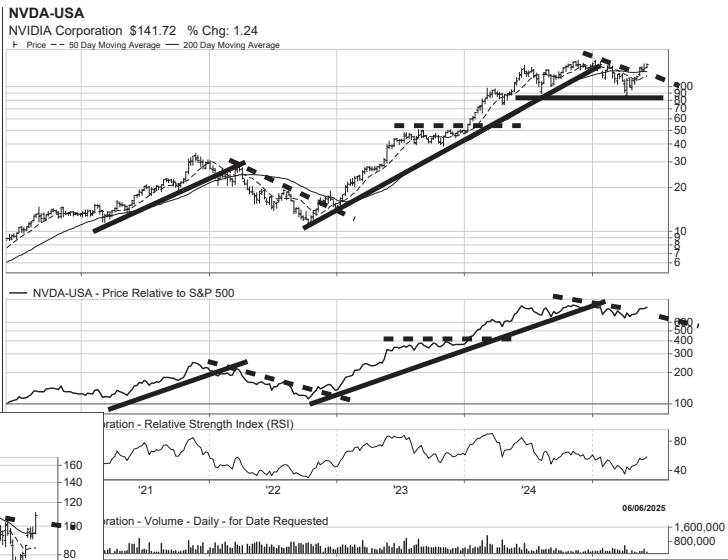
TE-01 Semiconductors, Large-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
NVDA	3	U2	+	MU	1	U2	+	NXPI	12	U1	+	ON	11	U1	+
AVGO	2	U2	+	ADI	7	U2	+	MCIP	1	U2	+	UMC	2	U3	+
TSM	5	U2	+	INTC	23	D3	-	MPWR	4	U2	+	SWKS	17	U1	+
AMD	8	U2	+	MRVL	30	U1	+	STM	2	U2	+	LSCC	29	D3	-
TXN	6	U2	+	IFNNY	2	U2	+	ASX	17	U1	+				



19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

NVDA: Buy/stay long. Bullish price and RS reversals.



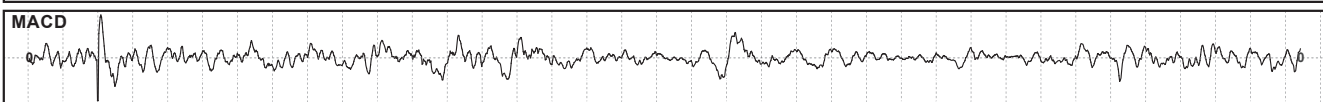
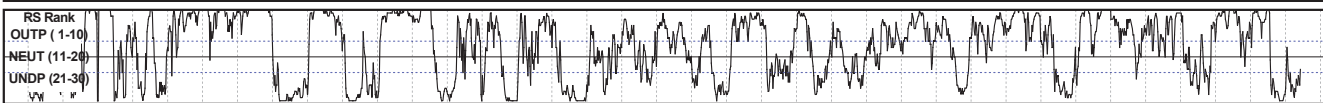
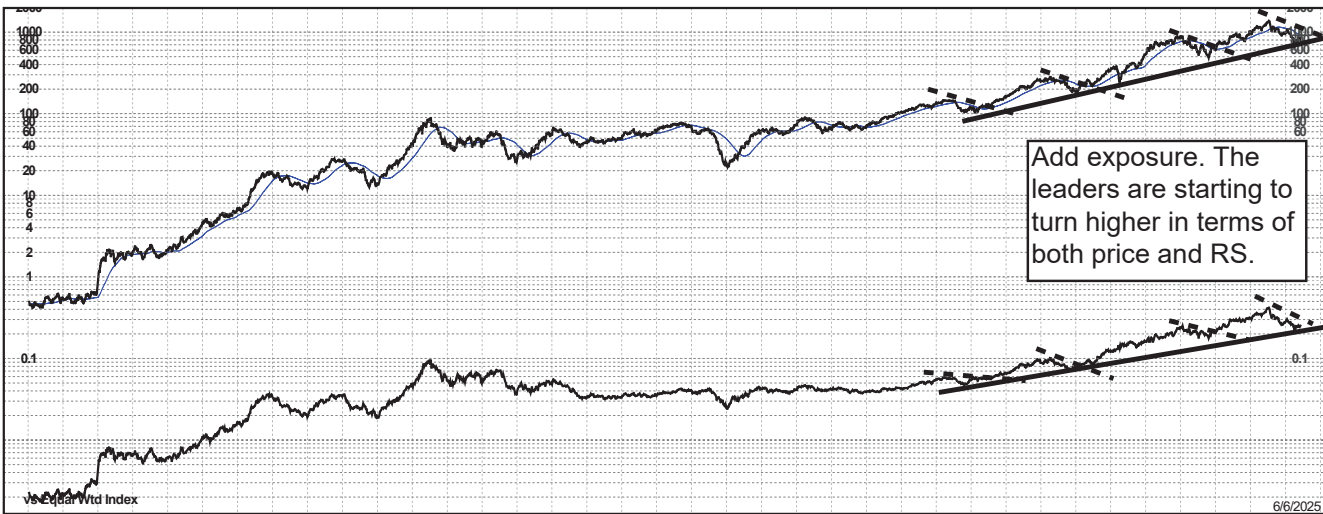
MU: Buy. Bullish price and RS inflections.



STRATEGY: Upgrading Technology (XLK) to Overweight Due to 9.5-Month RS Breakout -- Add Exposure

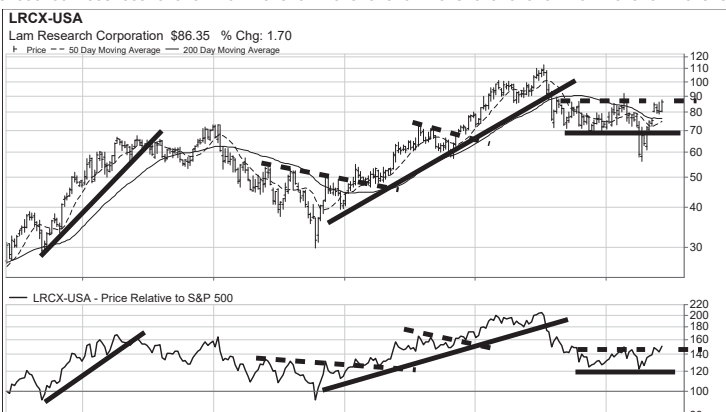
TE-04 Semiconductor Equip., Large/Mid-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
ASML	9	U2	+	TER	29	U1	+	ONTO	30	D3	-
AMAT	11	U2	+	ENTG	30	D3	-	ACLS	9	U1	+
LRCX	3	U2	+	BESI	6	U2	+				
KLAC	2	U3	+	MKSI	22	U1	+				
ASMI	6	U2	+	AMKR	27	U1	+				



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

LRCX: Buy. Bullish price and RS inflections.



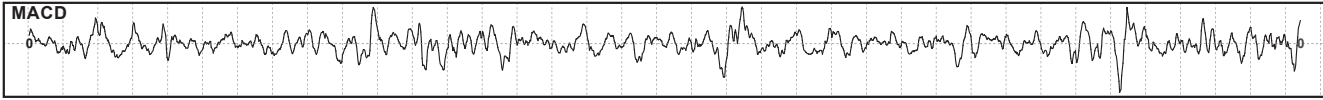
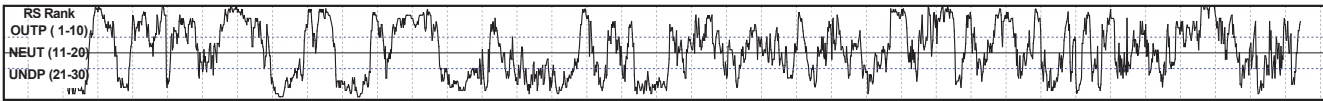
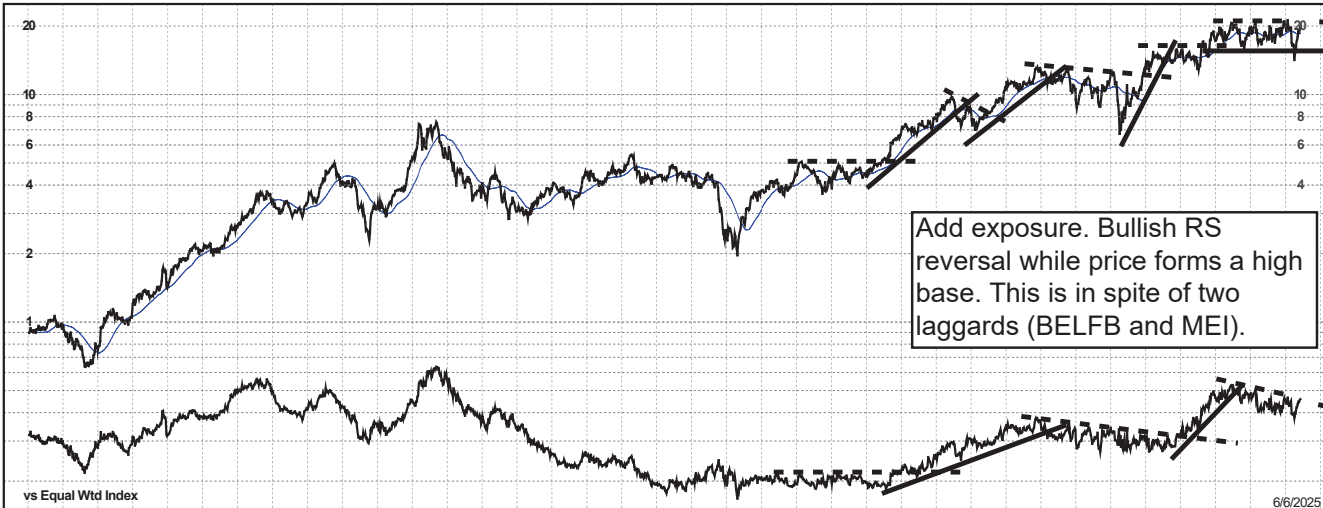
KLAC: Buy. Bullish price and RS inflections.



STRATEGY: Upgrading Technology (XLK) to Overweight Due to 9.5-Month RS Breakout -- Add Exposure

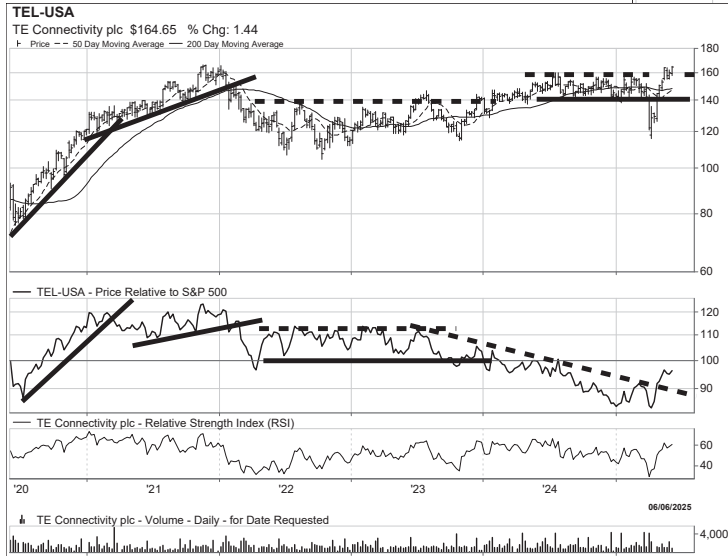
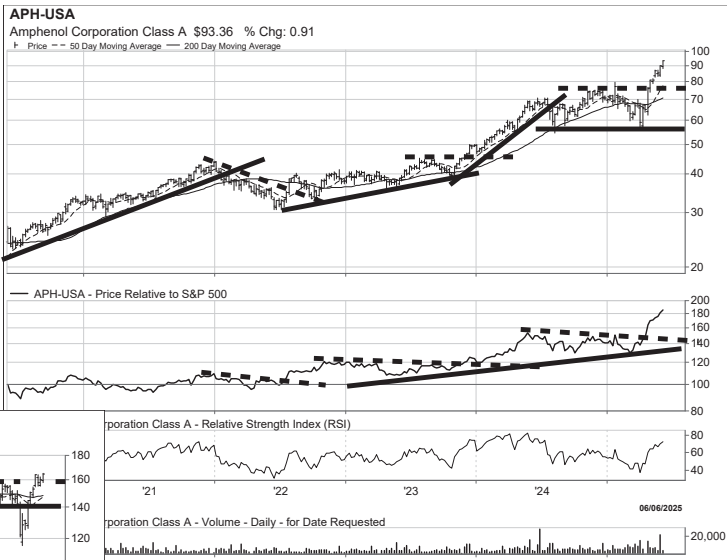
TE-10 Electronic Connectors

SYMBOL	RSR	TC	MD
APH	1	U3	+
TEL	3	U2	+
BELFB	17	U1	+
MEI	24	U1	+



19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

APH: Buy pullbacks/  
stay long. Price and  
RS base breakouts.



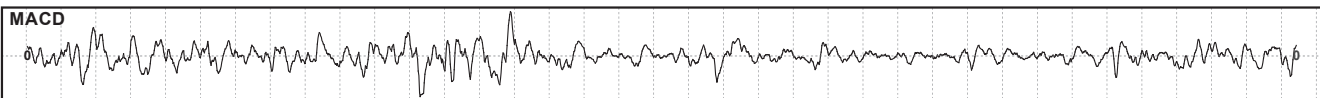
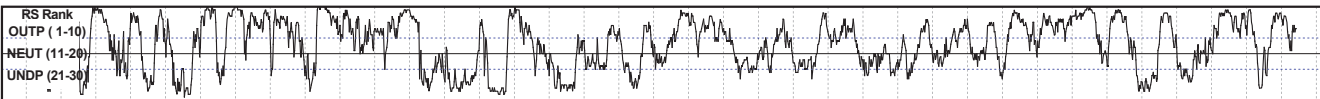
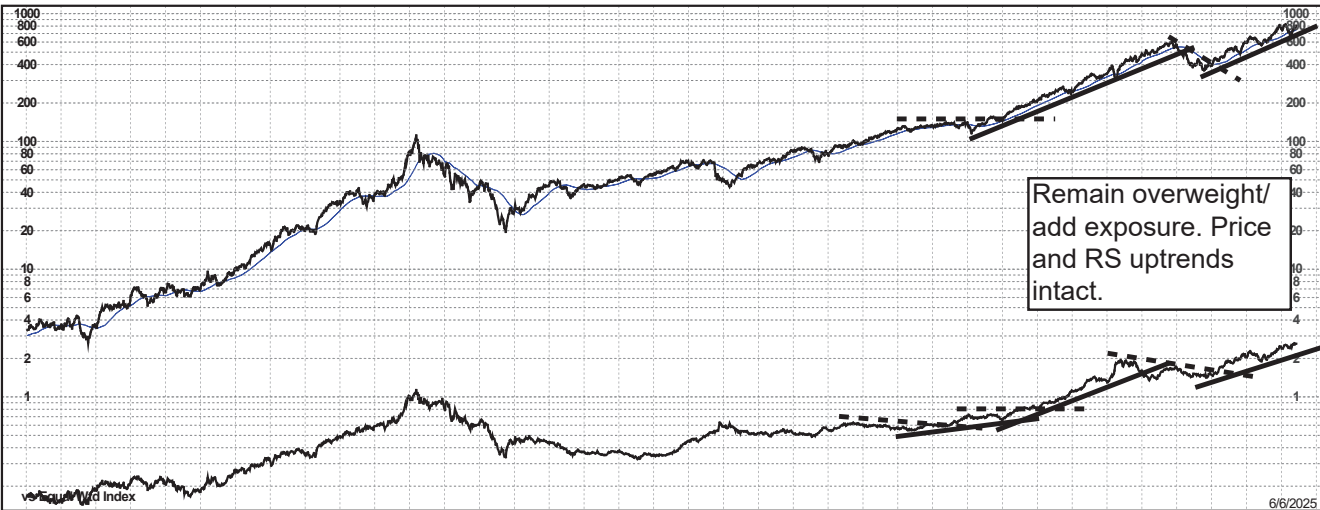
TEL: Buy/stay long.  
Bullish price and RS  
inflections.



STRATEGY: Upgrading Technology (XLK) to Overweight Due to 9.5-Month RS Breakout -- Add Exposure

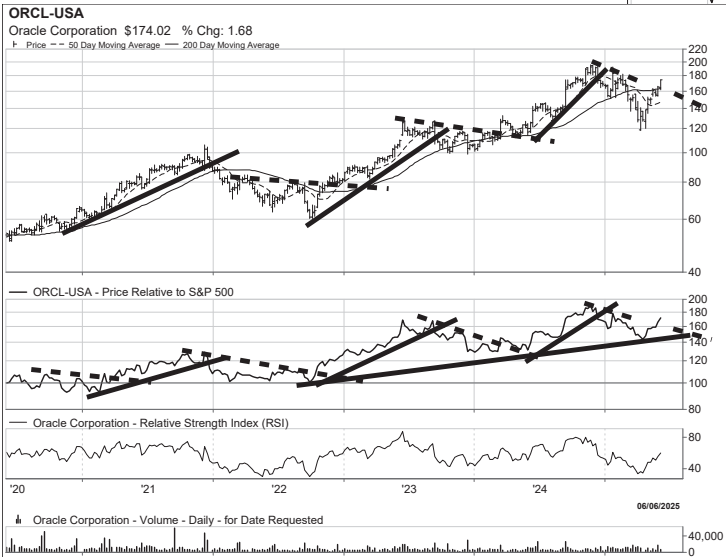
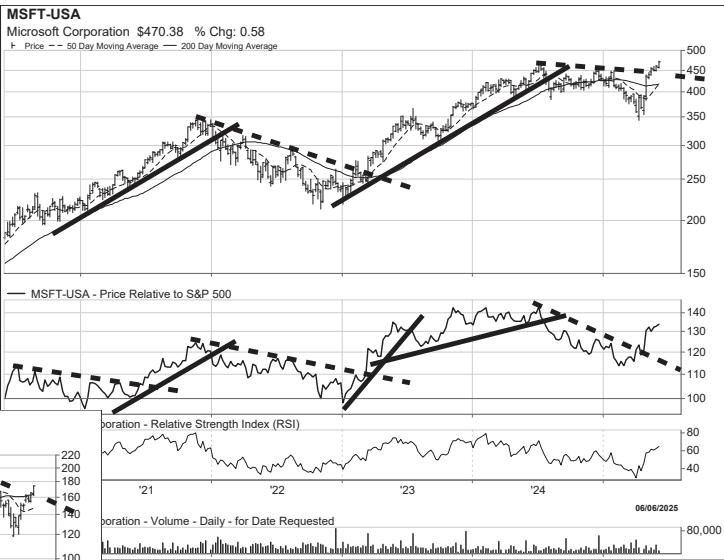
TE-42 Software, Enterprise Applications, Large-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
MSFT	3	U2	+	SHOP	6	U2	+
ORCL	4	U2	+	WDAY	15	U2	+
SAP	2	U3	-	TEAM	29	U1	-
IBM	4	U3	+	DOX	9	U3	+
NOW	7	U2	+				

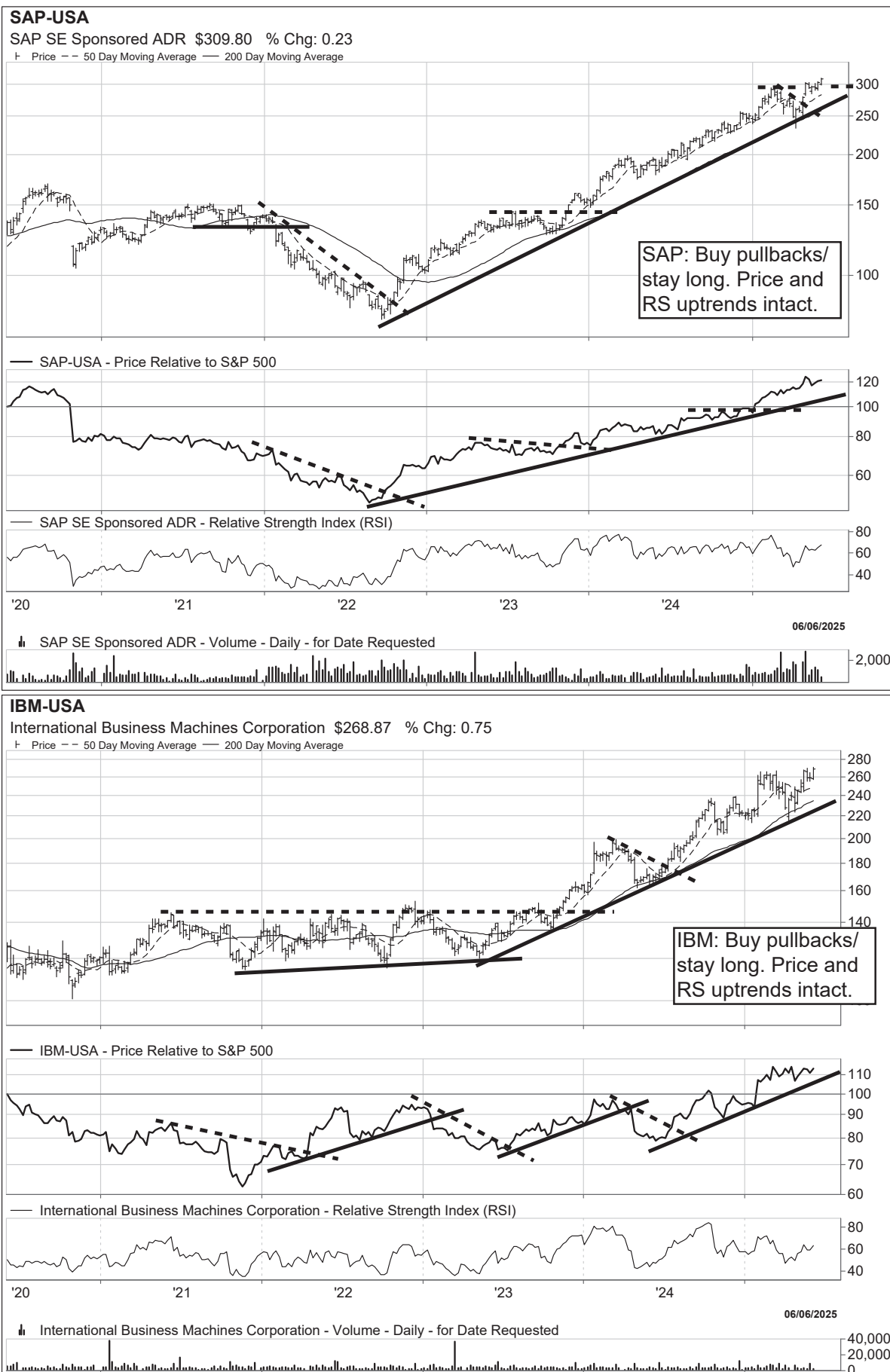


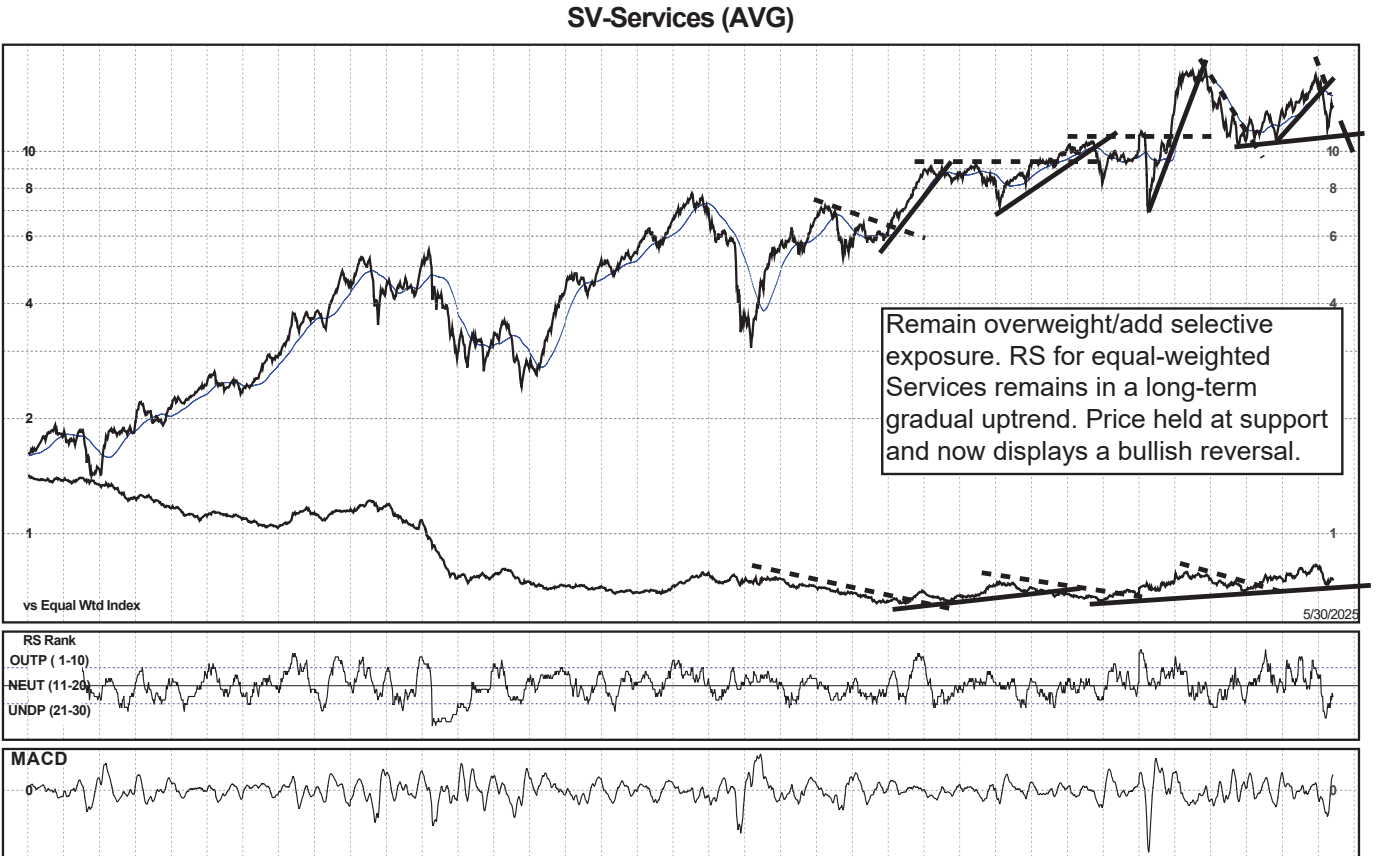
19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

MSFT: Buy/stay long. Bullish price and RS inflections.



ORCL: Buy. Bullish price and RS inflections.





19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

**SV-Services Stocks - Weekly Advance/Decline Line**

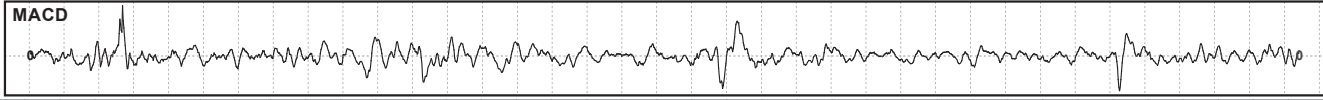
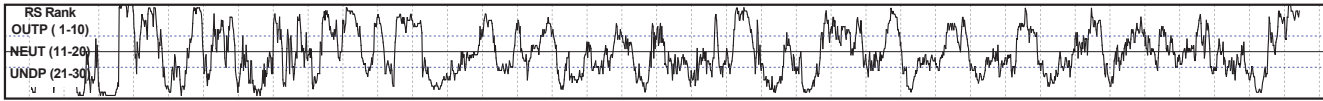
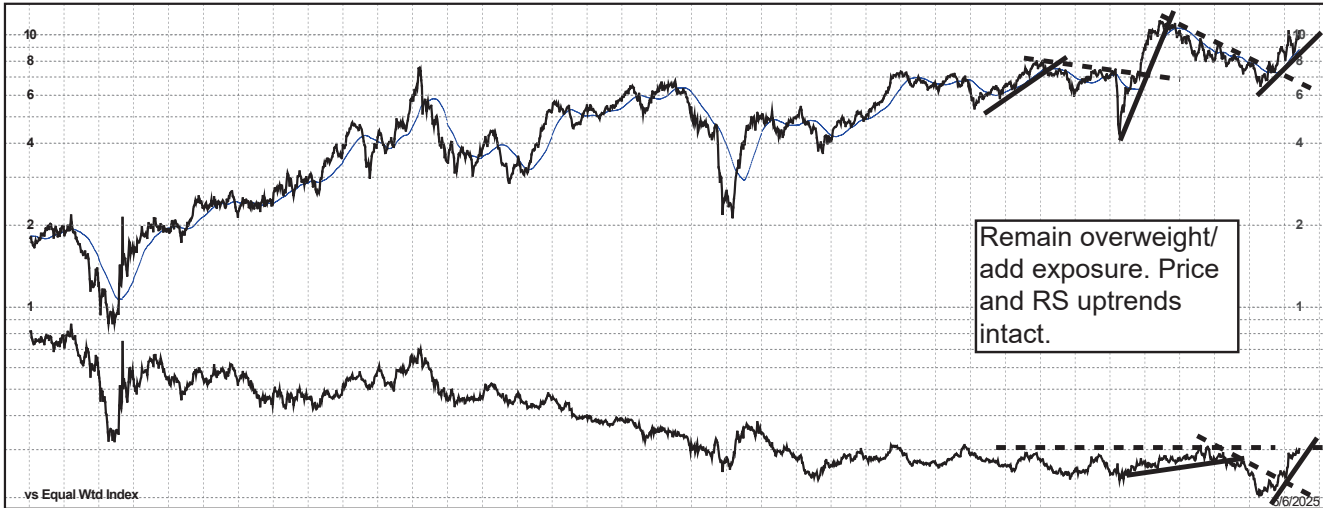




STRATEGY: Services Remains Long-Term Leadership -- Remain Overweight

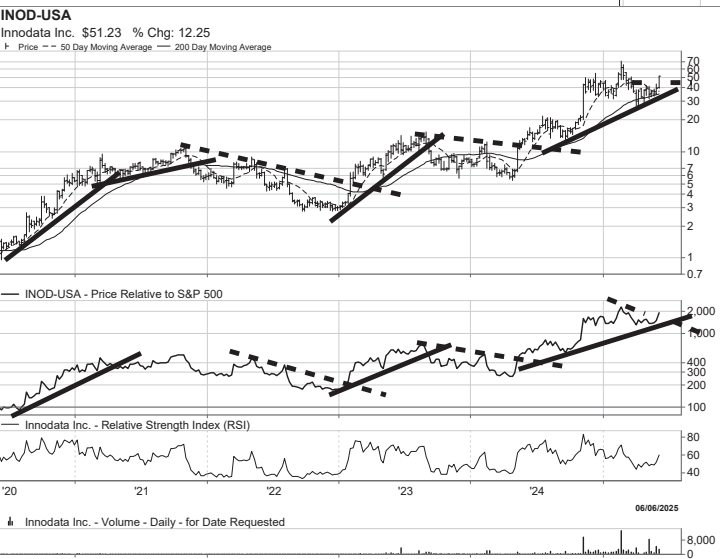
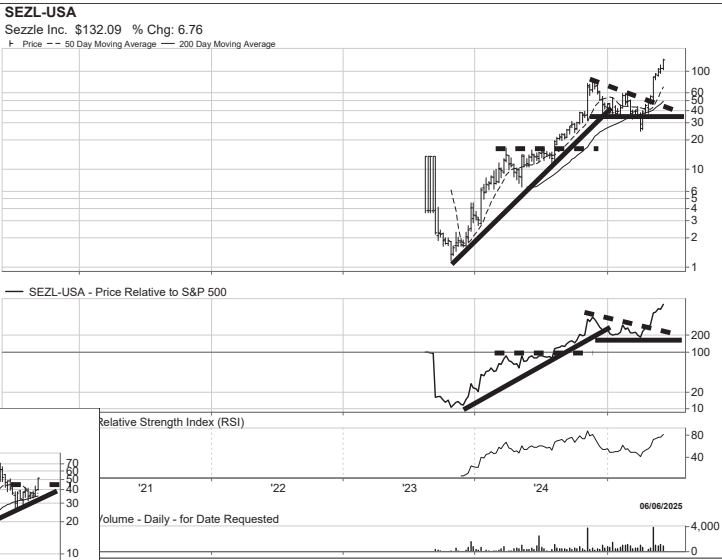
SV-03 Data Processing & Outsourcing Svcs., Small-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
EXLS	11	U1	+	INOD	1	U1	+	NEWT	27	U1	+
SEZL	1	U3	-	DFIN	9	U2	+	TTEC	1	U3	+
WNS	8	D1	-	EVRI	11	U3	+	III	1	U3	-
EVTC	8	U3	-	CASS	12	U2	+	DOMH	1	U3	-
CSGS	5	U3	+	LSAK	29	D3	-				



19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

SEZL: Buy pullbacks/stay long. Price and RS base breakouts.

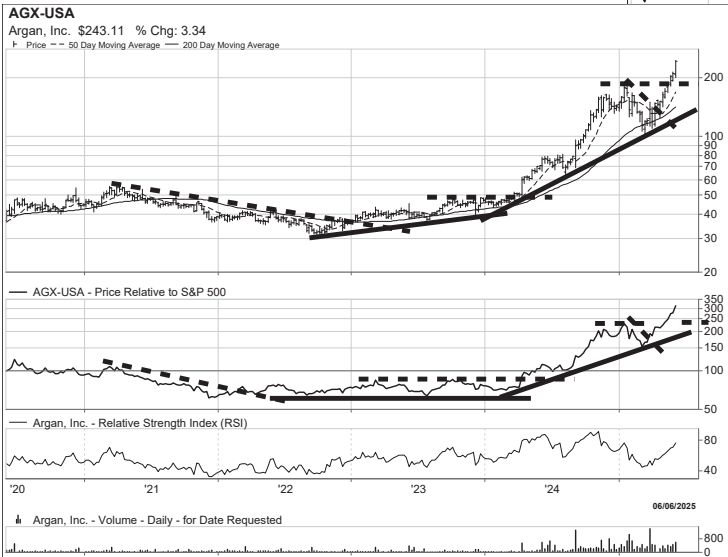
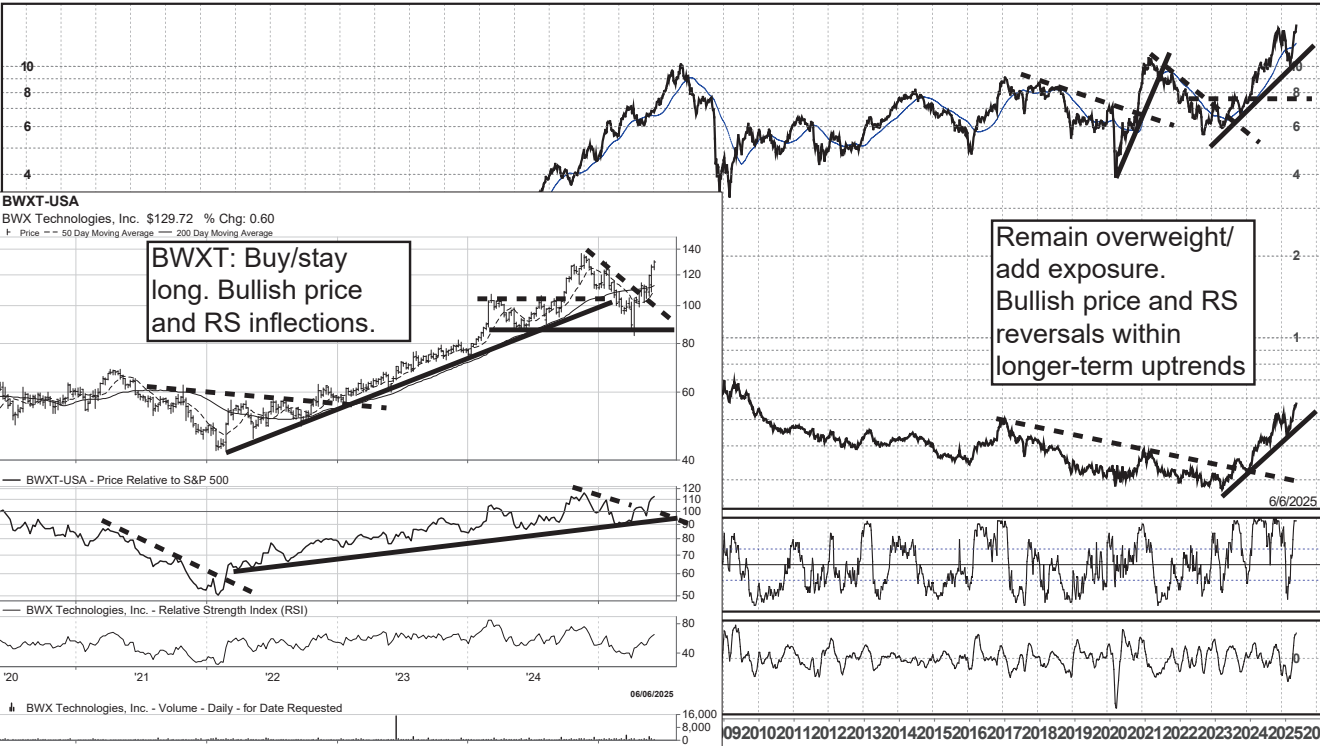


INOD: Buy. Bullish price and RS inflections. We started recommending to buy this two weeks ago.

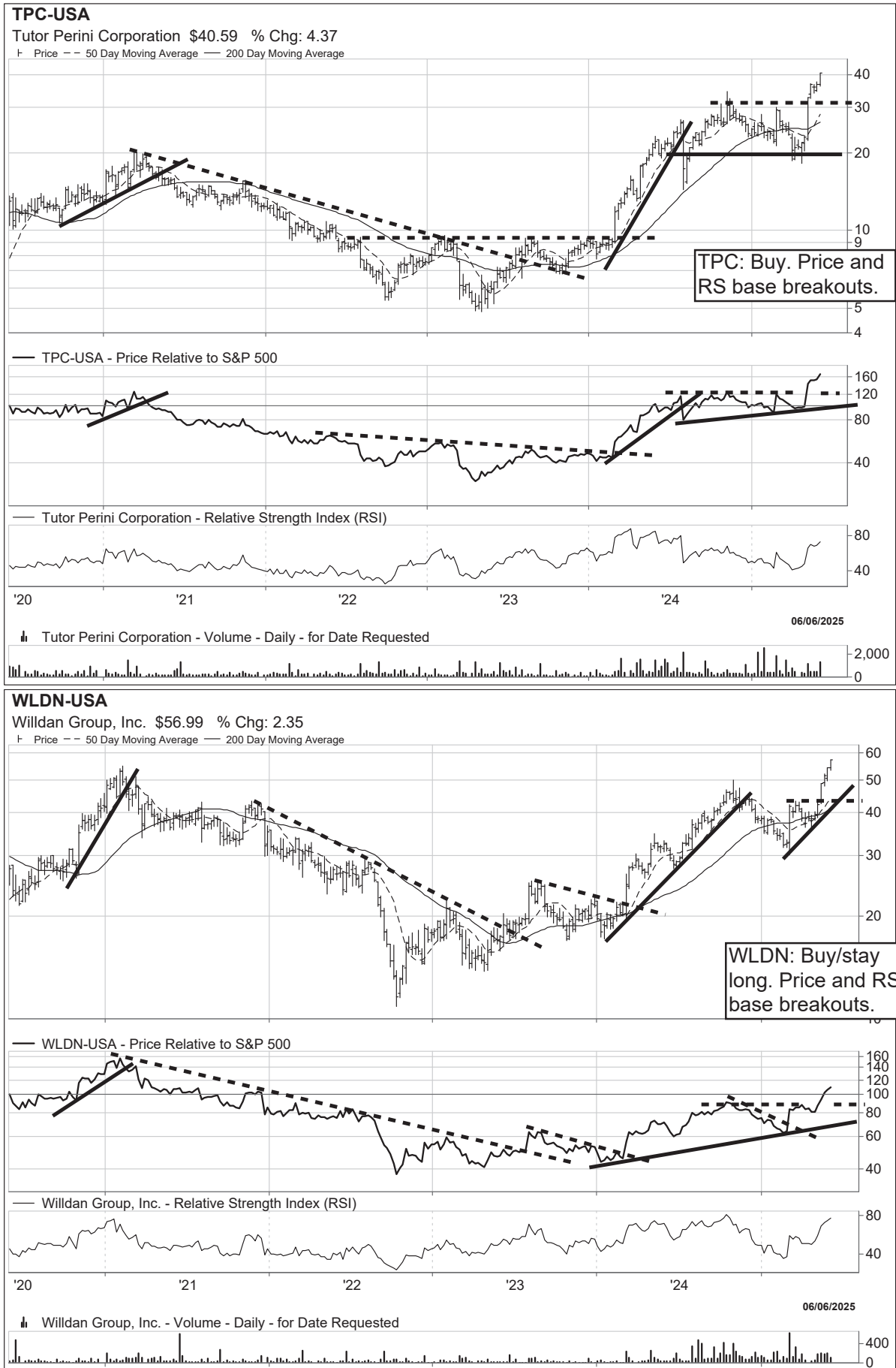
STRATEGY: Services Remains Long-Term Leadership -- Remain Overweight

SV-14 Construction & Engineering, Small-Cap

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
BWXT	2	U2	+	ROAD	1	U3	+	MYRG	1	U2	+	GLDD	2	U2	+	TISI	6	D1	-
FLR	8	U1	+	ARCAY	23	U1	+	TPC	1	U3	+	NWPX	29	D3	-	VATE	30	D3	-
DY	1	U3	+	PRIM	6	U2	+	BV	3	U2	+	ORN	1	U2	+	ENG	30	U1	-
STRL	1	U3	+	GVA	5	U2	+	NVEE	2	U3	+	MTRX	17	U1	+				
IESC	1	U3	+	AGX	1	U3	+	WLDN	1	U3	+	BW	1	U1	+				



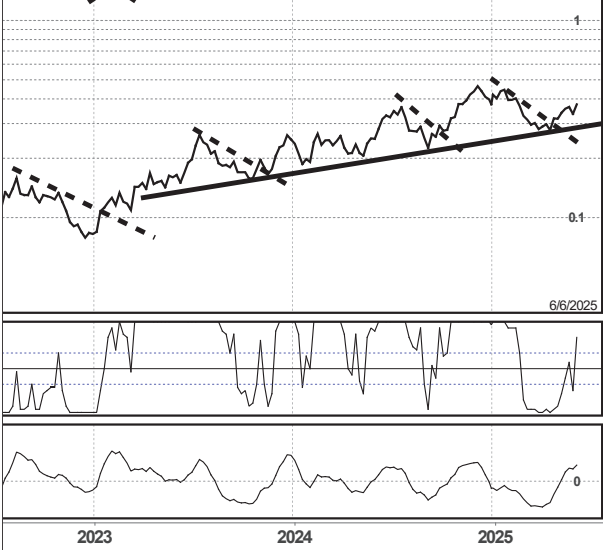
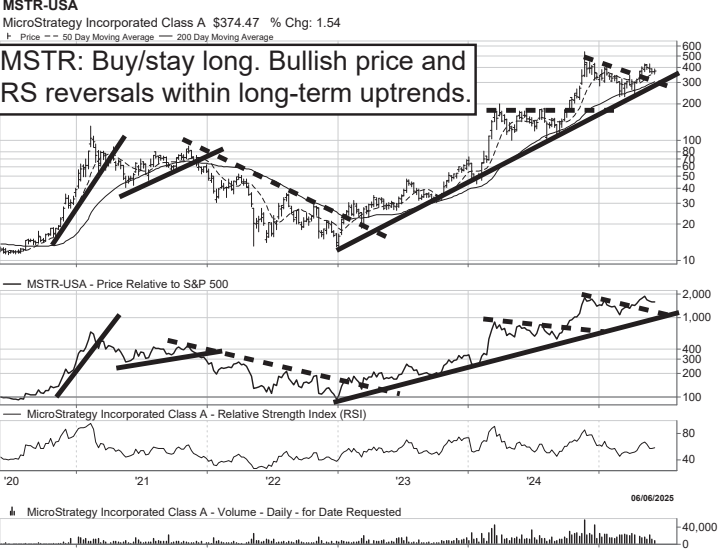
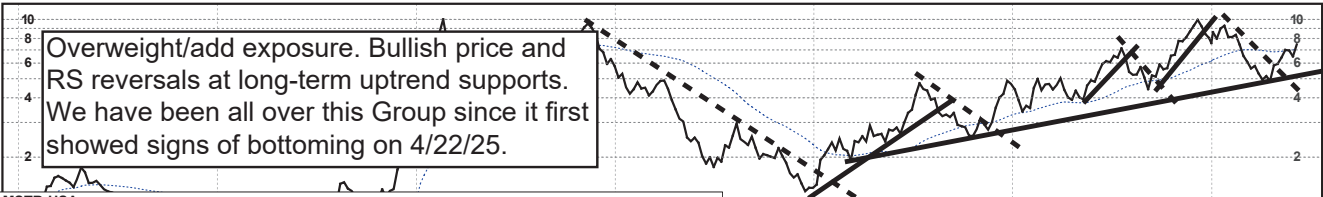
AGX: Buy. Price and RS base breakouts.



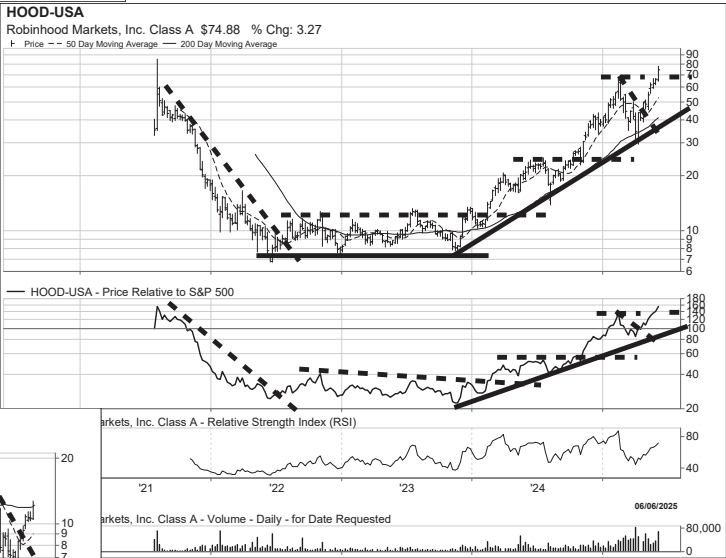
STRATEGY: Services Remains Long-Term Leadership -- Remain Overweight

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

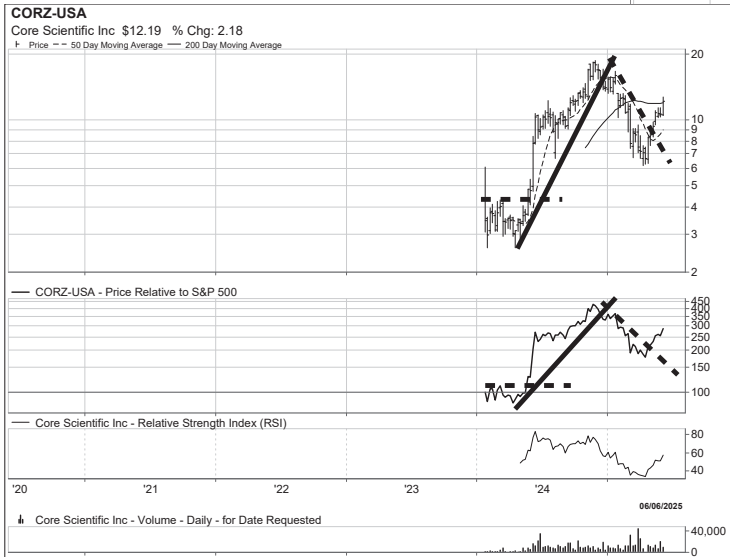
SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
MSTR	4	U3	+	RIOT	12	U1	+	HUT	6	U1	+	HIVE	29	U1	+
HOOD	1	U3	+	APLD	1	U2	+	WULF	9	U1	+	EXOD	30	D3	-
COIN	7	U2	+	CLSK	10	U2	+	CIFR	20	U1	+	FUFU	30	D3	-
MARA	16	U1	+	IREN	4	U1	+	BTBT	17	U1	+	BTCS	6	U2	+
CORZ	3	U2	+	BTDR	19	U1	+	BITF	30	U1	+				



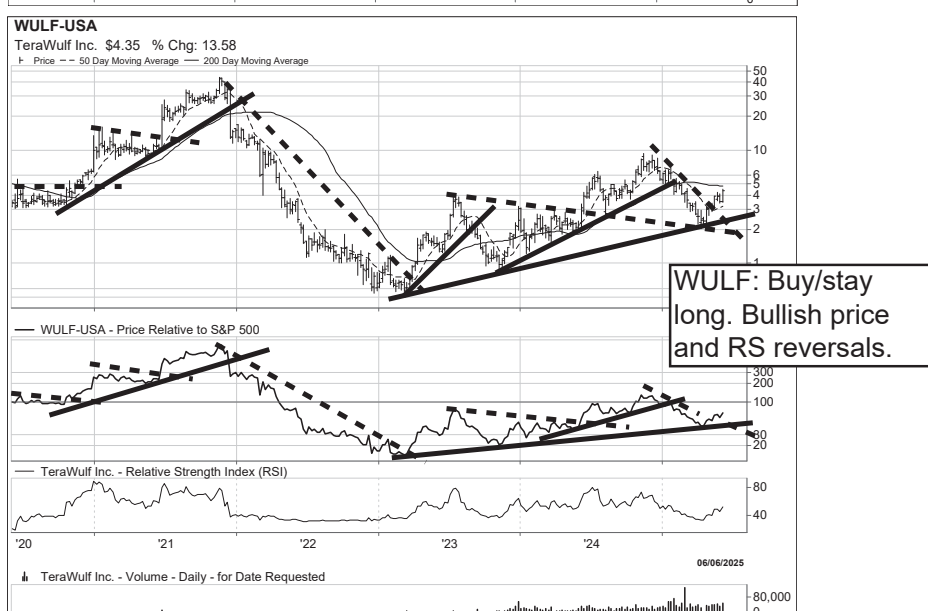
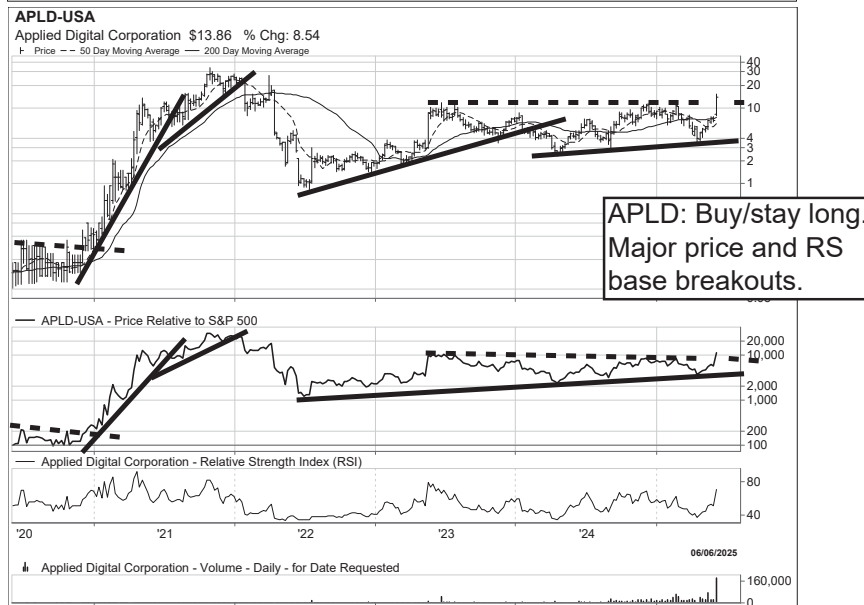
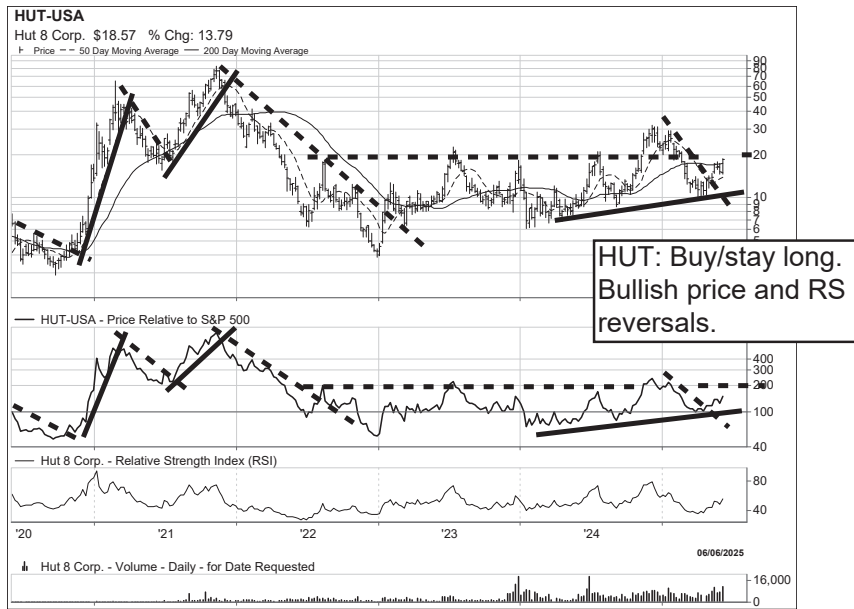
HOOD: Buy/stay long. New price and RS highs within long-term uptrends.



CORZ: Buy/stay long. Bullish price and RS reversals.

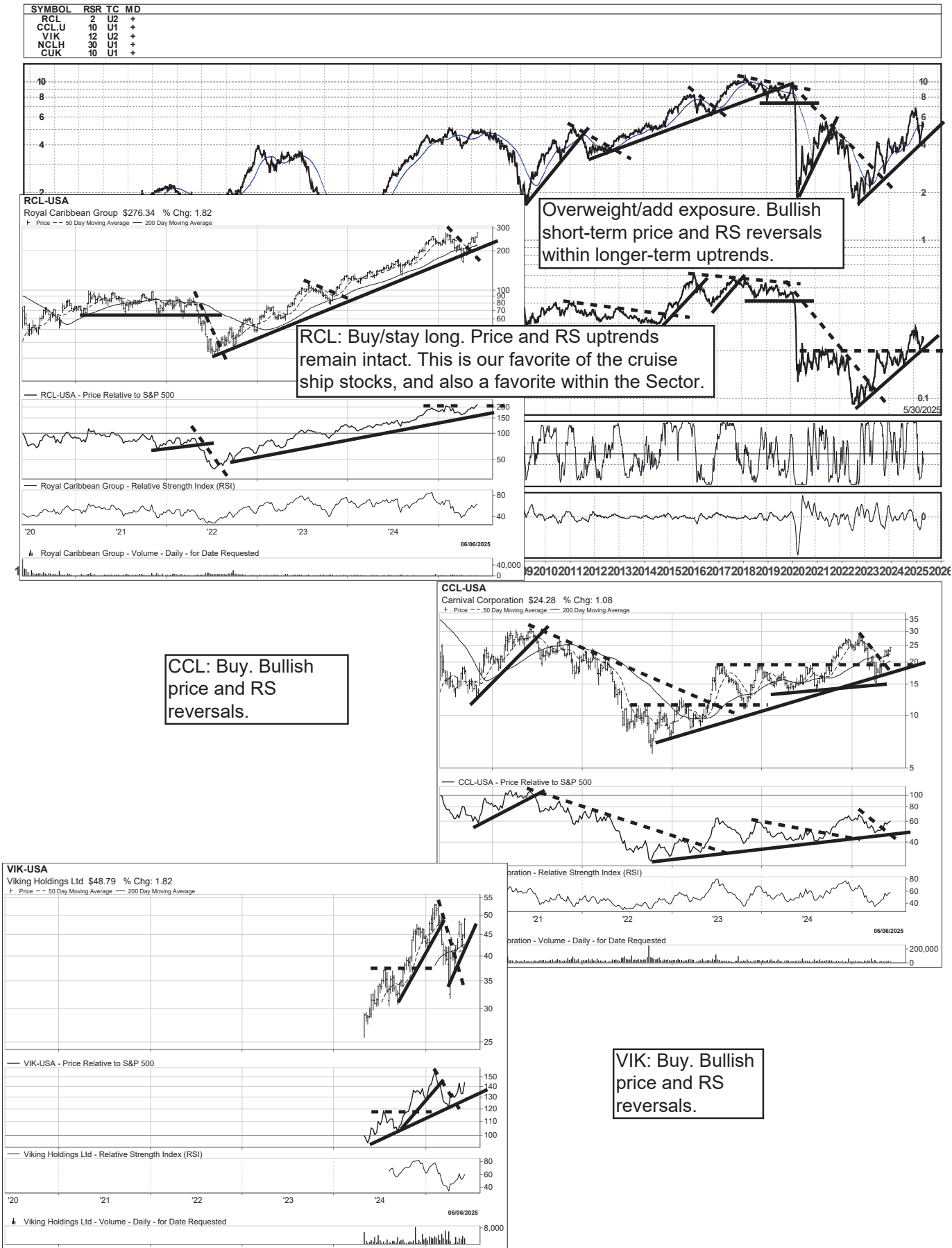


**STRATEGY: Services Remains Long-Term Leadership -- Remain Overweight**





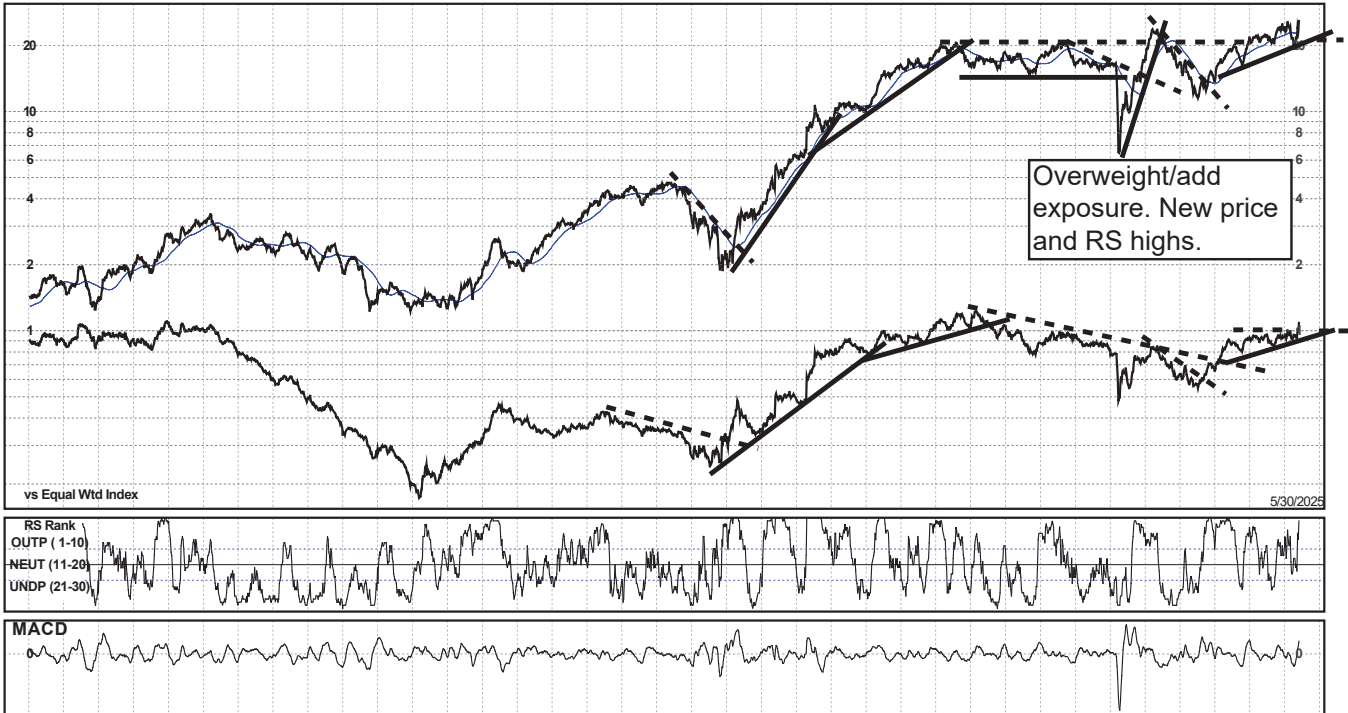
CD-22 Cruises



STRATEGY: Cap-Weighted Consumer Discretionary (XLY) Remains Leadership -- Remain Overweight

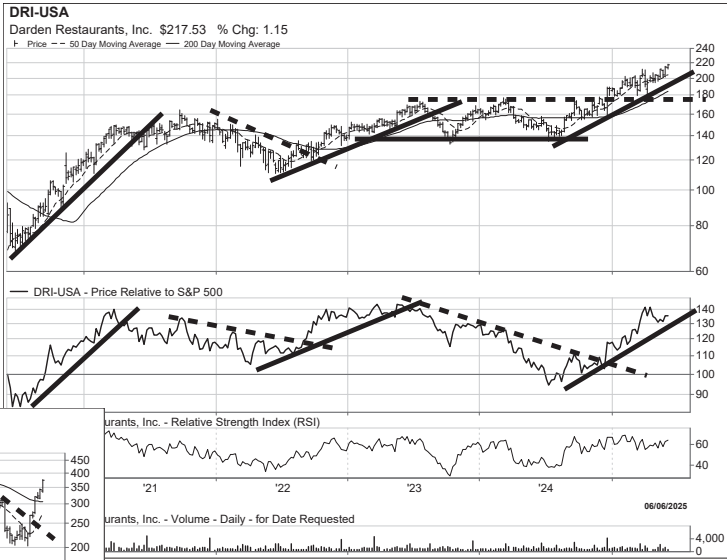
CD-30 Restaurants, Casual Dining

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
DRI	2	U3	+	BJRI	1	U3	+
TXRH	3	U2	+	BLMN	30	U1	+
WING	1	U2	+	NATH	1	U3	+
EAT	1	U3	+	RRGB	1	U1	+
CAKE	3	U2	-				

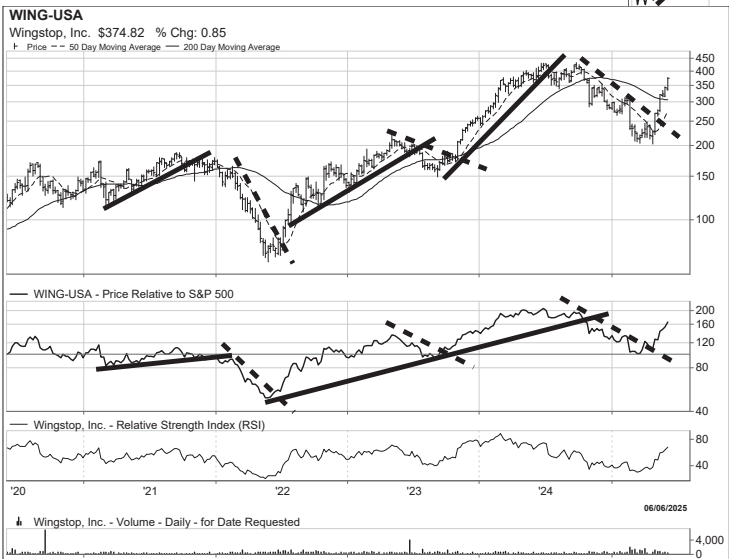


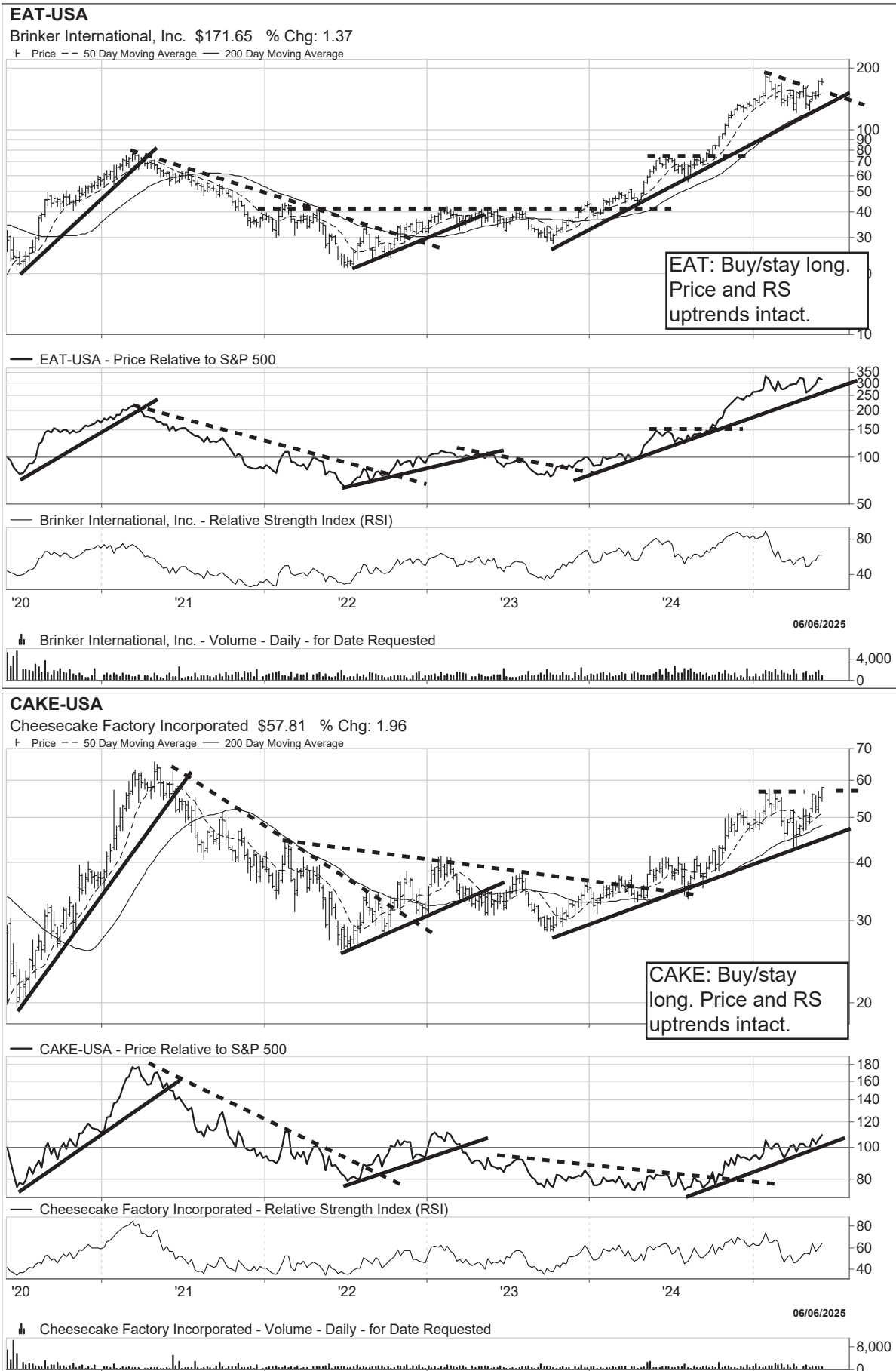
19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

DRI: Buy/stay long.  
Price and RS  
uptrends intact.

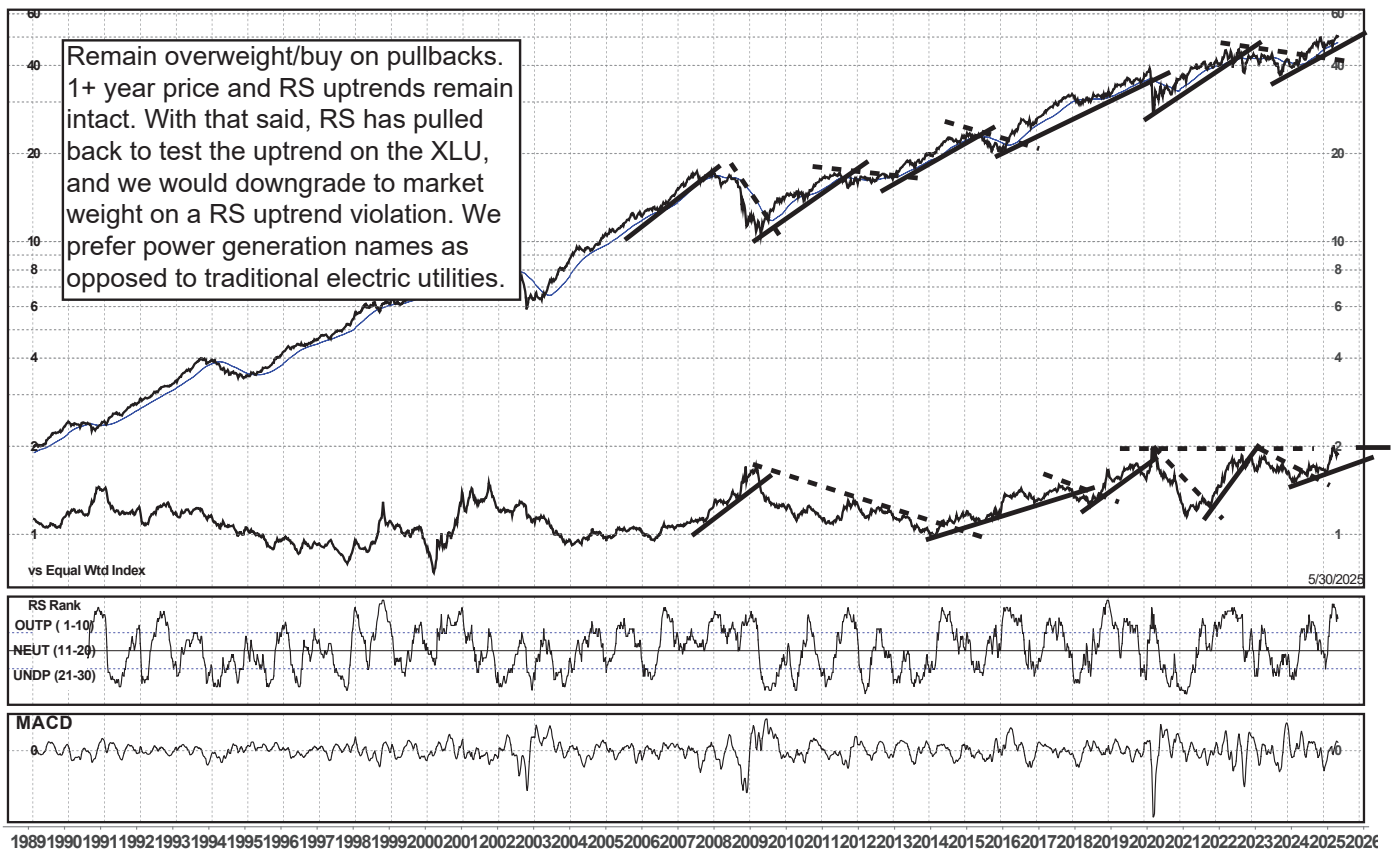


WING: Buy  
pullbacks/stay long.  
Major price and RS  
bottoms.





### UT-Utilities (AVG)



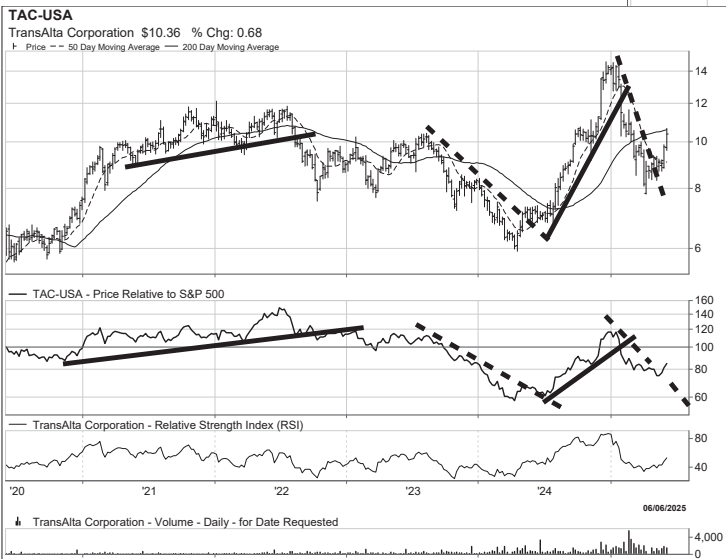
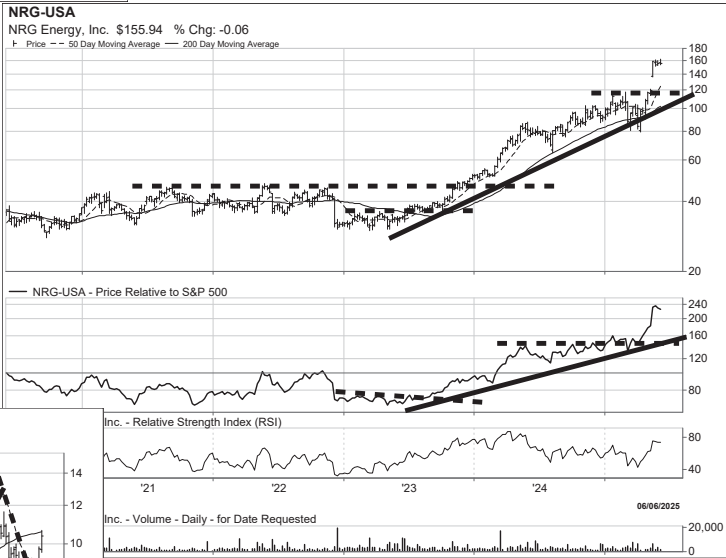
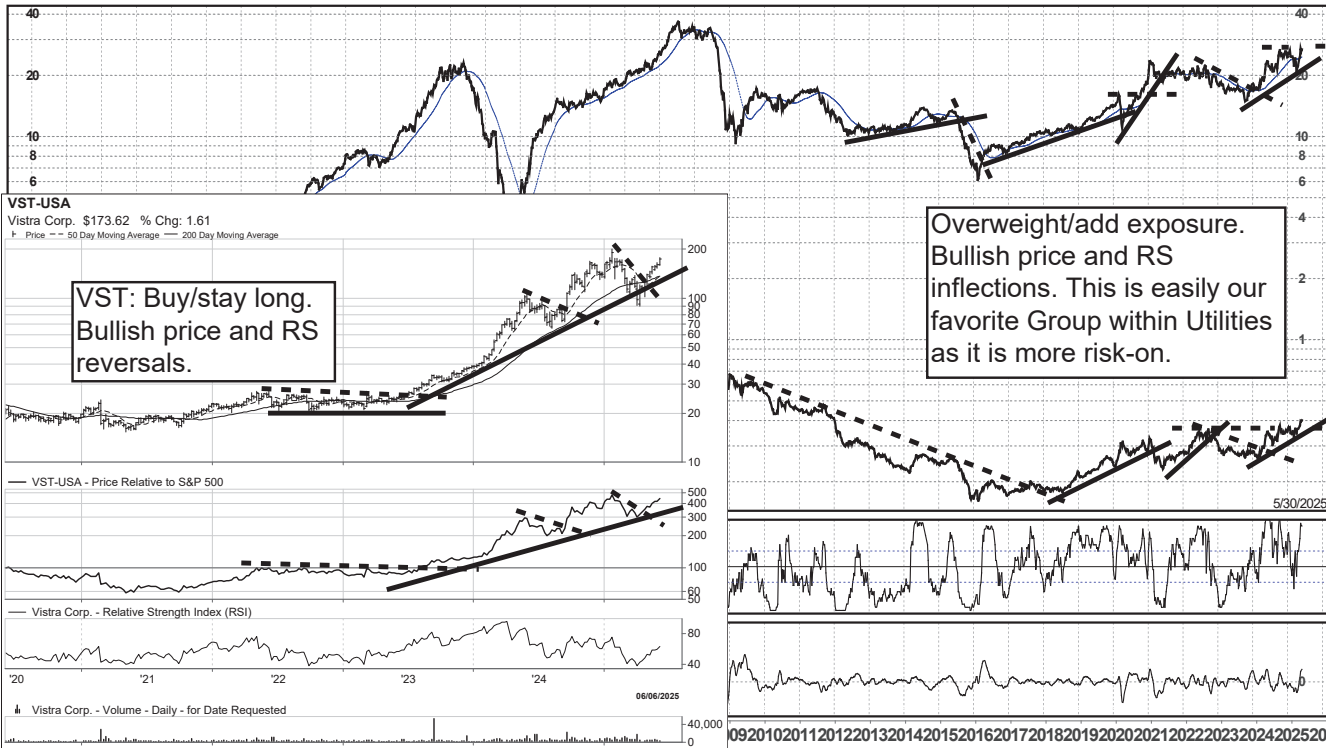
### UT-Utilities Stocks - Weekly Advance/Decline Line



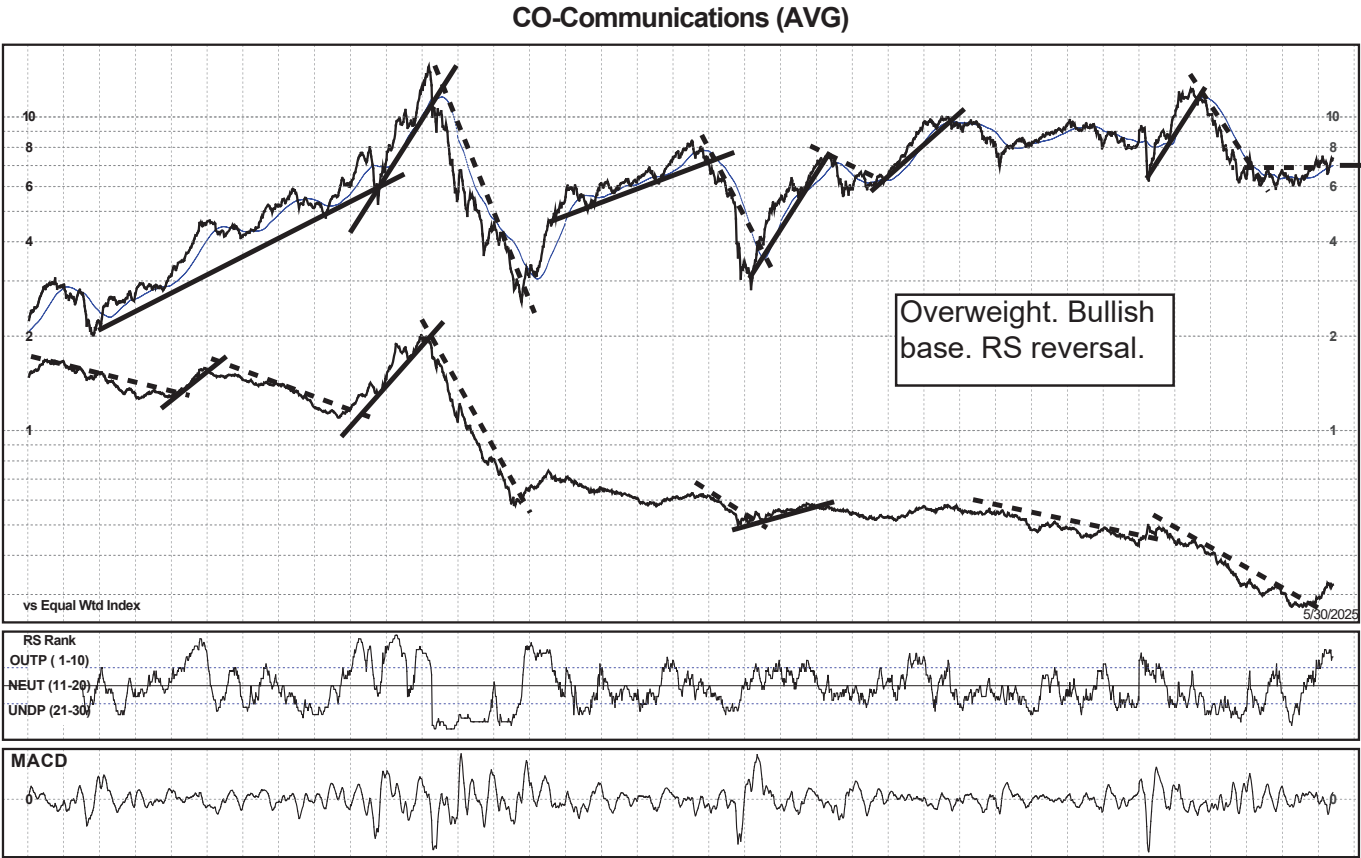
STRATEGY: Monitoring Utilities for a Downgrade; Overweight Independent Power Generation (UT-18) Names

UT-18 Independent Power Production

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
CEG	1	U2	+	ORA	6	U3	-
VST	2	U2	+	TAC	24	U1	+
NRG	1	U3	+	CWEN.A	3	U3	+
AES	27	D3	+	AZRE	30	D2	-
BEP	5	U3	+				







19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

CO-Communications Stocks - Weekly Advance/Decline Line

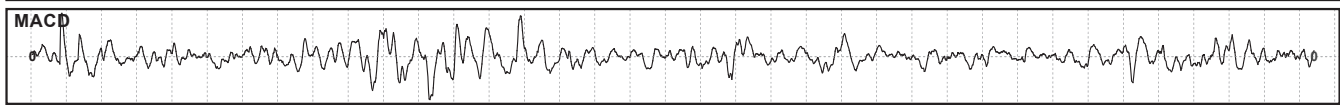
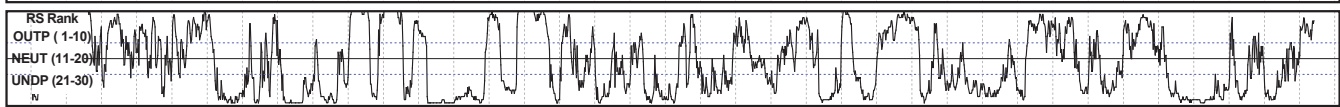




STRATEGY: *Communications (XLC) Remains in a Long-Term RS Uptrend -- Stay Overweight*

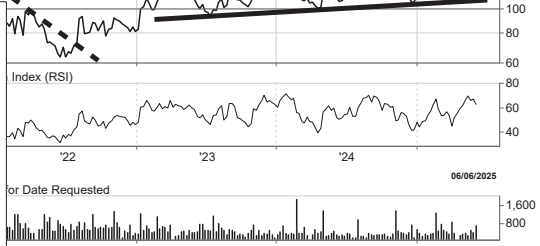
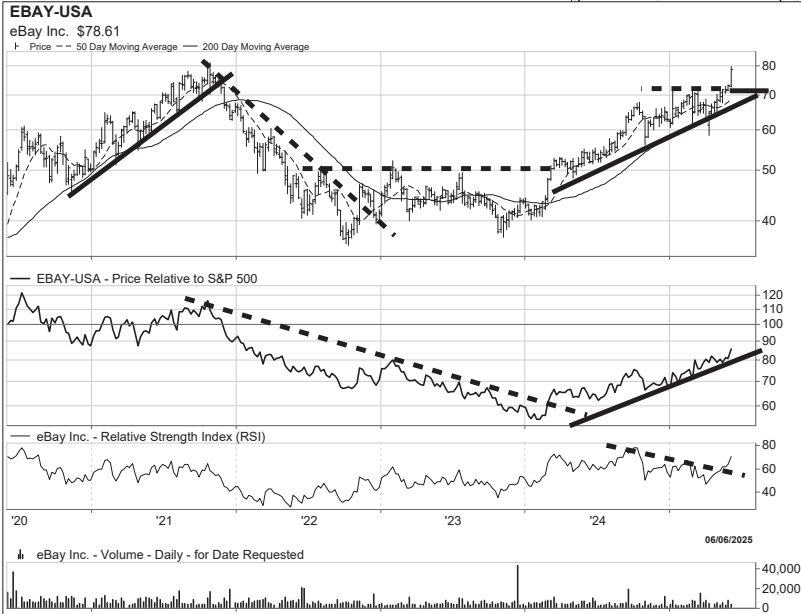
CO-24 Internet Content/Commerce

SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD	SYMBOL	RSR	TC	MD
MELI	1	U3	+	ATHM	26	D3	-	QNST	30	D3	-	XNET	1	U3	+	SFNY	20	D3	+
EBAY	3	U3	-	RDFN	1	U3	+	IQ	30	D3	-	TCX	2	U3	+	LTRPA	13	U2	+
ROKU	17	U1	+	FUBO	1	U3	+	RVLV	30	D3	+	BZUN	18	U2	+	LPTV	30	D3	-
ETSY	3	U1	+	FVRR	3	U2	+	ANGI	16	U1	+	IHRT	30	D3	+	LEJU	30	D3	-
ZG	22	U1	-	GRPN	1	U3	+	CARS	30	D3	-	TGLO	27	D2	-				



19891990199119921993199419951996199719981999200020012002200320042005200620072008200920102011201220132014201520162017201820192020202120222023202420252026

MELI: Accumulate.  
Price and RS uptrend  
remain intact.



EBAY: Buy. Bullish  
base. RS uptrend  
remains intact.

**Technology: Overweight.** We are upgrading Technology to overweight. RS reversed above the 10-month downtrend on the cap-weighted **XLK** in May and is now breaking above 9.5-month horizontal resistance – add exposure. Price remains bullish on the **XLK** as it tests all-time highs. RS is testing downtrend resistance on our equal-weighted Sector. There is a staggering number of attractive Groups to be buying, from software to semiconductors, and everything in-between. Our favorite Groups to overweight include TE-01 Semiconductors, Large-Cap (buy **NVDA**, **MU**, **MCHP**, and **STM**), TE-11 Electronic Manufacturing Services (buy/stay long **JBL**, **CLS**, and **TTMI**), TE-17 Network Security Services & Software (buy pullbacks/stay long **NET**, **ZS**, and **VRSN**), TE-38 Utilities Data Technology (buy **BMI** and **ITRI**), TE-42 Software, Enterprise Applications, Large-Cap (buy /stay long **MSFT**, **ORCL**, **SAP** and **IBM**), TE-43 Software, Enterprise Applications, Small-Cap (buy pullbacks/stay long **GWRE**, **MGIC**, and **DOMO**), and TE-54 Software, Data Storage (buy **NTNX**, **CVLT**, and **VRNS**). Additional attractive Groups to be buying include TE-03 Semiconductors, Small-Cap (buy **SITM** and **SIMO**), TE-04 Semiconductor Equip., Large/Mid-Cap (buy **LRCX** and **KLAC**), TE-08 Data Storage Solutions & Devices, Large-Cap (buy **STX** and **WDC**), and TE-10 Electronic Connectors (buy/stay long **APH** and **TEL**).

**Services: Overweight.** RS for equal-weighted Services remains in a long-term gradual uptrend – remain overweight/add exposure. Price held at support and now displays a bullish reversal. Services Groups that are worthy of an overweight include SV-01 Data Processing & Outsourcing Svcs., Large-Cap (buy/stay long **V**, **MA**, and **ADP**), SV-03 Data Processing & Outsourcing Svcs., Small-Cap (buy/stay long **SEZL** and **INOD**), SV-13 Construction & Engineering, Large-Cap (buy/stay long **PWR** and **EME**), SV-14 Construction & Engineering, Small-Cap (buy/stay long **BWXT**, **DY**, **AGX**, **TPC**, and **WLDN**), and SV-26 Crypto: Mining/Trading & Data Svcs. (buy/stay long **MSTR**, **HOOD**, **CORZ**, **HUT**, **APLD**, and **WULF**). Additional Groups where we have selected interest include SV-06 Research & Consulting Services (buy **VRSK**, **STN**, and **VSEC**) and SV-17 Uniforms/Facilities Mgt. (buy **CTAS** and **FIX**).

**Consumer Discretionary: Overweight.** Remain overweight cap-weighted Consumer Discretionary (**XLY**) which remains in a RS uptrend. Our equal-weighted Sector is much less attractive. Our favorite Groups to overweight include CD-19 Education Services, Small-Cap (buy pullbacks/stay long **LRN**, **ATGE**, **LAUR**, and **UTI**), CD-22 Cruises (buy **RCL**, **CCL**, and **VIK**), CD-30 Restaurants, Casual Dining (buy/stay long **DRI**, **WING**, **EAT**, and **CAKE**), and CD-64 Retailers, Pet Products/Svcs. (buy pullbacks/stay long **CHWY**). Additional attractive Groups where we have selective interest include CD-01 Major Auto Manufacturers (buy **RYCEY** and **RACE**), CD-09 Consumer Electronics Mfrs. (buy/stay long **SONY**, **NTDOY**, and **ARLO**), CD-45 Retailers, Discount/Variety (buy/stay long **DG**, **DLTR**, **OLLI**, and **FIVE**), CD-48 Online Travel Services (buy/stay long **BKNG**), CD-50 Internet Retailers (buy pullbacks/stay long **AMZN**, **NFLX**, and **TDUP**), and CD-61 Online Car Sales (buy/stay long **CVNA**).

**Communications: Overweight.** This Sector has formed a bullish base and is near a multi-year breakout and RS has broken a 4-year downtrend. Group CO-05 Movies, Entertainment, Programming, Large/Mid-Cap is a leadership Group that is near 2-year price highs and RS broke a 4-year downtrend a year ago. Attractive names include **DIS**, **LYV**, **WBD**, and **PARA**. Group CO-08 Publishing has a number of technically attractive names that include: **RELX**, **TRI**, and **NPSNY**. Many of these are extended and RS is starting to wane. 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 **VEON**. Group CO-13 Telecomm Svcs., Asia/Pacific is a leadership Group. Attractive names include: **NTYY**, **CHT**, **TLK**, **KT**, **PHI**, **PCCWY**, and **HKTUY**. Group CO-14 Telecomm Svcs., U.S. Large-Cap remains a leadership Group. Attractive names include: **T** and **VZ**. Group CO-19 Cellular Towers appears to be bottoming, although they have not broken longer-term downtrends, RS is reflecting leadership. Attractive names include: **AMT**, **CCI**, and **SBAC**. Group CO-21 Movie Theaters is a leadership Group. Attractive names include: **EPR**, **CNK**, and **IMAX**. Group CO-22 Internet Service Providers is breaking a 4-year price and RS downtrend. Attractive names include: **IJIY**, and **SIFY**. Group CO-23 On-Line Search Engines has many attractive names in it including: **NBIS**, and **YEXT**. Group CO-24 Internet Content/Commerce is forming a rounding bottom and a RS reversal. Attractive names include: **MELI**, **EBAY**, **ETSY**, **FVRR**, **FUBO**, **RDFN**, **GRPN**, **TCX**, and **XNET**.

**Utilities: Overweight.** Remain overweight Utilities with 1+ year price and RS uptrends remain intact on our equal-weighted Vermilion Sector. With that said, RS has pulled back to test the uptrend on the XLU, and we would downgrade to market weight on a RS uptrend violation. We prefer power generation names as opposed to traditional electric utilities (which are much more defensive). Groups to overweight include UT-10 Gas, Mid-Atlantic (buy pullbacks/stay long **EQT**, **UGI**, and **NFG**), UT-15 Foreign, Asia (buy **KEP** and **KEN**), and UT-18 Independent Power Production (buy/stay long **VST**, **NRG**, and **TAC**). We want to be extremely selective outside of the aforementioned Groups; additional attractive names highlighted today include: **GNE**, **EONGY**, and **RWEOY**.

**Manufacturing: Market Weight.** The Price uptrend remains intact and RS remains in a well-defined uptrend. Many names are extended and we would be buyers on pullbacks only. Group MF-01 Industrial, Diversified, Large-Cap remains a leadership Group. Price and RS remain in a 2 ½ year uptrend. Attractive names include: **GE**, **SIEGY**, **RTX**, **HON**, **ABB**, **TT**, **MMM**, **JCI**, **MITSY**, and **PNR**. Group MF-02 Industrial, Diversified, Small-Cap bounced off major support during April's pullback and is nearing new highs. The RS uptrend remains intact. Attractive names include: **TT**, **PNR**, **ITT**, **SPXC**, **FSS**, **ATS**, **HSC**, and **AP**. 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**, **AVAV**, and **HII**. Group MF-05 Aerospace, Components & Products, Large-Cap is a leadership Group. Attractive names include: **BA**, **TDG**, **TDY**, **HEI**, and **HEIA**. Group MF-06 Aerospace, Components, & Products, Small-Cap has several names that are leadership. Attractive names include: **TDW**, **CW**, **SPR**, **ERJ**, **DCO**, **ATRO**, **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**, **MOG.A**, and **ISSC**. Group MF-12 Auto Parts, Large-Cap has several attractive names technically including: **ETN**, **JCI**, **APTV**, and **BWA**. Group MF-13 Auto Parts, Small-Cap is near a price and RS reversal. There are several names in this Group developing bullishly. Attractive names include: **ALV**, **GTES**, **DORM**, **DAN**, **VC**, **SMP**, **CPS**, **SHYF**, **STRT**, **MPAA** and **SRI**. Group MF-17 Agricultural Equipment is emerging as a leadership Group. Attractive names include: **DE**, **CNHI**, **AGCO**, **VMI**, **LNN**, **ARTW**, and **TITN**. Group MF-22 Electrical Motors, Generators & Controls is a leadership Group. Attractive names include: **HUBB**, **PSIX**, **AMOT**, **GHM**, and **SVT**. Group MF-34 Climate Controls & Systems is a leadership Group. The price uptrend and RS remain intact. We have been bullish this group for the last 3-years. Attractive names include: **TT**, **FIX**, **HDSN**, **MCKK**, **LMB**, and **TGEN**. Group MF-38 Nuclear, Power Generation is a leadership Group. Attractive names include: **OKLO**, **SMR**, and **NNE**.

**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. Crude is attempting to bottom and a decisive break above the \$65.29 level and can hold above there would suggest a potential reversal in oil. The cap-weighted Sector (**XLE**) is coming up into resistance at the \$85-\$87 level. A move above this would be constructive. Group EN-01 is breaking through major support, but RS is attempting a reversal with many names reflecting a turn in RS. It appears that **XOM**, **SHEL**, **TTE**, and **SSL** are attempting to bottom along with many of the majors in this Group. Group EN-02 Oil & gas, Global, Large-Cap remain in a downtrend but many are finding short-term support. Attractive names include: **EQNR**, **CNQ**, **WDS**, and **REPY**. Group EN-10 Oil & Gas E&P, Domestic Small-Cap has several attractive names technically including: **RRC**, and **CRK**. Group EN-12 Energy Trusts Continues to be in a price downtrend, however RS is inflecting bullishly. Attractive names technically are: **TPL**, **AAVVF**, **AAVVF**, **SBR**, **BCX**, **PBT**, **SJT**, **PVL**, **PRT**, **NRT**, and **BPT**. Group EN-13 Natural Gas integrated/Diversified is near 9-year price highs and reversing a 2.5-year downtrend. Attractive names include: **WMB**, and **EQT**. Group EN-16 Oilfield Services, Offshore has pulled back to major support from the 2022 breakout. There are many names that are bottoming in this Group. Attractive names include: **FTI**, **SUBCY**, and **TDW**. Group EN-17 Oil & Gas Drilling, Offshore is bottoming. Attractive names include: **VAL**, **NE**, **RIG**, and **SDRL**. Group EN-20 Refining is reversing the RS downtrend and many are breaking price downtrends. Attractive names include: **MPC**, **PSX**, **VLO**, **DINO**, **CVI**, **PBF**, and **DK**. 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 a RS basis such as: **ENB**, **KMI**, **TRP**, **DKL**, and **GEL**.



**Financials: Downgrading to Market Weight from Overweight.** Small-cap banks remain the weakest link within Financials. The cap-weighted **XLF** is nearing the former highs, but **RS** is breaking a 52-week uptrend. 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-03 Canadian Banks is breaking to 3-year highs and **RS** is breaking a 3-year downtrend. Attractive names include: **RY**, **TD**, **BMO**, and **BNS**. Group FN-04 Asian Banks is a leadership Group. Attractive names include: **HDB**, **MUFG**, **IBN**, **SMFG**, **NABZY**, **MFG**, **ANZGY**, **KB**, **SHG**, and **WF**. Group FN-05 Latin/South American Banks has several leadership names, including: **ITUB**, **BSBR**, **BAP**, **BCH**, **BBD**, **BBDO**, **BLX**, and **BSAC**. Group FN-20 Mortgage Insurance remains in a price and **RS** uptrend. Attractive names include: **MTG**, **ESNT**, **NMIH**, and **RDN**. Group FN-28 Education Finance is a leadership Group. Attractive names include: **SLM**, **NNI**, and **NAVI**. Group FN-30 Investment Banking & Brokerage, Large-Cap is a leadership Group and has broken to all time price highs and **RS** is at highs not seen since 2009. Group FN-34 Electronic Exchanges/Markets is hitting new price highs and 4-year **RS** highs. Attractive names include: **CME**, **ICE**, **NDAQ**, **IBKR**, **CBOE**, **TW**, **VIRT**, and **SNEX**. Group FN-36 Life & Health Insurance, Large-Cap Remain in a price and **RS** uptrend. Attractive names include: **MFC**, **SLE**, **PUK**, **CRBG**, **EQH**, **UNM**, **AEG**, and **GL**. 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**, **FRFHF**, **HIG**, and **L**. Group FN-40 Property & Casualty Insurance, Large-Cap is a leadership. Attractive names include: **BRK.B**, **BRK.A**, **CB**, **TRV**, **ALL**, **MKL**, and **CMA**.

**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. This Sector is on review for a downgrade. There are no Groups in the top 1/3<sup>rd</sup> of **RS** rankings and remains a stock picking Sector. Group RE-01 Real Estate Developers has a few attractive names in it including: **CKHUY**, **BN**, **GRP.U**, **CHCI**, and **FPAFY**. Group RE-06 REITs, Residential has a few interesting names such as: **DHC**, **FPH**, and **ARL**.

**Consumer Staples: Market Weight.** The cap-weighted **XLP** has continued to underperform following its 3-month **RS** uptrend violation in May. 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 – be very selective. Our favorite Groups to *overweight* include CS-03 Hypermarkets & Super Centers (buy/stay long **WMT** and **COST**), CS-06 Food Distributors (buy pullbacks/stay long **USFD** and **CHEF**), and CS-21 Tobacco, Large-Cap (buy pullbacks/stay long **PM** and **BTI**). Additional attractive names from a bottoms-up perspective include: **BUD**, **HEINY**, **MNST**, **CELH**, **LRLCY**, **ELF**, and **ODD**.

**Materials: Underweight.** 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-03 Metals, Specialty is breaking to 5-year price highs and reversing a secular **RS** downtrend. Attractive names include: **CRS** and **ATI**. Group MA-04 Aluminum has several attractive names such as: **HWM**, **CSTM**, and **KALU**. Group MA-11 Cement/Aggregates is at all-time high. Attractive names include: **VMC**, **SUM**, **CX**, **CPAC**, 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-23 Copper is a leadership Group. It appears that Copper is likely to move higher. Attractive names in this Group are: **SCCO**, **FCX**, **TECK**, **LUNMF**, **TGB**, and **WRN**. 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**. Group MA-29 Gold, South Africa is a leadership Group. Attractive names include: **GFI, HMY, SBSW, DRD, TRX and GAI**. Group MA-30 Silver Platinum is a leadership Group. Attractive names include: **WPM, PAAS, CDE, AG, SSRM, MAG, FSM, SVM, USAS, and PLG**. Group MA-31 Mining, Uranium is a leadership Group. Attractive names include: **CCJ, LEU, and UUUU**.

**Health Care: Underweight.** Price and RS downtrends remain intact on the Vermilion equal-weighted Sector, and also on the cap-weighted (**XLV**) and equal-weighted (**RSPH**) S&P 500 Sectors – be very selective. Groups highlighted today that are worthy of an overweight include HC-04 Pharmaceuticals, Small-Cap (buy pullbacks/stay long **CPRX** and **ETLP**), HC-11 Cardiovascular Products (buy/stay long **BSX** and **TMDX**), HC-15 Diagnostic & Test Services (buy **NTRA, FMS, and GH**), HC-32 Rehab Services (buy **EHC** and **ENSG**), and HC-33 Nursing Homes & Assisted Living (buy **NHC, BKD, and PNTG**). Additional Groups where we have selective interest include HC-14 Diagnostic & Test Products (buy **FLGT** and **ANGO**) and HC-29 Hospitals (buy **HCA** and **THC**).

**Transportation: Underweight.** This Sector rebounded off the April lows and has a few areas of interest. Group TR-04 Airlines China has only one company in it (**CPCAY**) and recently broke to 5-year highs and is pulling back but remains constructive near the \$5.50 level. Group TR-07 Airport Operations is a leadership Group. Attractive names include: **PAC, ASR, and OMAB**. Group TR-08 Shipping, Dry-Bulk has several attractive companies in it including: **KEX, SBLK, DAC, CMRE, GSL, SB, HSHP, and ESEA**. Group TR-09 Shipping, Energy appears to be attempting a bottom. Attractive names include: **GLNG, FRO, INSW, DHT, TNK, CPLP, TK, NAT, KNOP, and TOPS**.

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*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*