

7/9/19

Mixed signals continue

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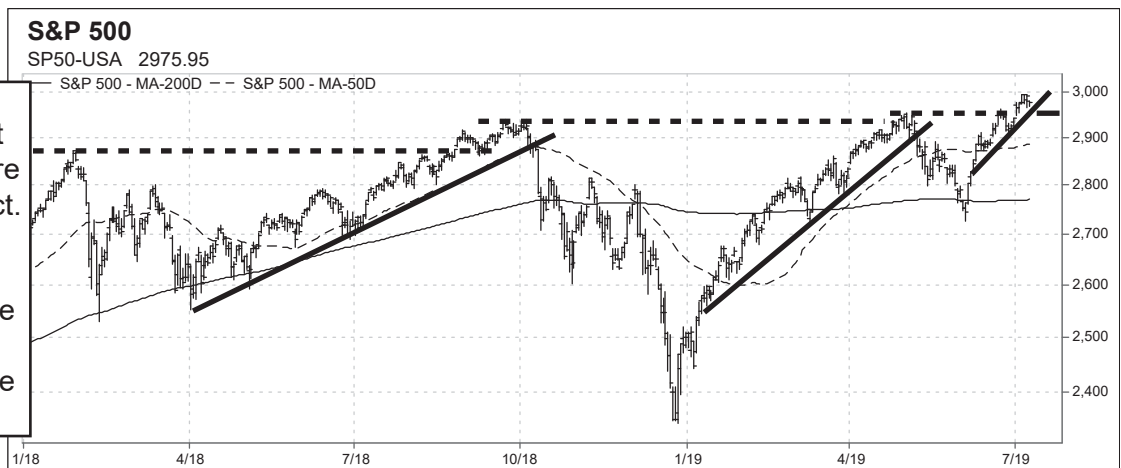
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While the S&P 500 has hit marginal new highs, price action of the S&P 500 and the price and RS of several Sectors/subsectors is similar to the periods leading up to the October 2018 and May 2019 breakdowns. We draw several similarities in today's report, and we continue to believe upside is likely to be muted from here barring additional positive developments.

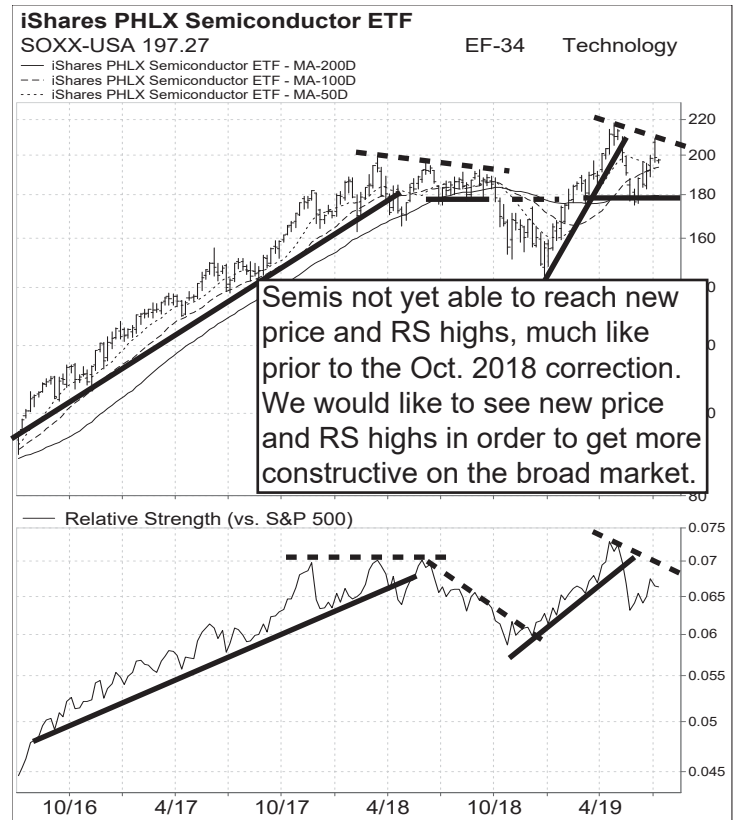
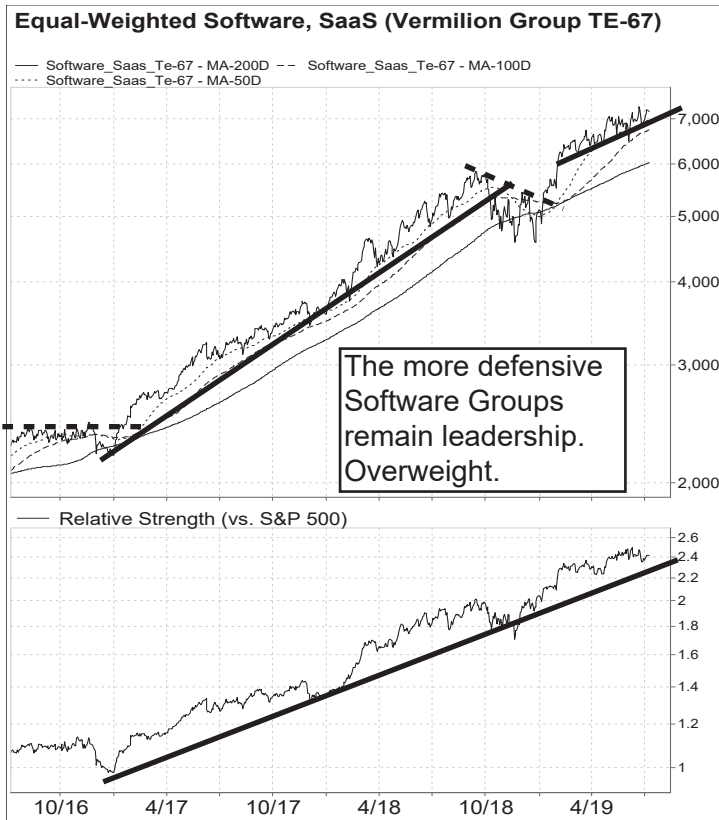
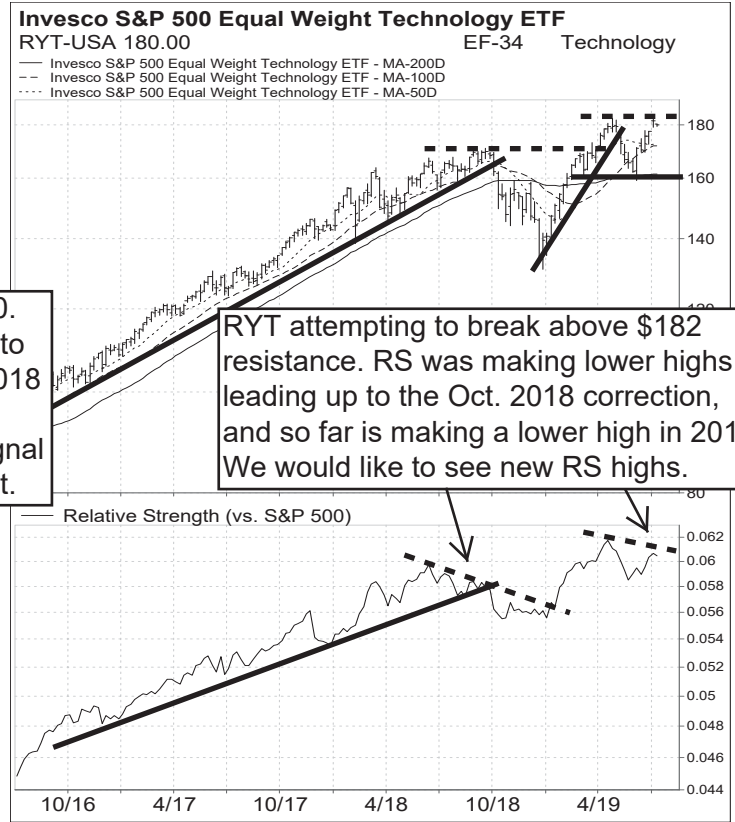
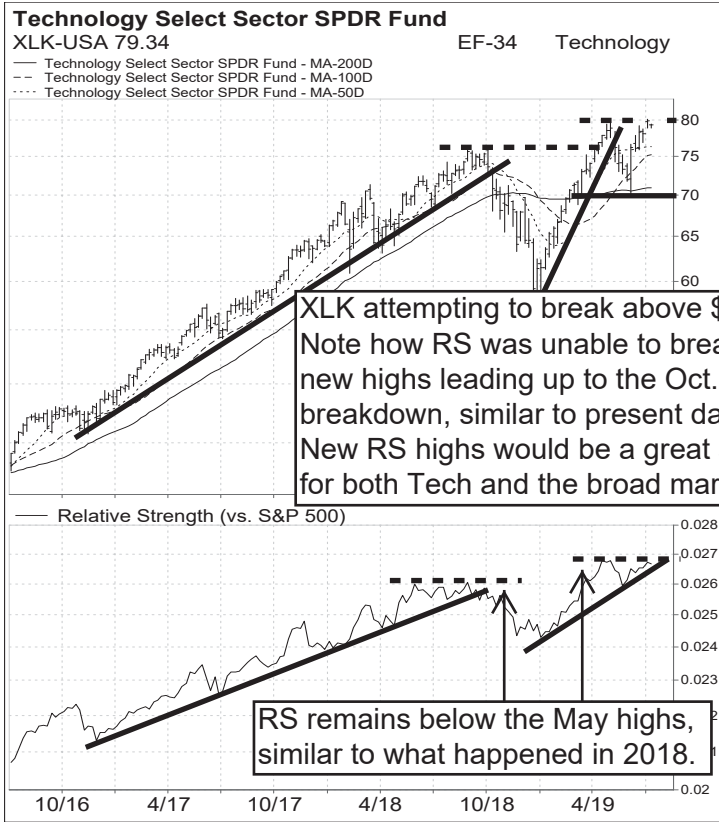
- **Mixed signals continue.** There continues to be a number of bright spots within the market, however there are also several developments which give us pause... *see pages 2-4.*
 - 1. Technology.** The cap-weighted S&P 500 Tech Sector (**XLK**) has been able to reach a marginal new high, but the equal-weighted counterpart (**RYT**) has not. Additionally, internal leadership is coming from the more defensive Software Groups as opposed to the more cyclical Semiconductors (**SOXX**).
 - 2. Consumer Discretionary.** The S&P 500 Discretionary Sector is another where cap-weighted (**XLY**) has hit new highs while equal-weighted (**RCD**) has not.
 - 3. Financials.** Financials (**XLF, RYF**) continue to look good from a price perspective which is a great sign. However, it is the most-cyclical subsector within Financials - the banks - which are very mixed and in aggregate are moving sideways (at best) as shown by the **KBE** and **KRE** bank ETFs.
- **Big picture trends.** Small-caps continue to lag. The Cyclical (**XLY**) vs. Staples (**XLP**) ratio is consolidating. WTI crude oil remains below \$60 resistance. Global equities (**ACWI**) are at logical resistance. Gold and gold miners (**GDX**) are consolidating recent gains. The 10Y/2Y Treasury yield spread has narrowed and is fast-approaching YTD lows. High yield spreads are consolidating... *see pages 5-6.*
- **Sector Relative Strength Rankings & Weighting Recommendations.** With so much mired in congestion we want to stick with Sectors/subsectors that are working. Actionable stocks include **EPAM, AZPN, ZEN, JKS, TRV, and FNF**... *see pages 7-9.*

In today's report we highlight attractive Groups and stocks within Consumer Discretionary and Financials: CD-20 Hotels & Resorts, Large/Mid-Cap, CD-23 Casinos & Gaming, Large-Cap, CD-58 Real Estate Developers, and FN-03 Canadian Banks... *see pages 16-26.*

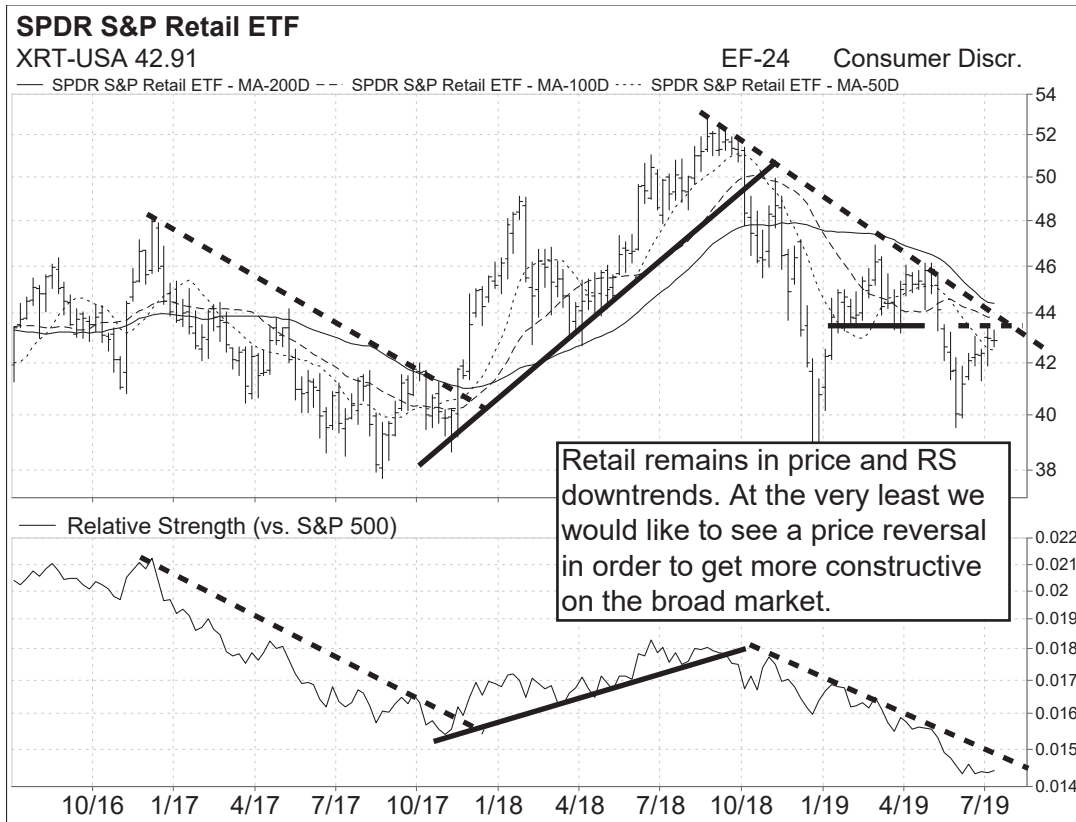
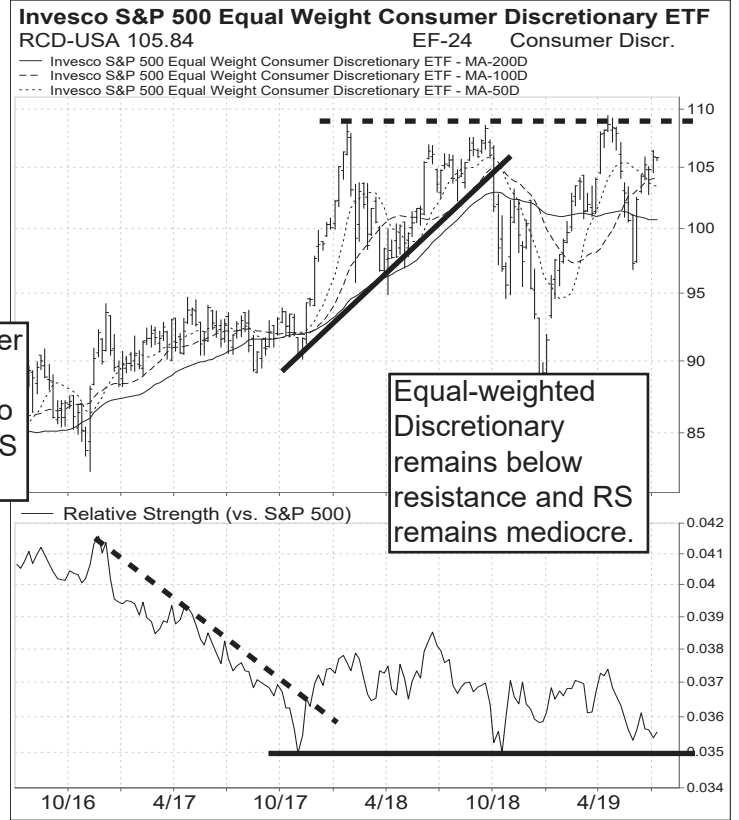
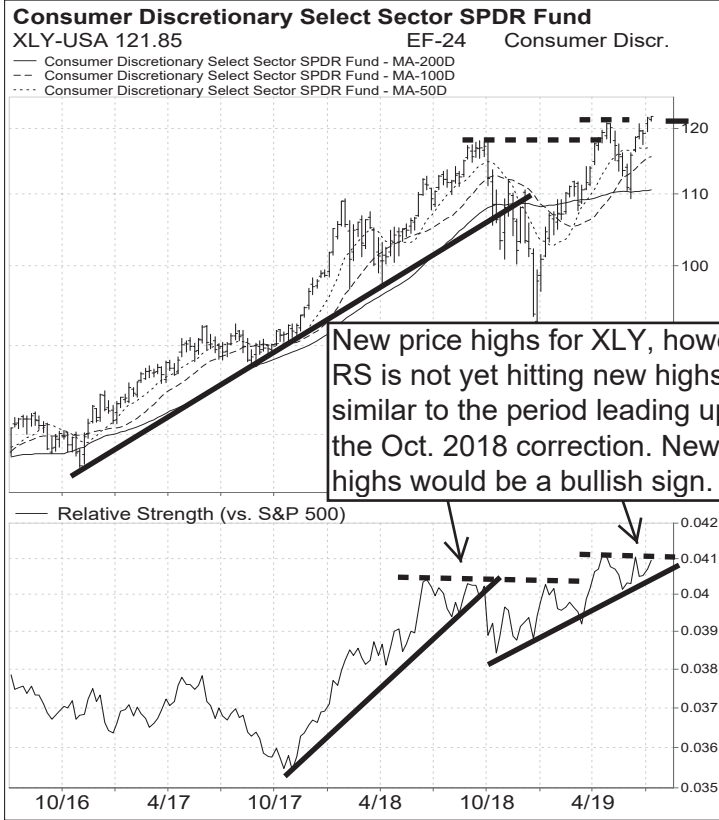
The S&P 500 is making marginal new highs, but we have seen this before prior to downturns in Oct. 2018 and May 2019. In today's report we draw several similarities to the periods leading up to these downturns and the current environment.



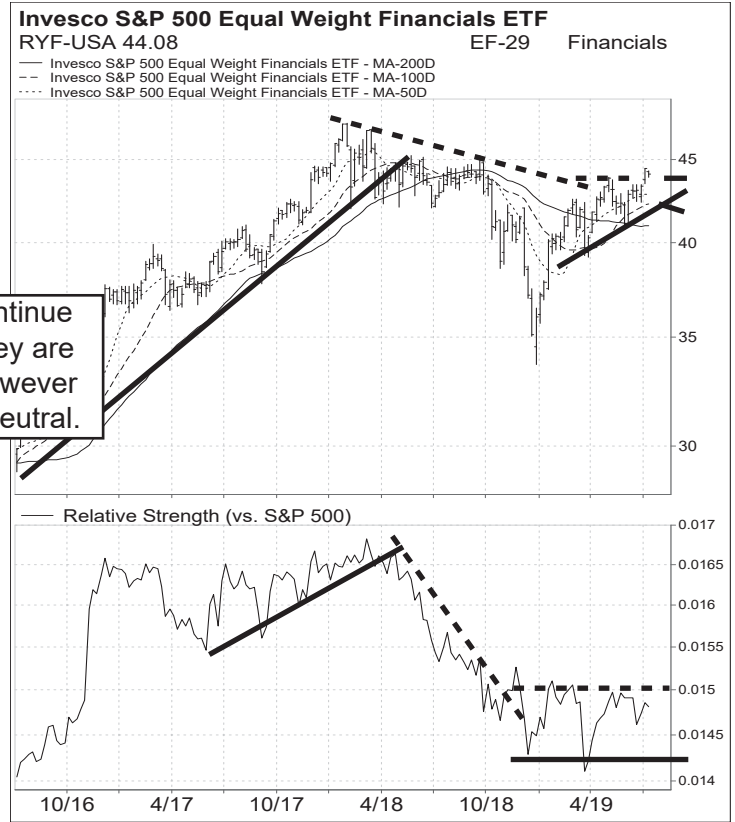
Mixed signals continue: Technology



Mixed signals continue: Consumer Discretionary

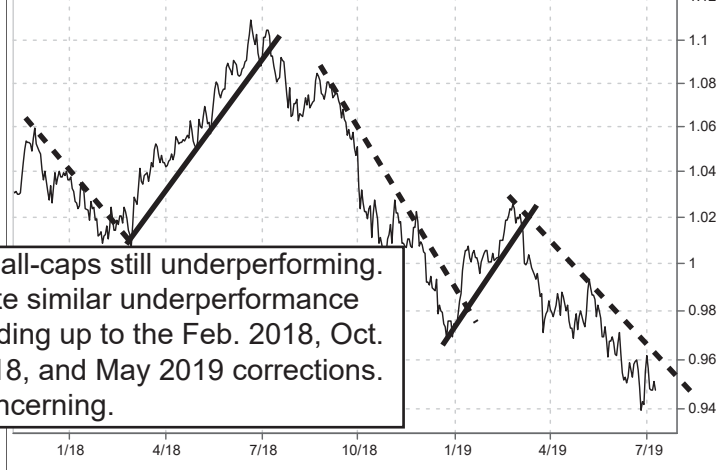


Mixed signals continue: Financials



Big picture trends

Small Cap vs. Large Cap
(Russell 2000 / Russell 1000)



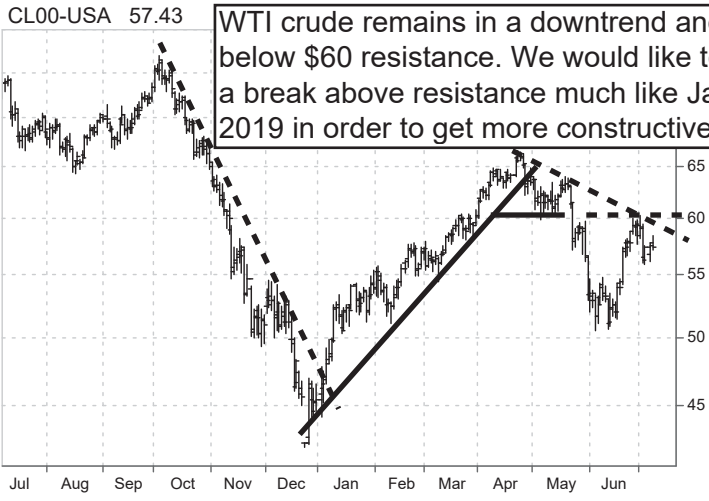
Small-caps still underperforming. Note similar underperformance leading up to the Feb. 2018, Oct. 2018, and May 2019 corrections. Concerning.

Consumer Cyclicals vs. Staples
(XLY / XLP)



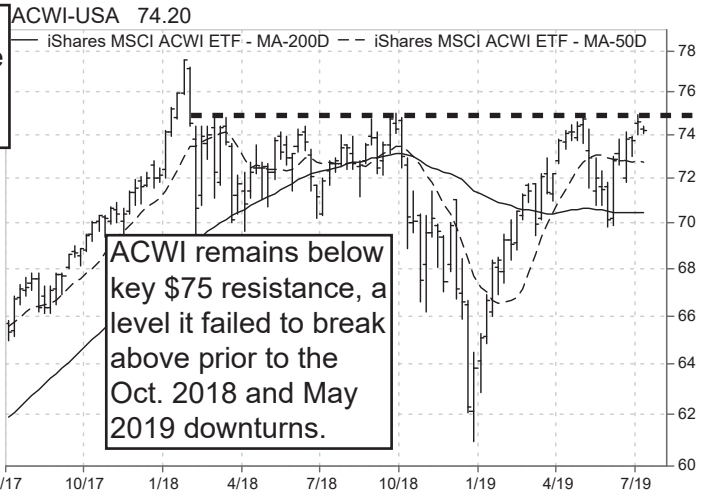
Pointing to generally neutral risk appetites, the cyclical vs. staple ratio is going through a broad consolidation period. We would like to see cyclicals outperform in order to get more constructive on the broad market.

Crude Oil WTI (NYM \$/bbl) Continuous



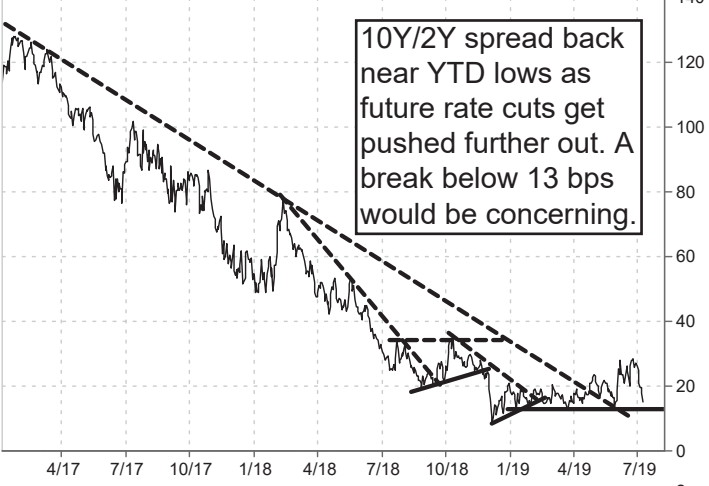
WTI crude remains in a downtrend and is below \$60 resistance. We would like to see a break above resistance much like Jan. 2019 in order to get more constructive.

iShares MSCI ACWI ETF



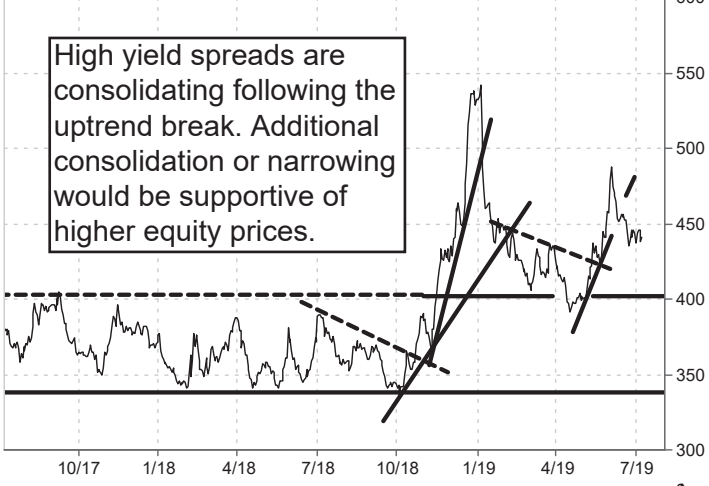
ACWI remains below key \$75 resistance, a level it failed to break above prior to the Oct. 2018 and May 2019 downturns.

Spread: US Benchmark Bond - 10 Year vs. US Benchmark Bond - 2 Year



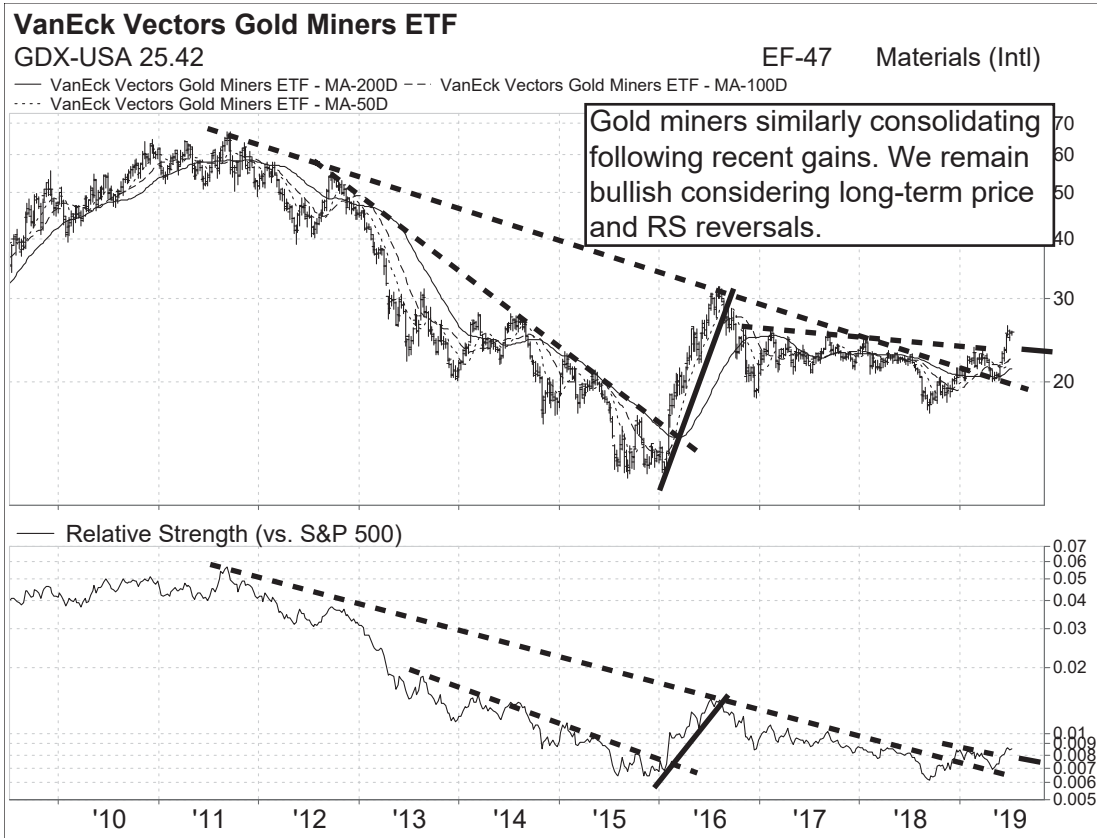
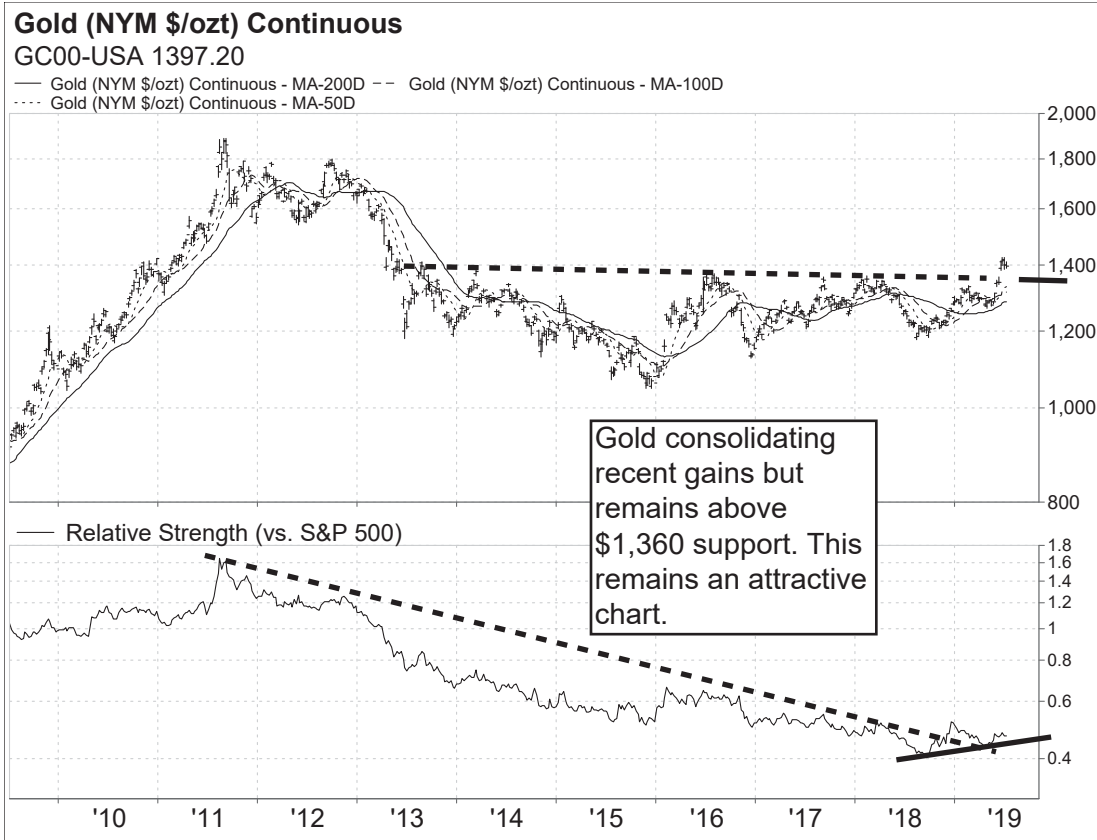
10Y/2Y spread back near YTD lows as future rate cuts get pushed further out. A break below 13 bps would be concerning.

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



High yield spreads are consolidating following the uptrend break. Additional consolidation or narrowing would be supportive of higher equity prices.

Big picture trends: Gold



Sector Relative Strength Rankings & Weighting Recommendations

Sector Relative Strength Rankings (RSR)

Our *cap-weighted* **Services** Sector continues to stand on its own at the top of our rankings - as it has for several weeks. The Sector is being driven by secular growth stories and investors continue to like the safety that comes with steady revenue streams while also benefitting from new technologies. Many of the stocks in this Sector should have minimal negative earnings impact outside of a major global slowdown. One actionable idea is **EPAM**, which is breaking out to new highs following a consolidation period... see chart on the following page.

Cap-weighted **Technology** is second in our rankings, largely due to outperformance from Software Groups which include mega-cap leadership stocks **MSFT**, **ORCL**, **SAP**, and **ADBE** - all stocks we continue to recommend. Software has similar industry characteristics as our Services Sector - secular growth and steady revenues as these are some of the last things a company would cut, if at all, in the case of an economic slowdown. Two actionable ideas include **AZPN** and **ZEN**... see charts on the following pages.

Insurance Groups remain another leadership area within **Financials** as investors appreciate stable revenues. Two actionable ideas include **TRV** and **FNF**... see charts on the following pages.

No weighting changes

Recent changes:

June 12: upgraded Services to overweight

Relative Strength Ranking: Sector Summary

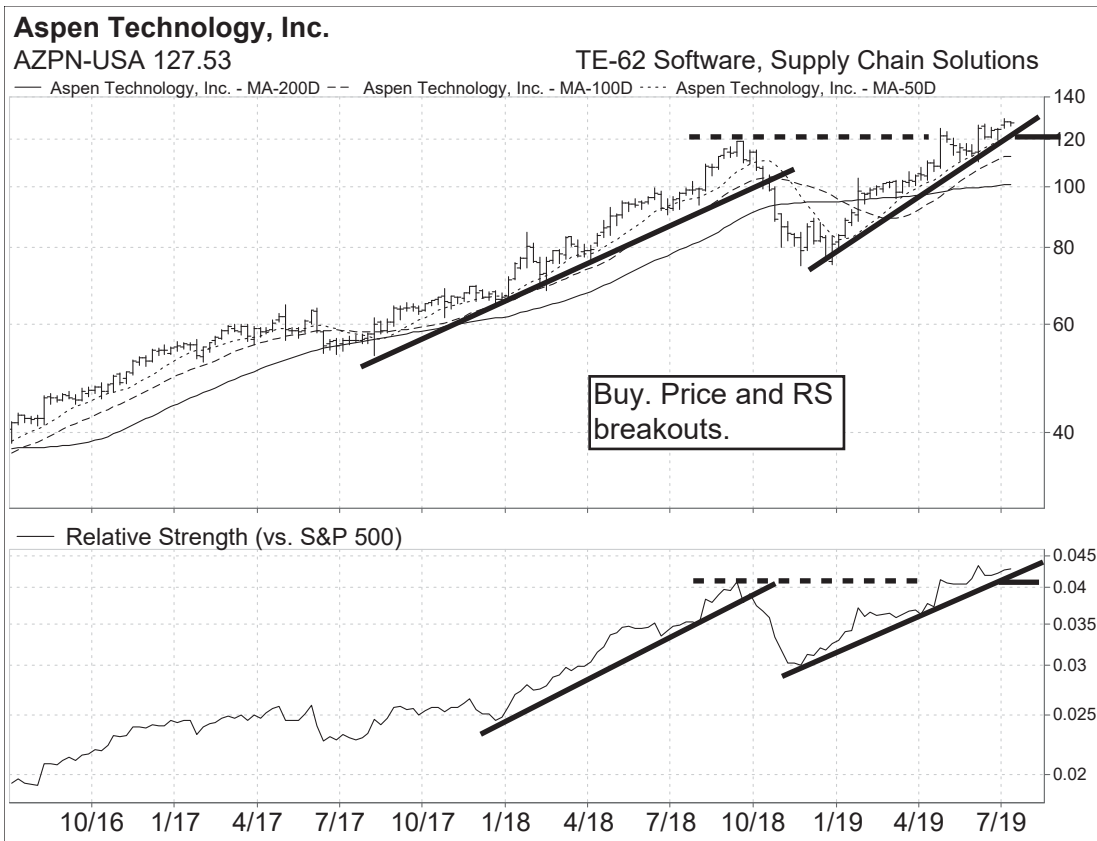
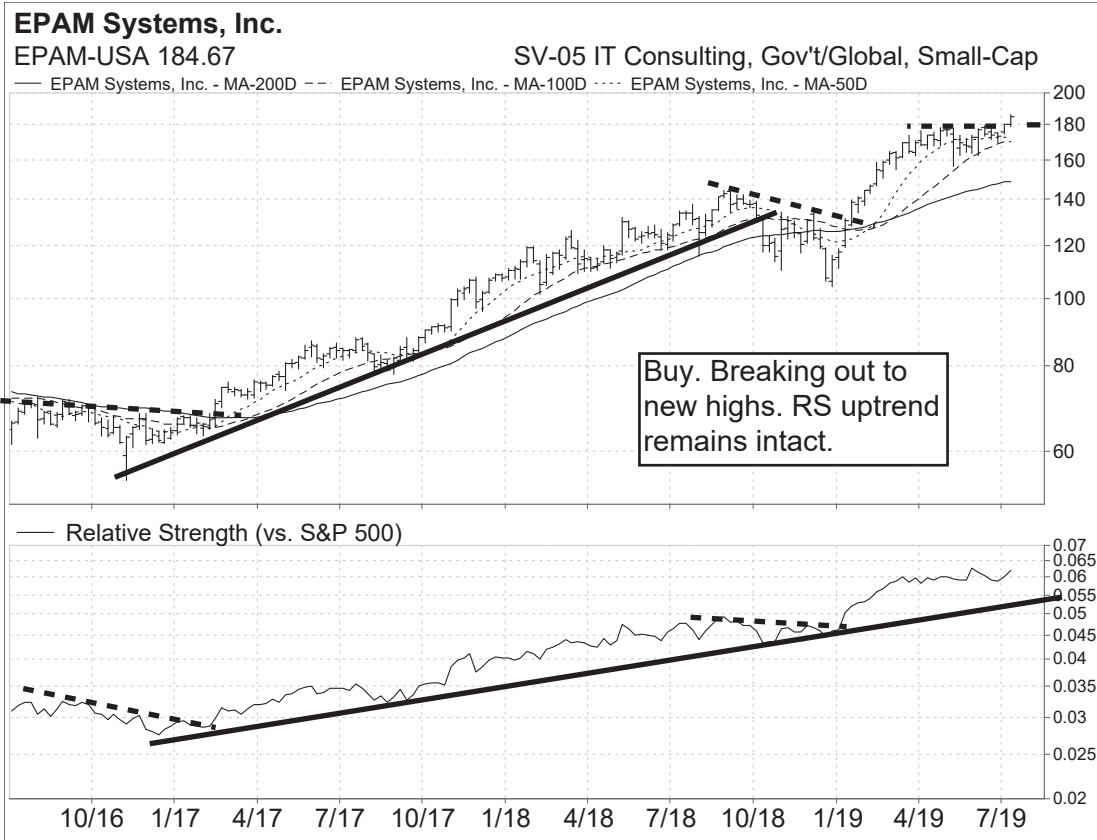
Vermilion Sector	07/05	06/28	06/21	06/14	06/07	05/31	05/24	05/17	05/10	05/03
SV Services(CAP)	3	4	3	3	3	3	4	4	5	6
TE Technology(CAP)	6	8	7	9	8	11	11	6	5	4
CO Communications(CAP)	9	13	10	11	11	9	8	6	9	9
CS Consumer Staples(CAP)	9	12	10	8	9	11	10	11	16	21
UT Utilities(AVG)	9	10	8	8	8	8	8	10	14	18
CD Consumer Disc(CAP)	10	12	10	10	11	12	12	10	9	9
UT Utilities(CAP)	10	12	8	8	9	9	8	12	16	20
FN Financials(CAP)	11	13	13	12	11	12	11	14	14	14
SV Services(AVG)	11	11	12	10	11	10	10	10	11	12
MF Manufacturing(CAP)	12	11	11	14	12	15	16	16	14	11
MF Manufacturing(AVG)	13	10	13	14	14	16	15	15	13	10
FN Financials(AVG)	14	15	15	13	13	12	11	12	13	14
TE Technology(AVG)	14	13	13	15	14	12	13	10	7	5
HC Health Care(CAP)	15	16	13	17	16	18	20	23	26	27
TR Transportation(AVG)	15	15	19	17	19	18	17	12	15	13
MA Materials(AVG)	18	15	18	21	22	24	24	24	24	22
MA Materials(CAP)	18	16	17	18	19	22	22	23	24	23
TR Transportation(CAP)	18	17	17	15	16	17	18	14	16	15
HC Health Care(AVG)	19	18	19	22	21	19	19	20	19	20
CO Communications(AVG)	20	23	20	20	19	16	17	16	21	20
CS Consumer Staples(AVG)	20	21	21	16	16	17	17	17	20	22
CD Consumer Disc(AVG)	23	24	23	21	22	22	21	22	21	18
EN Energy(CAP)	24	23	21	24	23	23	22	22	24	27
EN Energy(AVG)	27	26	26	27	26	25	24	22	23	26

Sector Weighting Recommendations

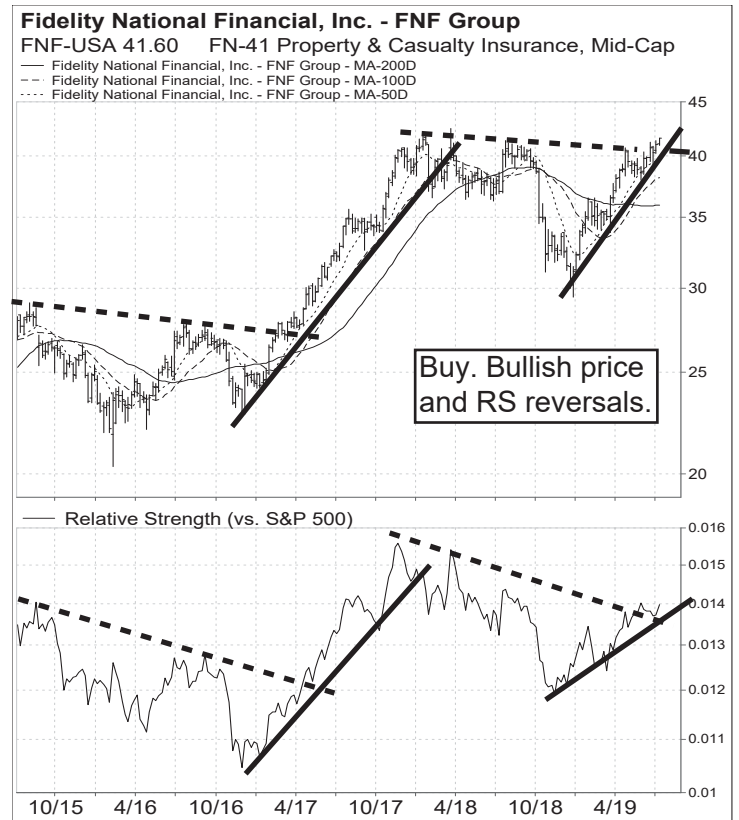
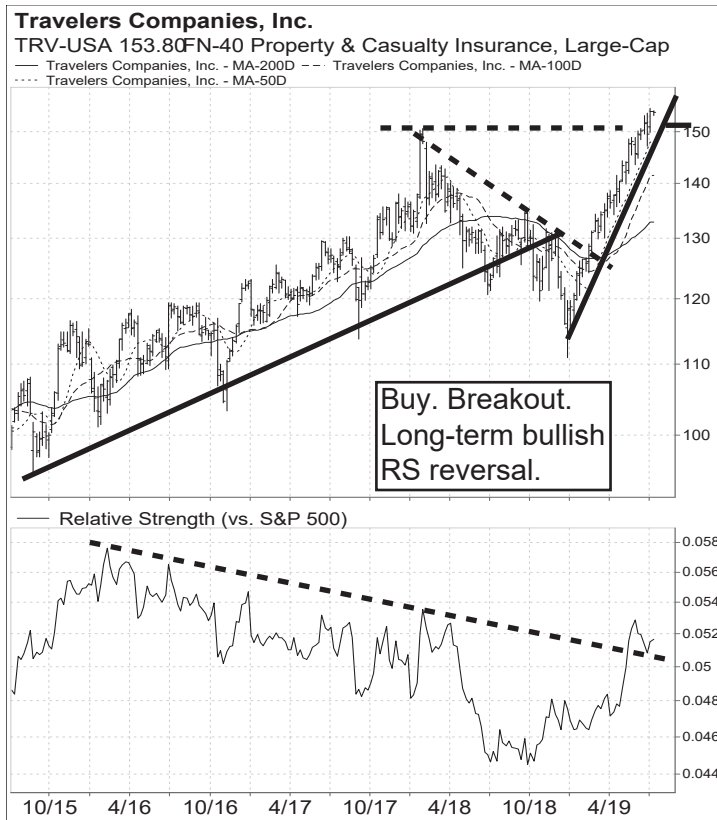
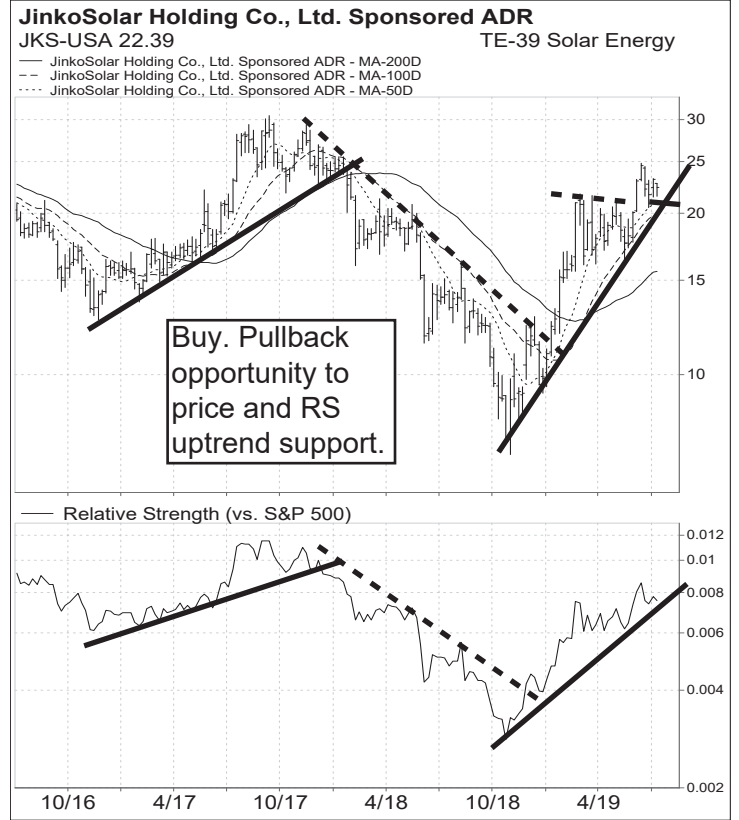
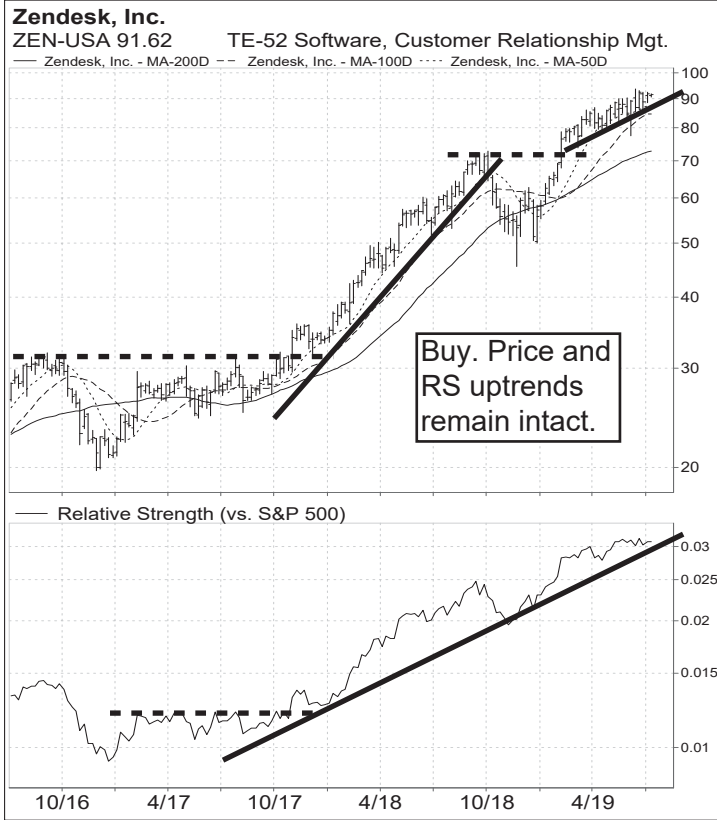
Vermilion Sector	Under-Weight	Market-Weight	Over-Weight
Communications			X
Cons. Discretionary		X	
Consumer Staples		X	
Energy	X		
Financials		X	
Health Care		X	
Materials	X		
Manufacturing		X	
Services			X
Technology			X
Transportation	X		
Utilities		X	

See attached Sector commentary for Group and individual stock recommendations.

Actionable stocks: EPAM, AZPN



Actionable stocks: ZEN, JKS, TRV, FNF



Sector Highlights -- new comments in green

Communications: *Overweight*

- Group CO-01 Broadcasting is quite mixed, but the Group does have a number of technically attractive names, including: **DISCK, NXST, TGNA, SBGI, CETV, and EMMS**.
- Group CO-02 Cable & Satellite, Large-Cap and CO-03 Cable & Satellite, Small-Cap are each showing good RS. Attractive names include **CMCSA, CHTR, LBRDA, ATUS, DISH, CABO, LBTYA, VSAT, and SATS**.
- Group CO-05 Movies, Entertainment, Programming, Large/Mid-Cap is leadership in this Sector, attractive names include: **DIS, LYV, and VIAB**.
- Group CO-07 Investment Research & Ratings is indicating much stronger RS over the past few weeks. Attractive names include: **SPGI, MCO, VALU, and MORN**.
- Group CO-08 Publishing, and CO-09 Publishing, Small-Cap, has a number of stocks with good RSR rankings, including: **NPSNY, SPGI, RELX, TRI, NYT, and CHGG**.
- **Group CO-13 Telecomm Svcs., Asia/Pacific Rim has a few constituents that are technically Attractive. Names include NTTY, TLK, PHI, TLKGY, and HKTVY**
- Group CO-17 Telecomm Svcs., U.S. Wireless is inflecting bullish by reversing a price and RS downtrend. Attractive names include: **S, EVBG, ATEX, and SPOK**.
- Group CO-19 Cellular Towers has climbed the RS ladder and remains a leadership Group. Attractive names include: **AMT, CCI, and SBAC**.
- Group CO-24 has a number of technically attractive names, including: **EBAY, MELI, BZUN, QNST, ZG, LPSN, and TTGT**.
- Group CO-25 Social Networking has an RSR ranking of 3, a position of leadership. Attractive names include: **FB, TWTR, SNAP, ZNGA, MOMO, and MTCH**.

Consumer Discretionary: *Market Weight*

- A positive for both the Sector and the broad market, homebuilders are developing price and RS bottoms – overweight. Attractive names include: **NVR, KBH, SKY, LEN & LEN.B** (200-day MA support must hold), **DHI, TOL, MTH, LGIH, MHO, WLH, and TMHC**.
- Closely related to the Homebuilders above, Group CD-08 Home Furnishings is mixed but contains a number of attractive setups. We like: **MHK** (bottom-fishing candidate), **TPX, and ETH** (bottom-fishing candidate, 200-day MA support must hold).
- Select restaurants are outperforming and remain attractive. Attractive names include: **SHAK, YUM, CMG** (buy, fresh breakout to multi-year highs), **WING, MCD, DRI, DIN, YUMC, DNKN, and WEN**.
- Be selective within retail and apparel as the space contains a mix of leaders and laggards. Attractive retail stocks include: **ULTA, NFLX, HD, FND, LVMUY, W, VIPS** (bottom-fishing candidate), **DG, LULU, DECK, CLAR, GIL, UA & UAA, BOOT, AMZN, COLM, WSM, ROST, WMT, and JD** (bottom-fishing candidate).
- Group CD-55 Lawn & Garden is one retail Group with several attractive names. We like: **TSCO, SMG, and SITE** (bottom-fishing candidate).
- Group CD-20 Hotels & Resorts, Large/Mid-Cap displays bottoming price and RS. Attractive names include: **HLT, IHG, MAR, WH, CHH**, and bottom-fishing candidates **H and WYND**.
- Price and RS trends remain attractive for Group CD-05 Retailers, Auto Parts. Attractive stocks include: **ORLY** (200-day MA support must hold), **AZO, MNRO, GPC, and PRTS** (bottom-fishing candidate).
- Education Services (CD-18 & CD-19) Groups are leadership. Attractive names: **BFAM, EDU, CECO, STRA, and HLG** (bottom-fishing candidate).
- CD-13 Sporting Goods/Leisure Products contains a select number of attractive setups. Attractive names include **POOL, JOUT, CLAR, and GOLF**.
- CD-04 Auto Dealers exhibits bullish price and RS inflections. Attractive names include: **KMX, AN** (bottom-fishing candidate), **LAD, ABG, GPI, and PAG** (bottom-fishing candidate).

Sector Highlights -- new comments in green

Consumer Discretionary (cont.): *Market Weight*

- Group CD-58 Real Estate Developers is breaking to 10-year RS highs. Stocks we like include: **CBRE, INVH, VER, JOE** (bottoming), and bottom-fishing candidates **FOR and IRCP**.

Consumer Staples: *Market Weight*

- Group CS-01 Food, Diversified, Large-Cap contains a number of attractive stocks, including: **NSRGY, MDLZ, GIS, SJM** (pullback oppty., \$115 support must hold), and **CPB** (bottoming).
- Group CS-10 Meat & Poultry is trading at 1.5-year RS highs. While this Group has been leadership, we believe there is potential for some backing and filling or weakness as feed costs are on the rise and stocks are showing signs of weakening after massive gains. We will continue to monitor. Attractive names include: **TSN, PPC, SEB** (200-day MA support must hold), **BRFS, and IBA**.
- Group CS-11, Brewers is on the cusp of major price and RS breakouts. Add exposure to our favorite names: **BUD** (bottoming), **ABEV** (bottom-fishing candidate), **HEINY, and SAM**.
- Group CS-12 Distillers & Vintners contains a select number of attractive stocks: **DEO, BFA & BF.B, and STZ** (bottom-fishing candidate).
- Price and RS trends remain attractive for Large- and Small-Cap Soft Drinks Bottlers Groups (CS-13 and -14, respectively). Attractive names include: **PEP, KO, KDP, CCEP, and COKE** (pullback oppty.).
- Group CS-17 Snacks exhibits bullish price and RS reversals and price and RS are hitting all-time highs. Attractive stocks include: **PEP, HSY, FLO, TR, and TWNK**.
- Group CS-23 Cosmetics & Toiletries is staging bullish price and RS reversals and contains a number of attractive names -- overweight. We like: **EL, LRLCY, KMB, AVP, JMEI** (bottom-fishing candidate), and **ELF** (bottoming).
- Group CS-24 Soap & Cleaning Supplies remains long-term leadership and contains a number of attractive stocks, including: **PG, CL, CHD, and UL/UN**.
- A bottom-up approach to stock selection uncovers some of our favorite opportunities within the Sector; attractive names include: **SBUX, COST, DANOY, MKC, PFGC, CASY, POST, WMT, and** bottom-fishing candidates **IMKTA, BG, and LWAY**.

Energy: *Underweight*

- This Sector continues to lag and many charts are parabolic downward. This is an indication that investors are throwing in the towel. Oil has attempted to rally above the \$60 level but has been unsuccessful at overtaking that level.
- Group EN-04 has a number of names that are making price and RS reversals. Attractive names include: **YPF, TGS** and **GPRK**.
- Energy Trusts, Group EN-12, has a number of attractive constituents technically. RS appears to be leading for this group. Attractive names include: **TPL, NEP, SBR, and ROYT**.
- Attractive Service names include: **PUMP, USAC, FTK, CCLP, FTI, OII, HLX, and DRQ**
- Group EN-20 Refining has a number of names reversing their price and RS downtrends. Attractive names include: **PSX, VLO, CVI, DK, CLMT, and MUSA**.
- Group EN-25 Gas Transmission & delivery has a number of attractive names technically, including: **KMI, TRP, PBA, PAA, BPL, PAGP, DKL, TCP, and GLP**.
- Group EN-27 Propane/LNG is also an attractive group technically. Names include: **APU, CEQP, NGL, SPH, and GASS**.

Financials: *Market Weight*

- We are seeing many banks begin breaking their respective price and RS downtrends. This appears to be a broad-based move and lead by a number of individual names. We would direct you to look through our grids of the Russell 1000 and Russell 2000 in this report. The bottom-fishing column reflects these changes.

Financials (cont.): Market Weight

- Group FN-03 Canadian Banks has a few technically attractive charts and is highlighted in today's Compass. Attractive names include: **RY**, and **TD**.
- Group FN-20 Mortgage Insurance is showing strong RS and is inflecting positively. Attractive names include: **MTG**, **RDN**, **ESNT**, and **NMIH**.
- Group FN-24 Asset Management & Custody Banks. Large-Cap and Midcaps are reflecting improving RS over the past several weeks. Attractive names include: **BLK**, **TROW**, **BX**, **AMP**, **WPC**, **IVZ**, **SEIC**, **ARCC**, **APO**, **LPLA**, **EV**, **LM** and **FII**.
- Group FN-26 Asset Management & Custody Banks, Small-Cap is gradually weakening but has an RSR of 10, down from a 7 just 4 weeks ago. Attractive names include: **OAK**, **AB**, **ARES**, **CG**, **CNS**, **APAM**, **HLNE**, **AINV**, **HTGC**, **NMFC**, **AINV**, **VRTS**, **FDUS**, **OZM**, **VCTR**, and **CPTA**.
- Group FN-27 Credit Card Issuers is a leadership group. Attractive names include **AXP**, **COF**, **DFS**, and **SYF**.
- Group FN-30 Investment Banking & Brokerage, Large-Cap is developing a few interesting names. Attractive names include **JPM**, **C**, and **GS**.
- Group FN-33 Commercial & Consumer Finance has a number of technically attractive names. Names include: **KKR**, **ALLY**, **CACC**, **SC**, **CIT**, **OMF**, **TREE**, **MAIN**, **WD**, **QD**, **HASI**, **ECPG**, **WRLD**, **CODI**, **OCSL**, **OCN**, and **FIF**.
- Group FN-34 Electronic Exchanges/Markets is showing strength. Attractive names include: **CME**, **ICE**, **INFO**, **NDAQ**, **CBOE**, and **MKTX**.
- Group FN-35 Insurance Brokers continues to show strong RS performance. Attractive names include: **MMC**, **AON**, **WLTW**, **AJG**, **BRO**, **FANH**, and **EHTH**.
- Group FN-36 Life & Health Insurance, Large-Cap is emerging as leadership in the Sector. Attractive names include: **PUK**, **PRU**, **MET**, **AFL**, **MFC**, **SLE**, **PFG**, **LNC**, **EQH**, **TMK**, and **VOYA**.
- Group FN-38 Multi-Line insurance, Large-Cap has a number of attractive names reversing price and RS downtrends. Attractive names include: **AZSEY**, **AXAHY**, **AIG**, **L**, and **HIG**.
- Group FN-39 Multi-line Insurance, Mid/Small-Cap has a number of technically attractive names including: **AFG**, **AIZ**, **KMPR**, and **HMN**.
- Group FN-40 Property & Casualty Insurance, Large-Cap has a number of companies reversing price and RS downtrends. This Group is highlighted in today's compass. Attractive names include: **CB**, **PGR**, **TRV**, and **ALL**.
- Group FN-41 Property & Casualty Insurance, Mid-Cap continues to be a leadership group. Attractive names include: **CINF**, **MKL**, **CNA**, **WRB**, **FNF**, **Y**, **ERIE**, **Y**, **ORI**, **FAF**, **THG**, **AXS**, **SIGI**, **RLI**, **MCY**, **WTM**, and **HTH**.
- Group FN-42 Property & Casualty Insurance, Small-Cap has a number of technically attractive names, including: **ARGO**, **CNNE**, **KNSL**, **SAFT**, **STFC**, **AMSF**, **EIG**, **AMSF**, **TRUP**, **EMCI**, **GSHD**, **HRTG**, **NODK**, **DGICA**, and **HALL**.
- Group FN-43 Reinsurance is a leadership agroup. Attractive names include: **ACGL**, **RE**, **RGA**, **RNR**, and **JRVR**.
- Group FN-45 REITs, Industrial is a leadership group within the REIT's. Attractive names include: **PLD**, **FR**, **REXR**, **STAG**, **TRNO**, **MNR**, **DEA**, **IIPR**, and **LMRK**.
- Group FN-53 REITs, Storage is a leadership group and has a number of names reaching price and RS highs. Attractive names include: **PSA**, **EXR**, **CUBE**, and **NSA**.
- Group FN-54 REITs, Timberland has a couple of attractive names that are reversing their price and RS downtrends. These include: **PCH** and **CTT**.

Health Care: Market Weight

- Internally, we continue to favor *equal-weighted* Health Care (**RYH**) and medical devices (**IHI**) which are outperforming the *cap-weighted* Sector (**XLV**).

Health Care (cont.): *Market Weight*

- Medical devices/equipment (ETF: IHI) remain long-term leadership. Attractive names include: **XRAY, RMD, ALGN** (\$270 support must hold), **GKOS, EW, BSX, FLDM, MASI, SMLR, ABT, BRKR, EVTCY, SYK, TMO, COO, STE, NSTG, DXCM, TFX, ILMN, CMD** (bottom-fishing candidate), **CNMD, HAE** (breakout), **IART** (bottom-fishing candidate), **VAR, and CUTR** (bottom-fishing candidate).
- Various biotechnology stocks remain attractive, however the space is mixed – be selective. We like: **HZNP** (200-day MA support must hold), **RDUS** (bottoming), **BPMC, INCY, IONS** (pullback oppty.), **EXAS, SAGE, ACAD** (bottoming), **RARX, ARQL, CRSP** (bottoming), **MTEM, TECH, ANIP, RGEN, and PGNX**.
- Health Care services boasts many attractive stocks, including: **CRVL, IDXX, LH, DGX, LUNA, LHCG, CERN, VEEV, RCM, NXGN, LNTH, ENSG, MASI, CDNA, IQV, CHE**, and bottom fishing candidates **ACHC, MGLN, and PINC**.
- Be selective within the pharma space. Attractive names include: **MDCO, ZTS, ABT, and bottom-fishing candidates GILD and JAZZ**.
- Group HC-17 Drug Delivery is mixed and contains a number of attractive stocks. Buy: **TNDM, PODD, CTLT, WST, OMCL, and EGRX** (bottom-fishing candidate).

Manufacturing: *Market Weight*

- Group MF-01 Industrial, Diversified, Large-Cap and a few Small-Cap names have a number of attractive names including: **HON, UTX, , GE, ABB, PHG, JCI, IR, DOV, CSL, ITT, BRC, WBT, HSC, and FSS**.
- A number of aerospace related names that are technically attractive, including: **NOC, LMT, GD, HII, TDG, TDY, HXL, HEIA, HEI, CW, TDY, TGI, WAIR, ATRO, DCO, ATROB, CVU, CUB, CMTL, LHX, AAXN, ESLT, CAE, KTOS, and ISSC**.
- Group MF-12 Auto Parts, Large-Cap has a number of names staging price and RS reversals. Attractive names include: **JCI, ETN, BWA, WBC, ADNT, and GNTX**.
- Group MF-14 Trucks and Components has a number of attractive names with improving RS. These include: **CMI, PCAR, OSK, NAV, PLOW, WNC, REVG, BLBD, and CVGI**.
- Group MF-19 Fluid Technology & Power is near historical RS highs and is poised to break to new price highs. Attractive names include: **ETN, IR, XYL, GDI, IEX, GGG, FLS, ITT, JBT, FLOW, HLIO, RXN, WTS, CIR, ERII**, and **SNHY**.
- Group MF-20 Electrical/Industrial Machinery & Controls is reversing a price and RS downtrend. Attractive names include: **WWD, MXCYY, and AIMC**.
- Group MF-21 Instrumentation and Process Controls has broken to historical price and RS highs. Attractive names include: **DHR, ROP, BMI, THR, and AME**.
- Group MF-27 Roller & Ball Bearings is staging a price and RS reversal. Attractive names include: **ROLL, TKR, and NNBR**.
- Group MF-30 Industrial Rental Equipment Is reflecting improving RS. Attractive names include: **URI, HRI, and HEES**.
- MF-34 Climate Controls & Systems that are technically attractive, including **LII, WSO, AAON, and CSWI**.

Materials: *Underweight*

- The USD did an about face last week, rallying above its 200-day moving average. It will take a few days above this level to convince us that this reversal is going to stick.
- Group MA-05 Engineered Metals & Materials is showing up as leadership Group. RS continues to develop positively. Attractive names include: **MTRN, OSN, and LXFR**.
- Group MA-08 Specialty Chemicals, Large-Cap is reversing a 1-year downtrend in price and RS. Attractive names include: **LIN, AIQUY, APD, and AKZOY**.

Materials (cont.): Underweight

- Group MA-11 Cement/Aggregates is weakening but does have a number of names that are attractive. Attractive names include: **CRH, VMC, MLM, SUM, USCR, and USLM.**
- Group MA-12 Construction Materials/Products has a number of attractive names. Attractive names include: **JHX, OC, EXP, and FBM.**
- Group MA-19 Containers, Metal, Glass and Plastic has a number of technically attractive names. Attractive names include: **BLL, ARZM30, CCK, ATR, SEE, SON, MYE, ARD, BMS, and SLGN.**
- Group MA-20 Diversified Mining continues to have a number of technically attractive names. Many of these are in long-term price and RS uptrends. Attractive names include: **BHP, RIO, BBL, NGLOY, ANGPY, and LNMIY.**
- Group MA-26 Gold, Western Hemisphere. Large-Cap has a number of names that appear to be breaking multi-year price and RS downtrends. Attractive names include: **NEM, GOLD, FNV, AEM, KGC, and RGLD.**
- Group MA-27 Gold, Western Hemisphere, Small-Cap does have a number of names that appear to be staging multi-year price and RS reversals. Attractive names include: **KL, BVN, BTG, AGI, NG, SA, and EGO.**

Services: Overweight

- RS for our *equal-weighted* Sector is breaking topside 3.5-year resistance – overweight.
- Data Processing and Outsourcing Services Groups (SV-01, -02, and -03) are leadership -- overweight. Names we like include: **EEFT, BR, PYPL, MA, V, EXPGY, ADP, GPN, FLT, WEX, WP** (now bought out), **CSGS, BKI, G, FIS, EVTC, SRT, TTEC, and CLGX** (bottom-fishing candidate).
- Groups SV-04 and -05 (Large- and Small-Cap IT Consulting, Gov't/Global) are leadership with price and RS at multi-year highs -- overweight. Attractive names include: **EQIX, GIB, WIT** (bottoming, **200-day MA or \$4.10 support must hold**), **GLOB, BAH, EPAM** (**buy, fresh breakout**), **CACI, SWCH** (bottoming), **ACN, LDOS, SAIC** (bottoming), **FORTY, CONE** (bottom-fishing candidate, \$56.50 support must hold), **and IT** (buy, breakout).
- Group SV-06 Research & Consulting Services remains leadership, particularly the mid- and large-cap names. Attractive stocks include: **FICO, EXPO, EFX, VRSK, CSGP, FDS, FCN, MSCI, and TRU.**
- SV-13 and -14 Construction & Engineering, Large- and Small-Cap (respectively) exhibit early signs of price and RS bottoms. Attractive stocks include: **BV, KBR, PWR, GLDD, NWPX, ACM** (bottoming), **EME** (buy, breakout), **ARCAY, JEC** (buy, breakout), **and DY** (bottom-fishing candidate).
- Our Waste Services Groups (SV-15 and -16) remain in price and RS uptrends – overweight. Attractive stocks include: **RSG, WCN, WM, TTEK, HCCI** (buy, pullback oppty.), **and CWST.**
- Group SV-17 Uniforms/Facilities Mgt. exhibits a bullish RS inflection and price is bottoming. Attractive stocks include: **ECL, CTAS, SERV, ABM, UNF, and ARMK** (bottom-fishing candidate).
- Group SV-25 Marketing/Merchandising/Digital exhibits long-term bullish price and RS inflections. Attractive names include: **TTD, PRFT, and VVI.**
- A bottoms-up approach to stock selection uncovers additional opportunities, including: **MAN** (bottoming), **CPRT, KAR, OMC, OUT, and LAMR.**

Technology: Overweight

- Software (ETFs IGV, XSW) Groups remain long-term leadership -- overweight. Attractive names include: **MSFT, VRSN, SHOP, SAP, ADBE, ORCL, PLAN, RPD, SNPS, PRO, GWRE, WIX, APPF, INTU, TYL, RUBI, WDAY, TEAM, SPNS, FIVN, VEEV, WK, AYX, ACIW, PAYC, CYBR, OKTA, TWLO, RNG, NOW, ZEN, CDNS, APPS, AZPN, MANH, PAR, PEGA, SPSC, DSGX, ZIXI, COUP, BL, HUBS, OTEX, AKAM, TTWO** (bottom-fishing candidate), **ANSS, and EA** (bottom-fishing candidate).
- Group TE-39 Solar Energy (ETF: TAN) remains leadership -- overweight. Attractive names include: **FSLR, SEDG, JKS, ENPH, SPWR, RUN, CSIQ, and VSLR.**

Sector Highlights & Attractive Stocks Highlighted -- new comments in green

Technology (cont.): *Overweight*

- Various semi indexes (SOXX and XSD) are developing positively, giving us hope that the strong YTD performance can reassert itself. Still, we remain selective within the space. Our favorite semiconductor names include: **AMAT, TXN, MRVL, AMD, ICHR, NXPI, RMBS, PDFS, IPHI, ASML, TER, IOTS, UCTT, BRKS, XLNX, SLAB, RTEC** (bottoming), and **AEIS** (bottom-fishing candidate).
- Group TE-16 Security & Surveillance Systems is breaking out to new price and RS highs -- overweight. Attractive names include **ALLE, FBHS, OSIS, and IDN**.
- A bottoms-up approach to stock selection uncovers additional opportunities. With this in mind, attractive names include: **AGYS, NTP** (bottom-fishing candidate), **UBNT** (200-day MA support must hold), **KEYS, ERIC, CSCO, XRX, EGHT, MRCY, CDW, TEL, CCOI, MTD, FLIR, JBL, MSI, and OLED**.

Transports: *Underweight*

- Group TR-02 Airlines Regional/Low-Cost has a few names that are reversing price and RS downtrends. Attractive names include: **DAL, UAL, ALK, JBLU, SKYW, and ALGT**.
- Group TR-03 Airlines, South America is emerging as a leadership Group and many names are reversing price and RS downtrends. Attractive names include: **AZUL, CPA, GOL, and VLRS**.
- **Group TR-08 Shipping Dry-Bulk has jumped ahead of the pack and is the strongest group in this Sector. Attractive names includes: SSW, MATX, SBLK, EGLE, GNK, SALT, DSX, ASC, SB, NMM, GSL, and NM.**
- Railroads remain in long-term uptrends. Attractive names include: **CSX, CNI, and NSC**.
- Group TR-11 Railroads Small-Cap continues to be a leadership Group. Attractive names include: **KSU, and GWR**.
- Group TR-14 Vehicle Renting/Leasing is showing some signs of life. There are many names in this group that are reversing price and RS downtrends including: **AER, AL, CAR, HTZ, AYR, CARA, and WLFC**.

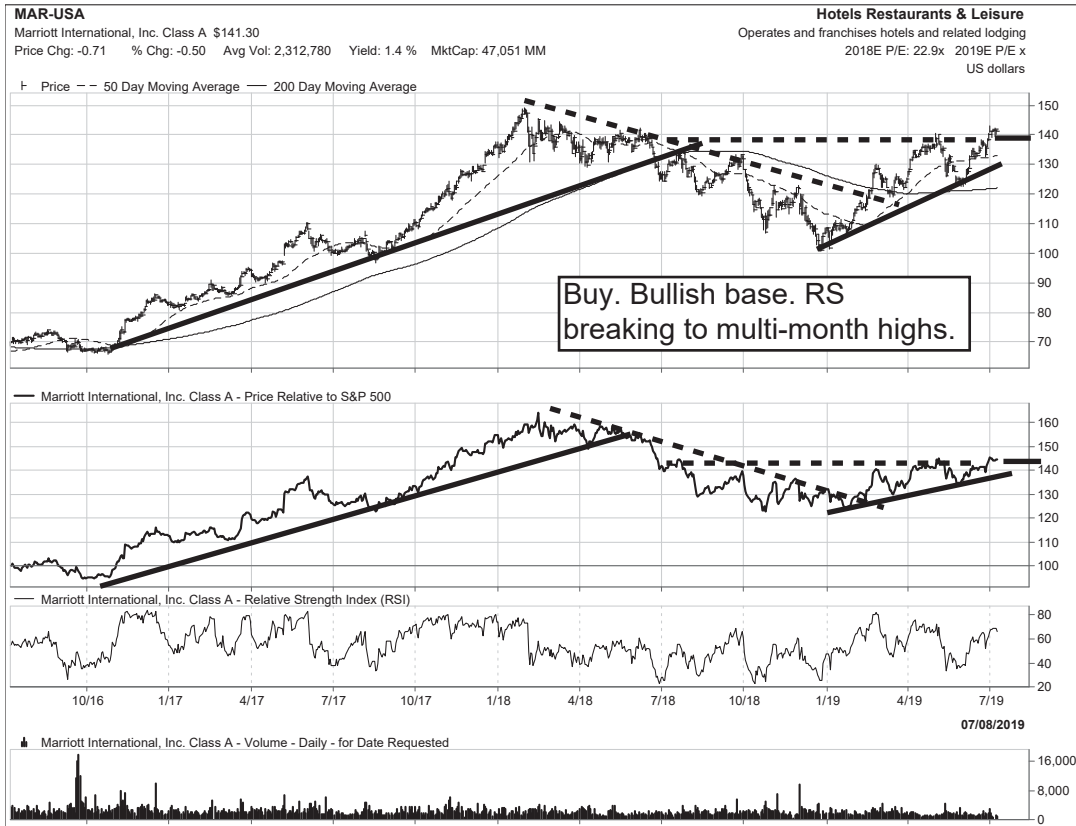
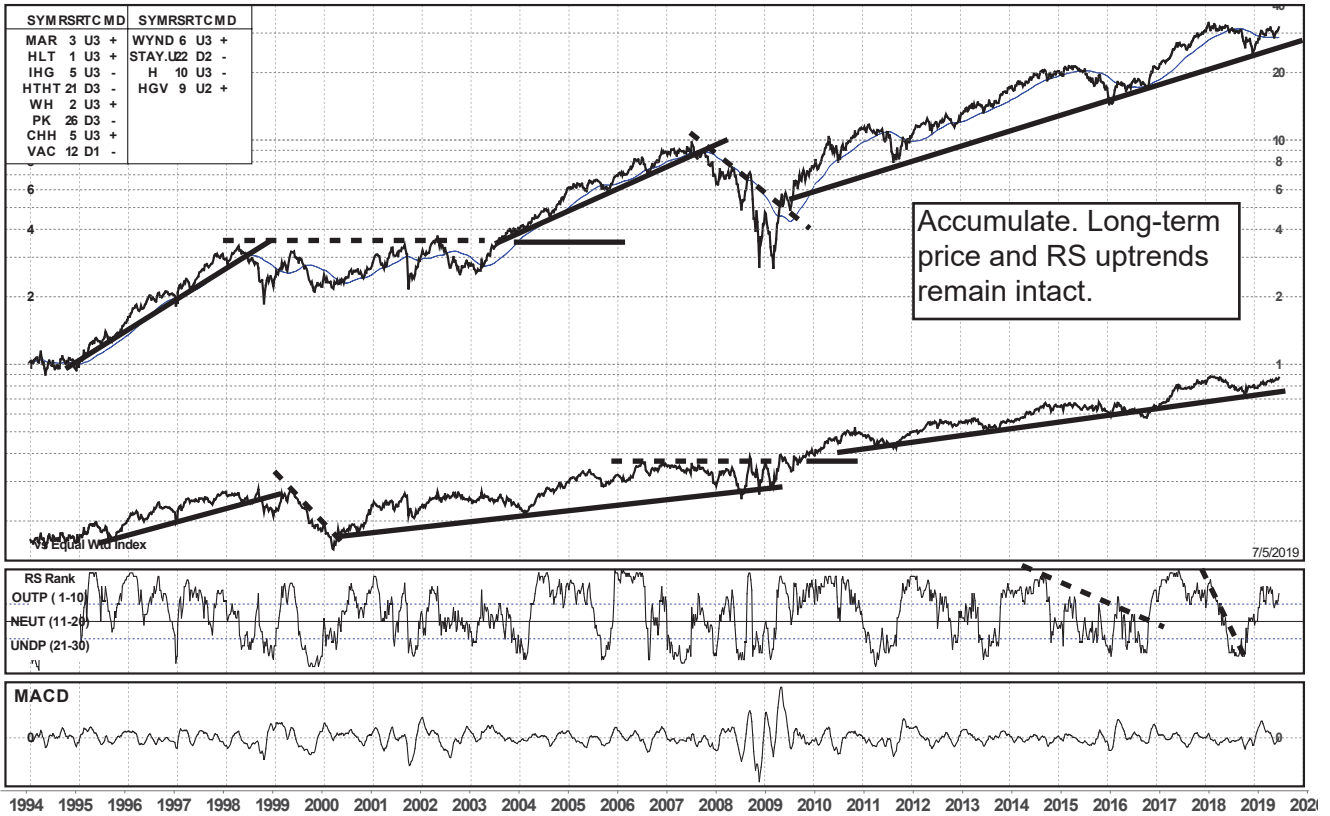
Utilities: *Market Weight*

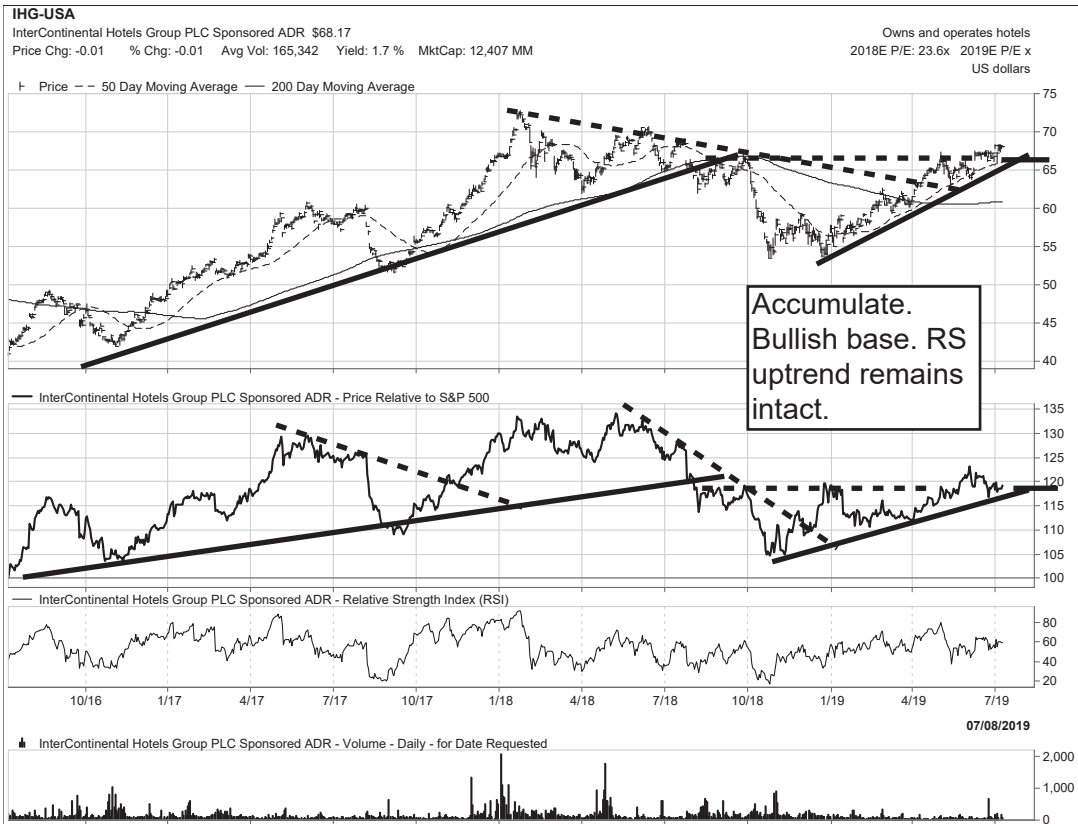
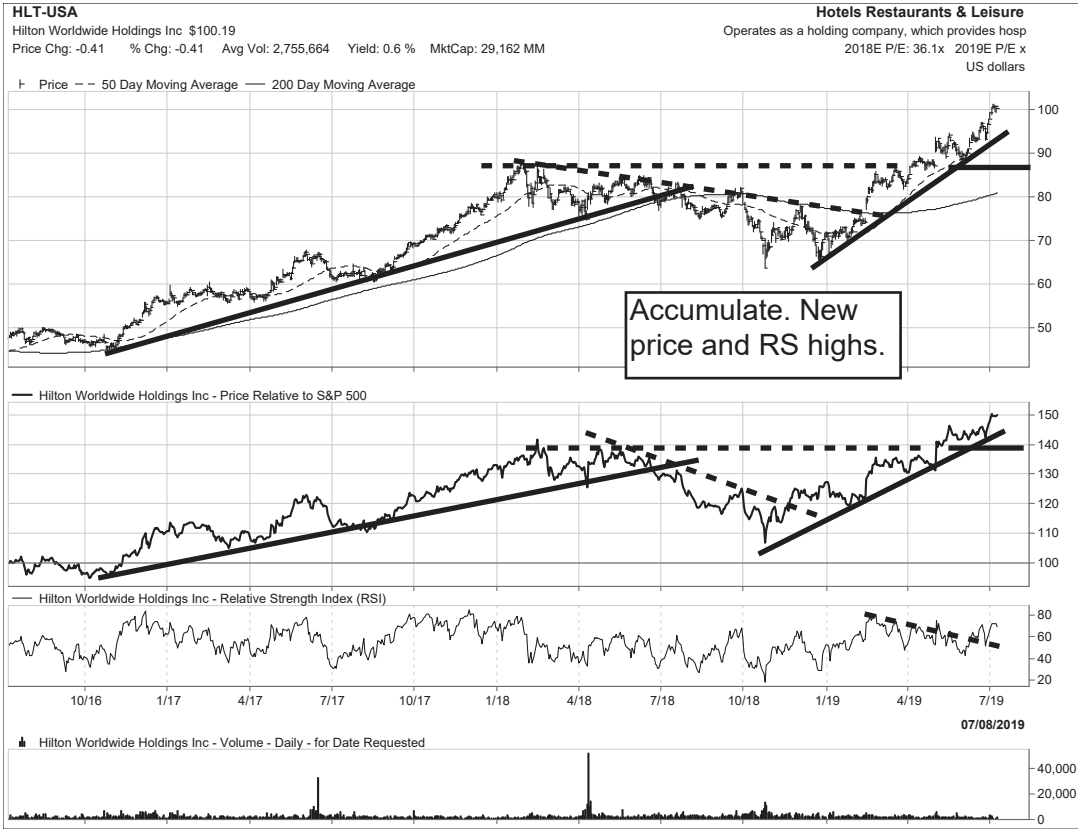
- RS is consolidating in a horizontal range, propped up by low yields – maintain market weight while this consolidation continues. RS is nearing the lows of 2019, and a breakdown would be a welcomed sight for prospects of sustained new highs for the broad market.
- Attractive names include: **FE, NEE, TERP, PEGI, GNE, AEP, AWK, AWR, MSEX, XEL, POR, NWE, SRE, ED, PNM, SR, SO, PICO** (bottom-fishing candidate), and **BKH**.

On the following pages we highlight attractive Groups and stocks within Consumer Discretionary and Financials:

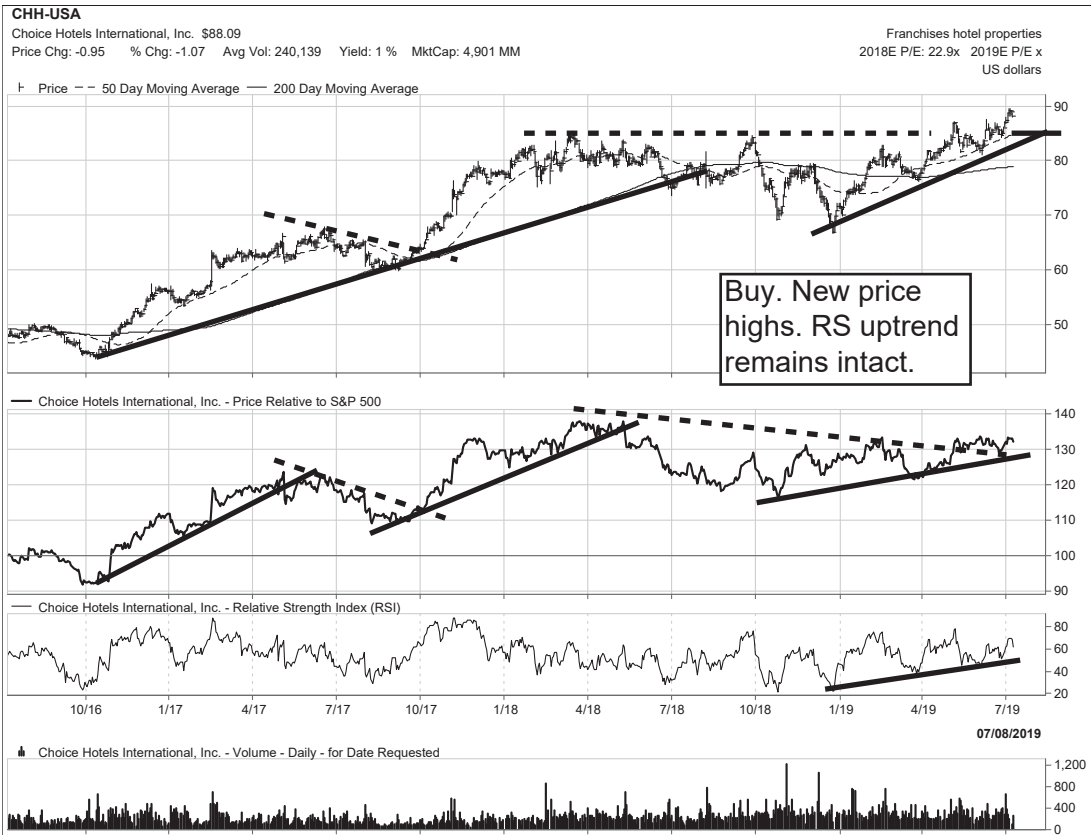
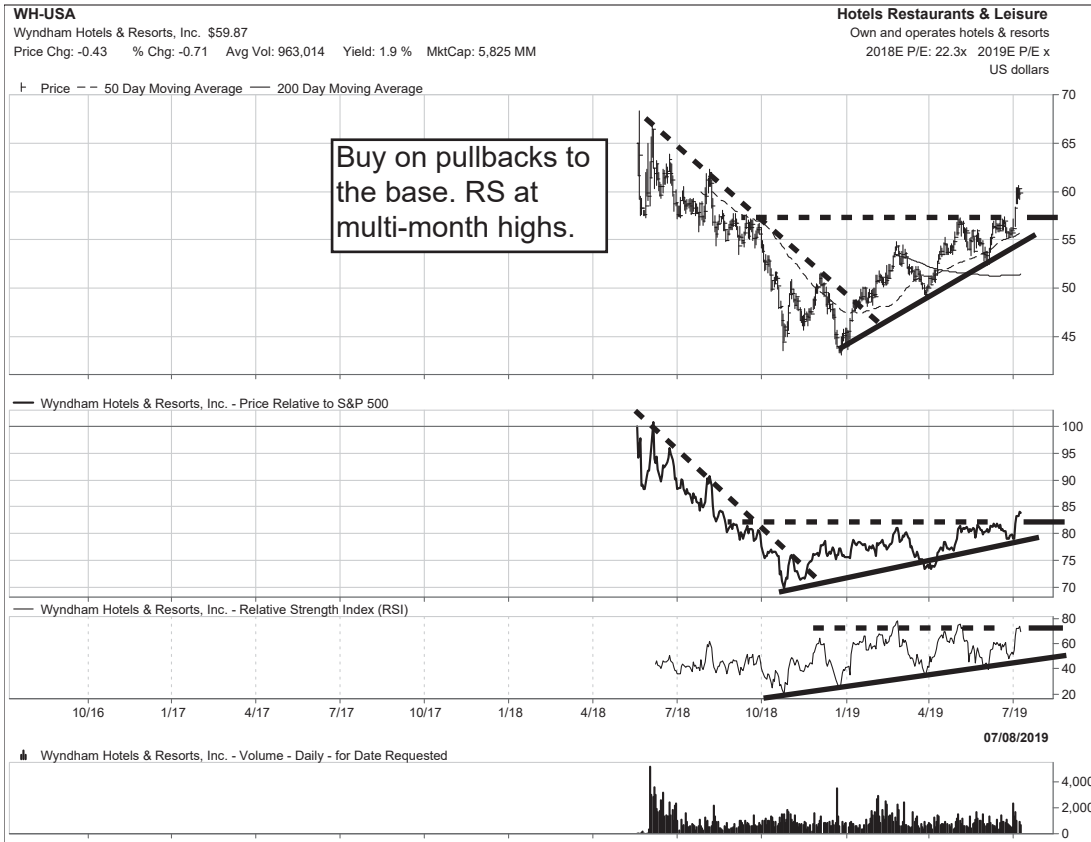
- **CD-20 Hotels & Resorts, Large/Mid-Cap** – Stocks highlighted include: **MAR, HLT, IHG, WH, CHH, WYND, and H**
- **CD-23 Casinos & Gaming, Large-Cap** – Stocks highlighted include: **LVS, MGM, WYNN, and MLCO**
- **CD-58 Real Estate Developers** – Stocks highlighted include: **CBRE, IEP, INVH, HHC, JOE, FOR, and TRC**
- **FN-03 Canadian Banks** – Stocks highlighted include: **RY and TD**

CD-20 Hotels & Resorts, Large/Mid-Cap

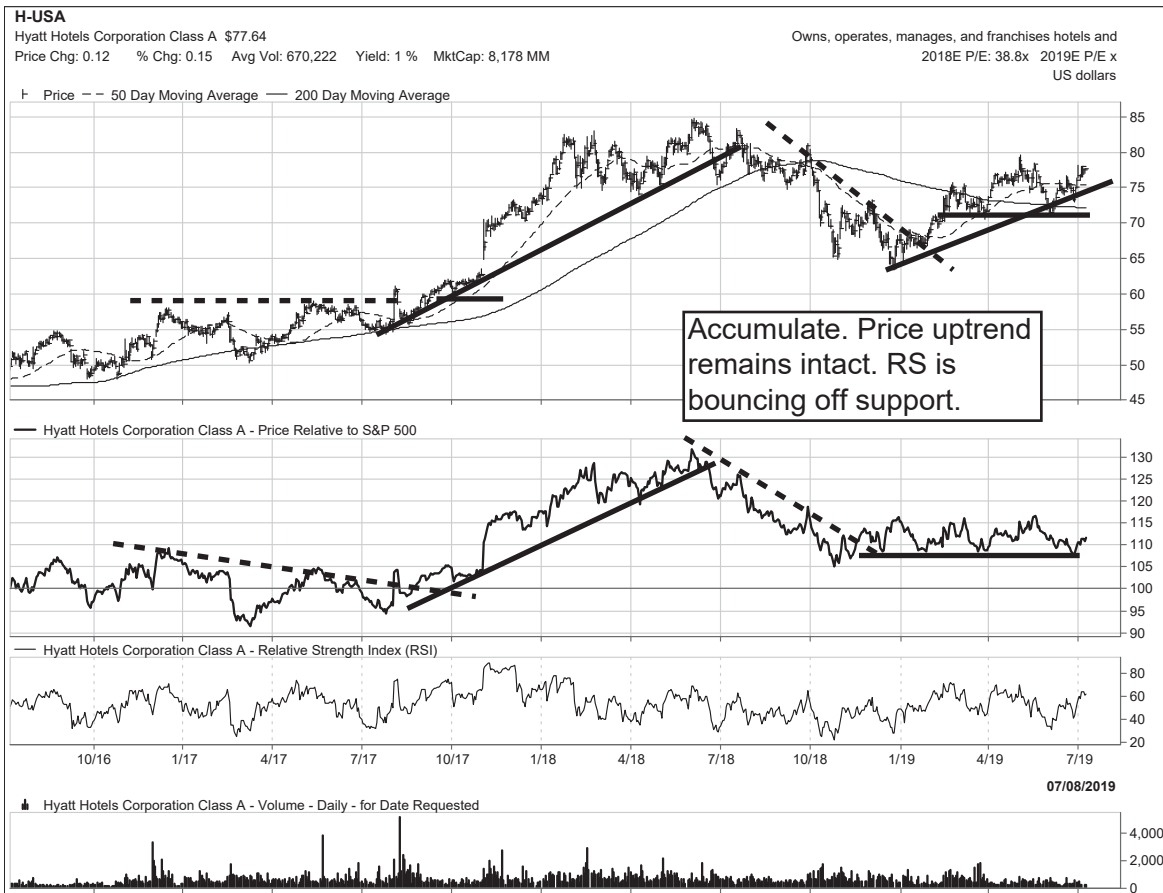
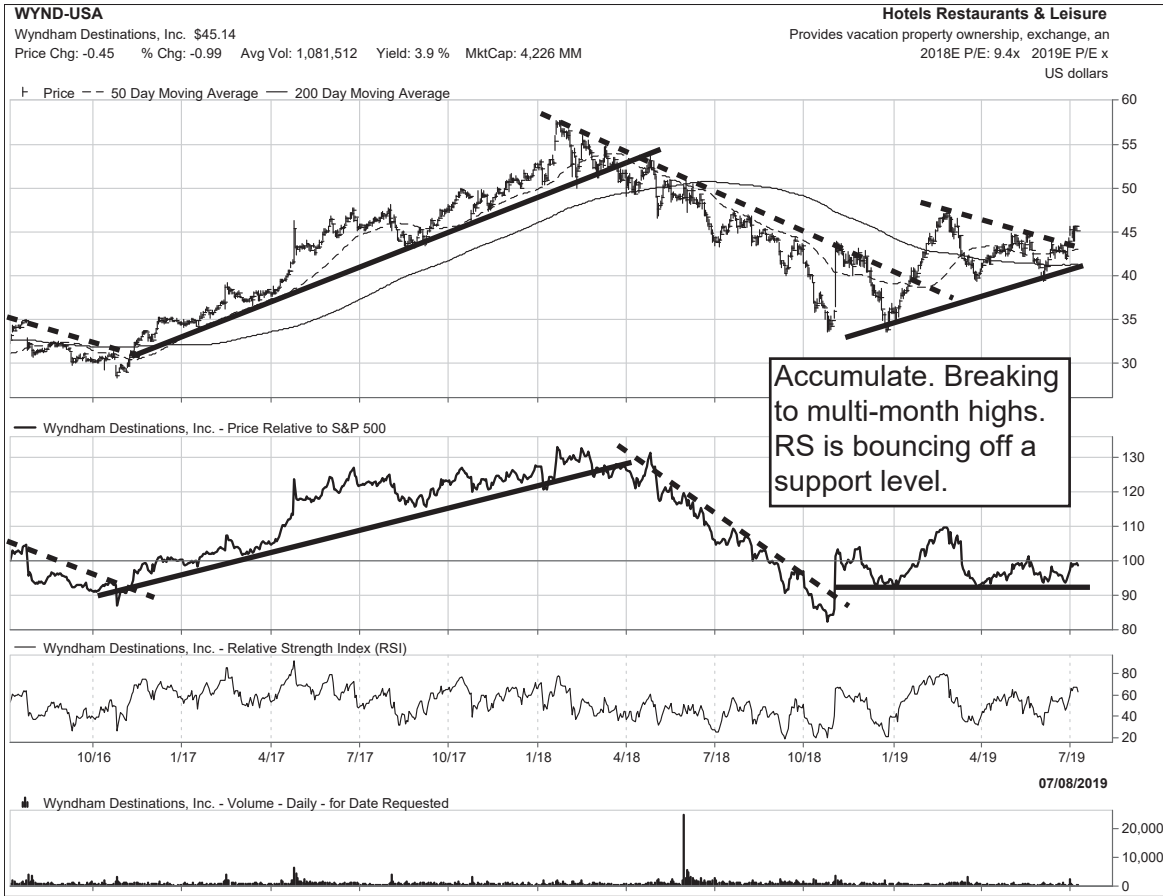




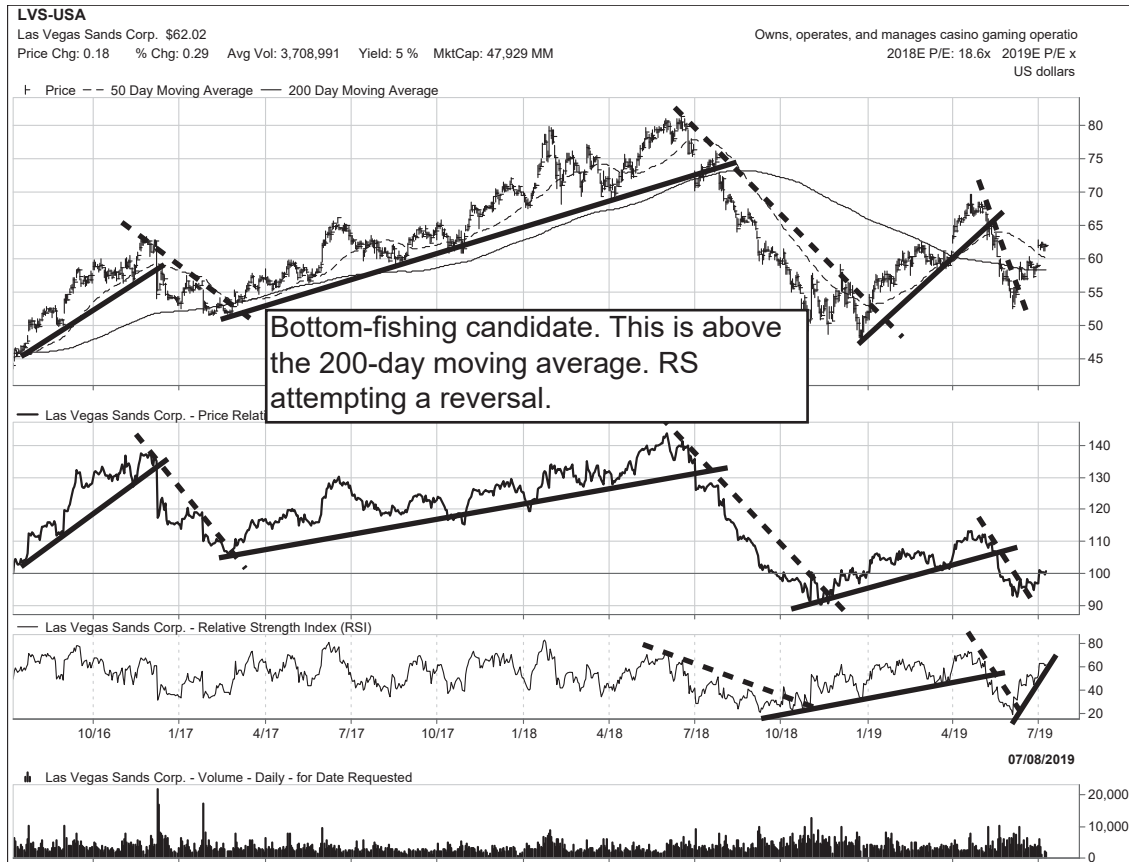
Attractive Groups: CD-20 Hotels & Resorts, Large/Mid-Cap



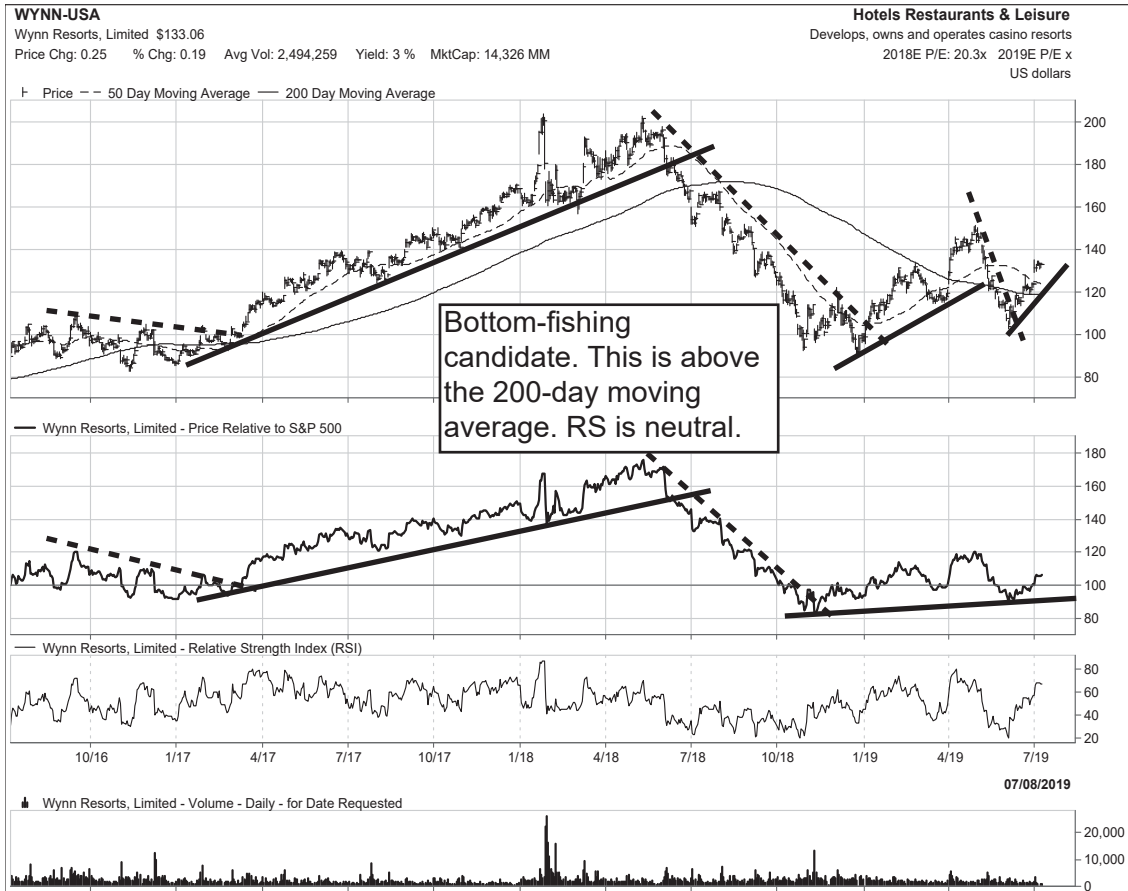
Attractive Groups: CD-20 Hotels & Resorts, Large/Mid-Cap



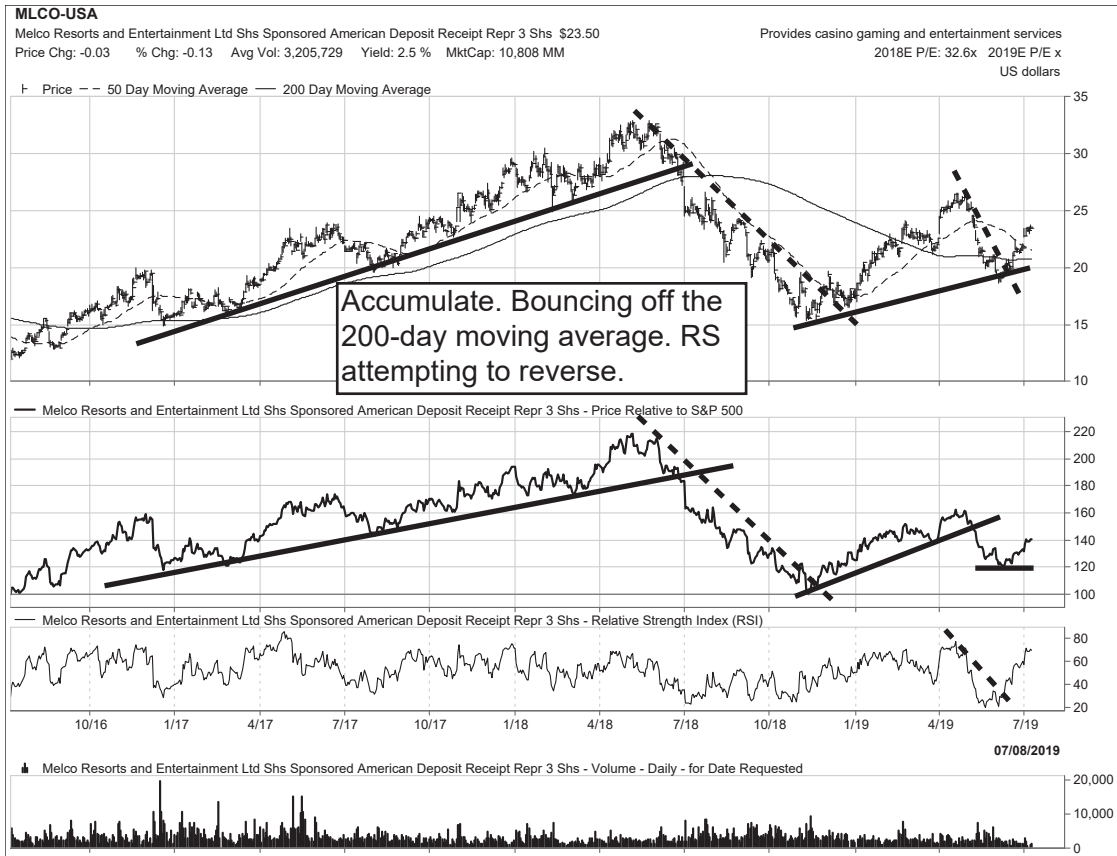
CD-23 Casinos & Gaming, Large-Cap



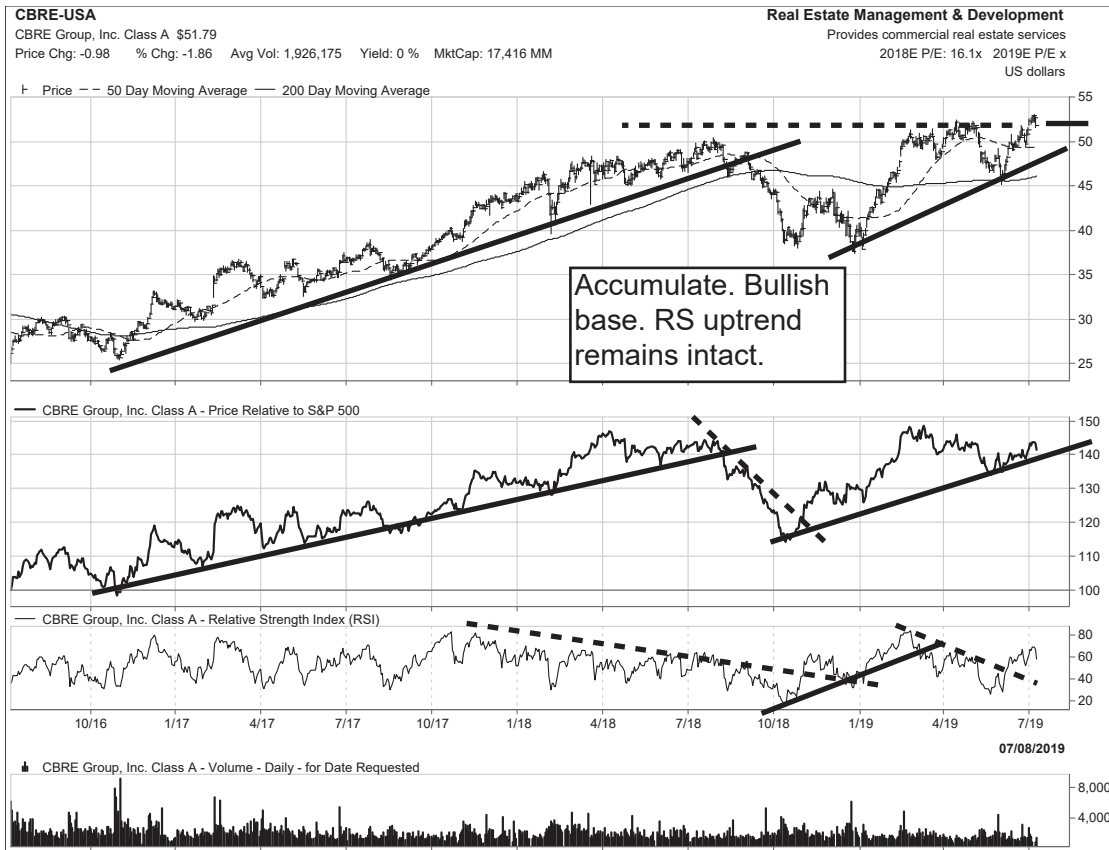
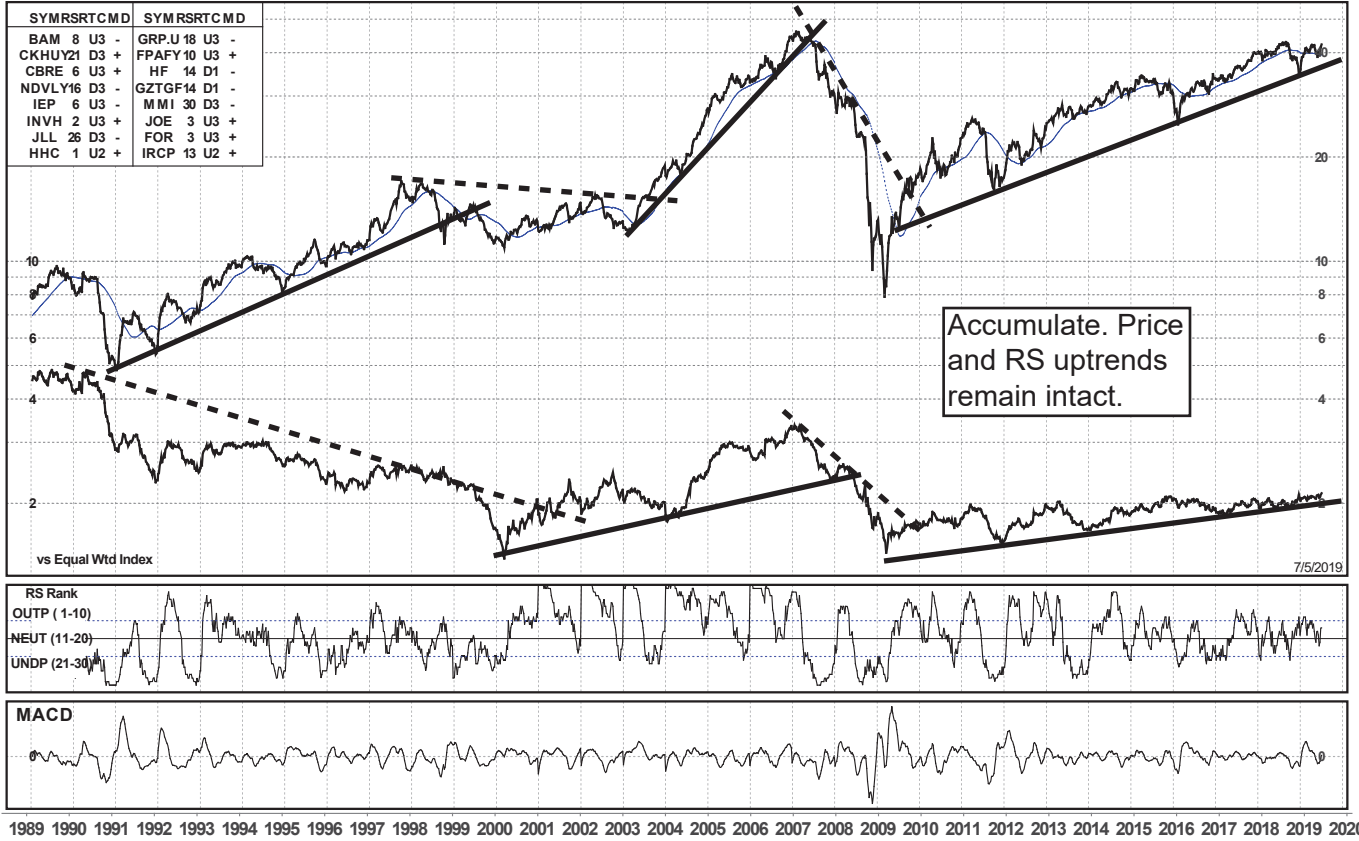
Attractive Groups: CD-23 Casinos & Gaming, Large-Cap



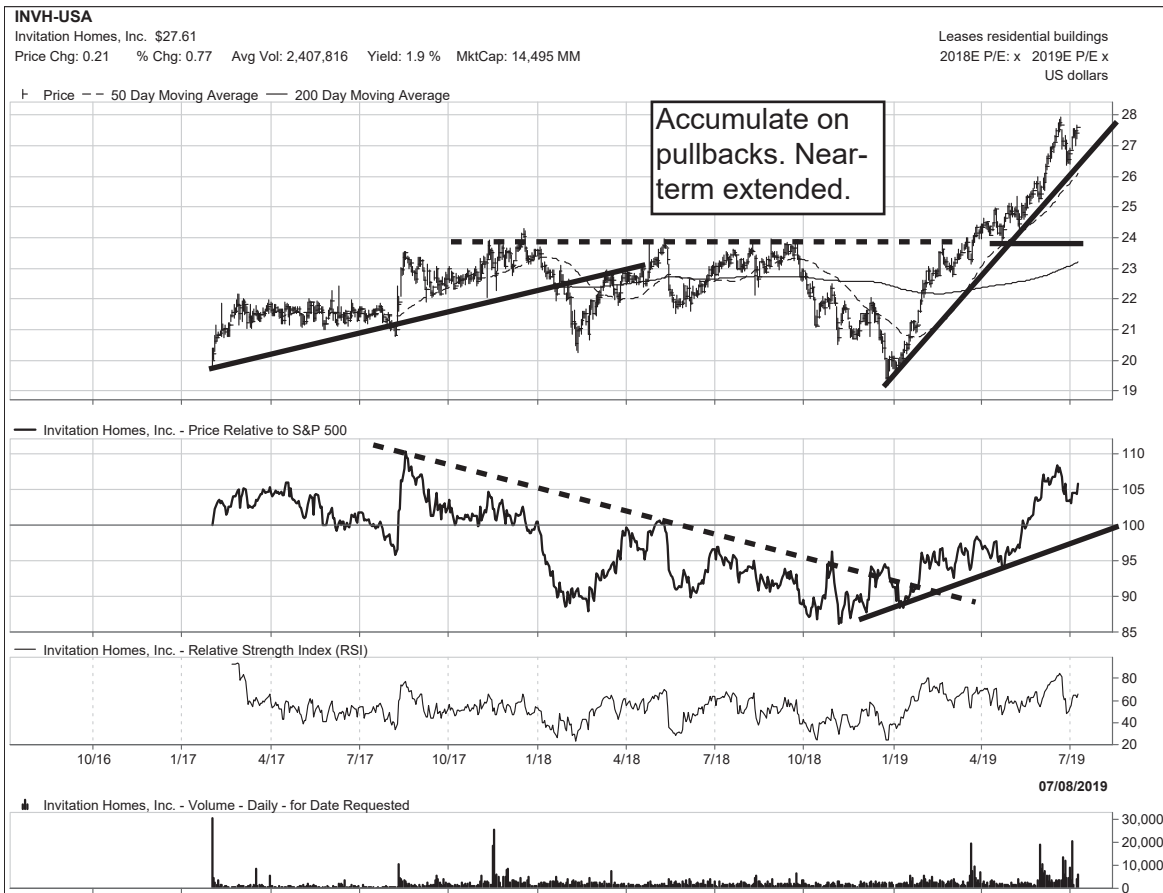
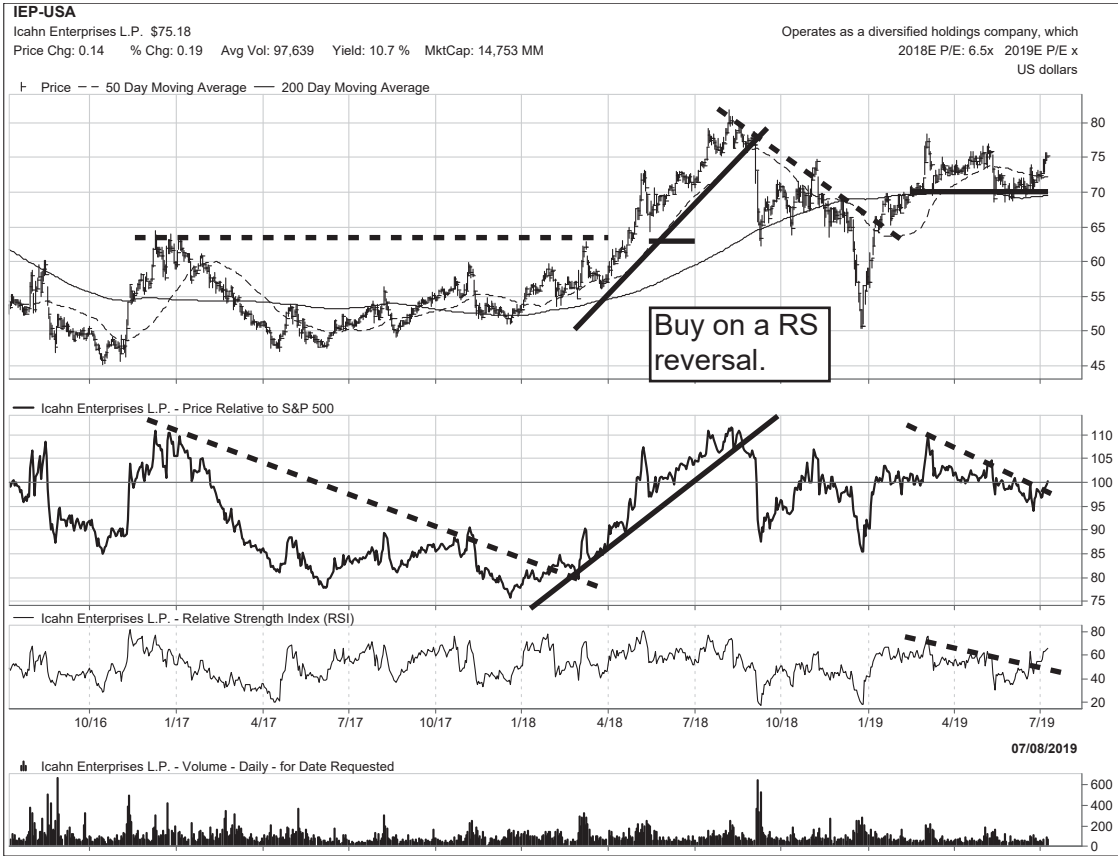
Attractive Groups: CD-23 Casinos & Gaming, Large-Cap



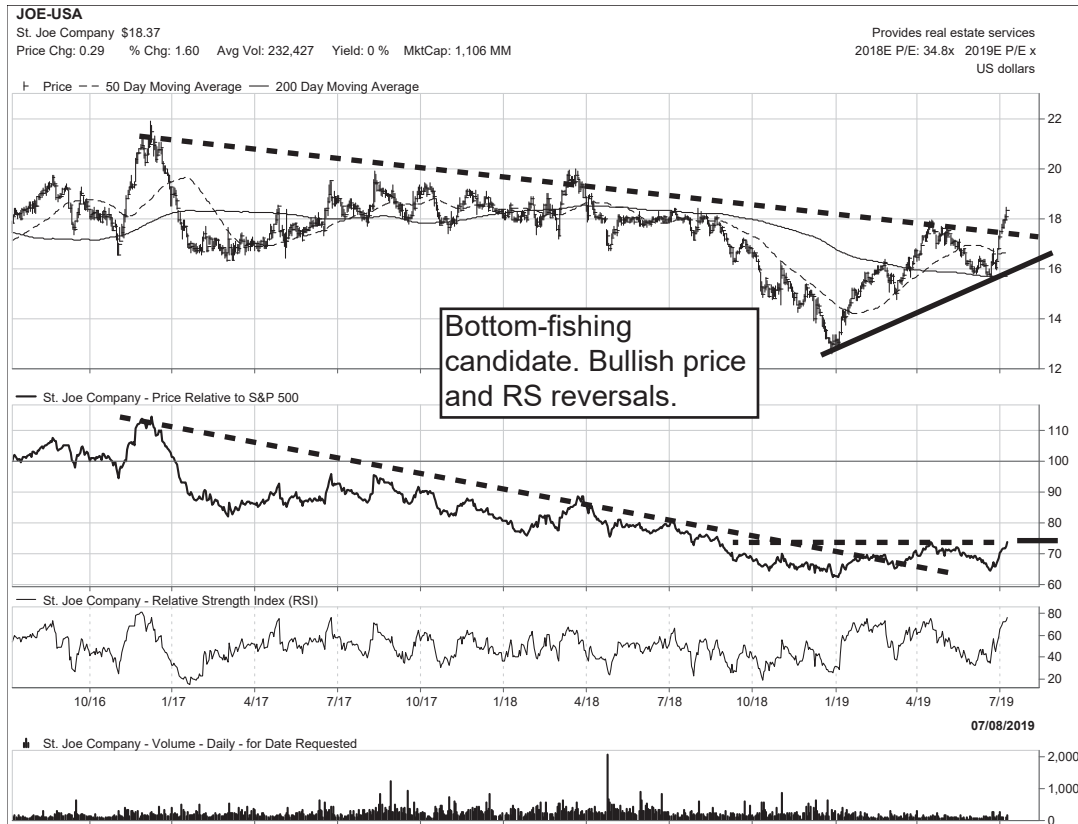
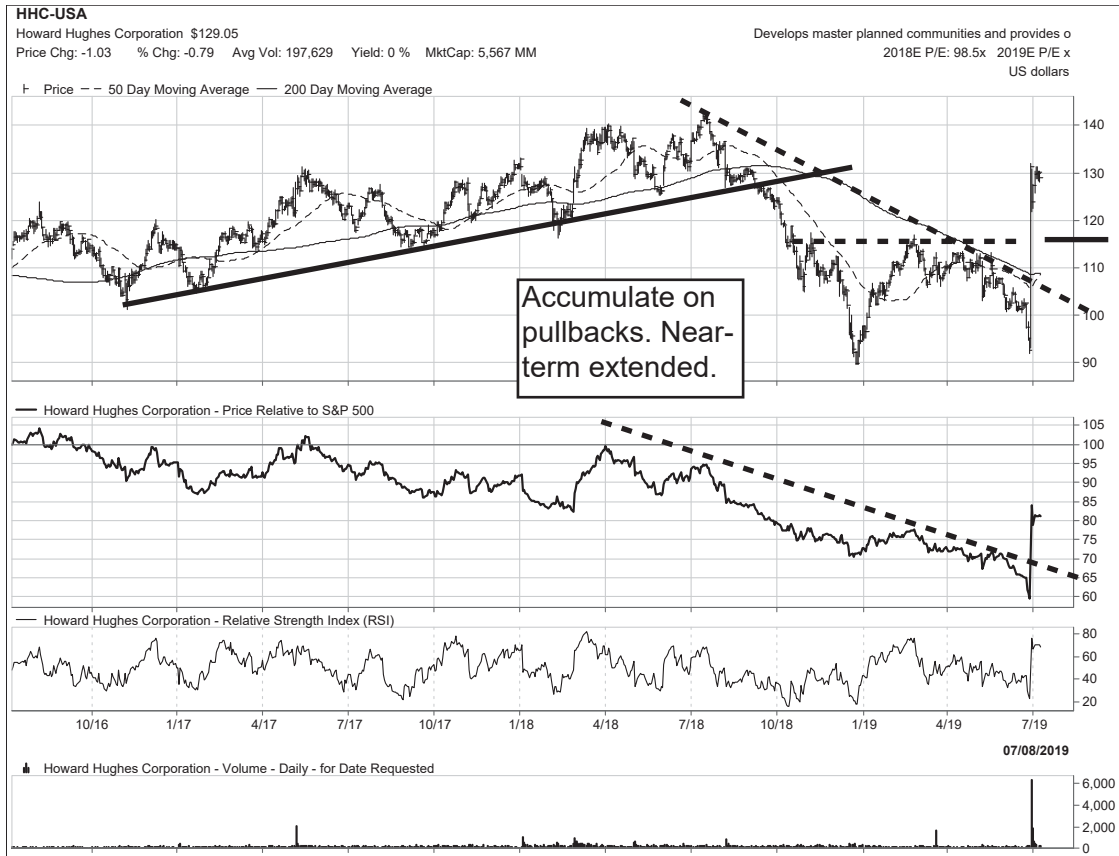
CD-58 Real Estate Developers

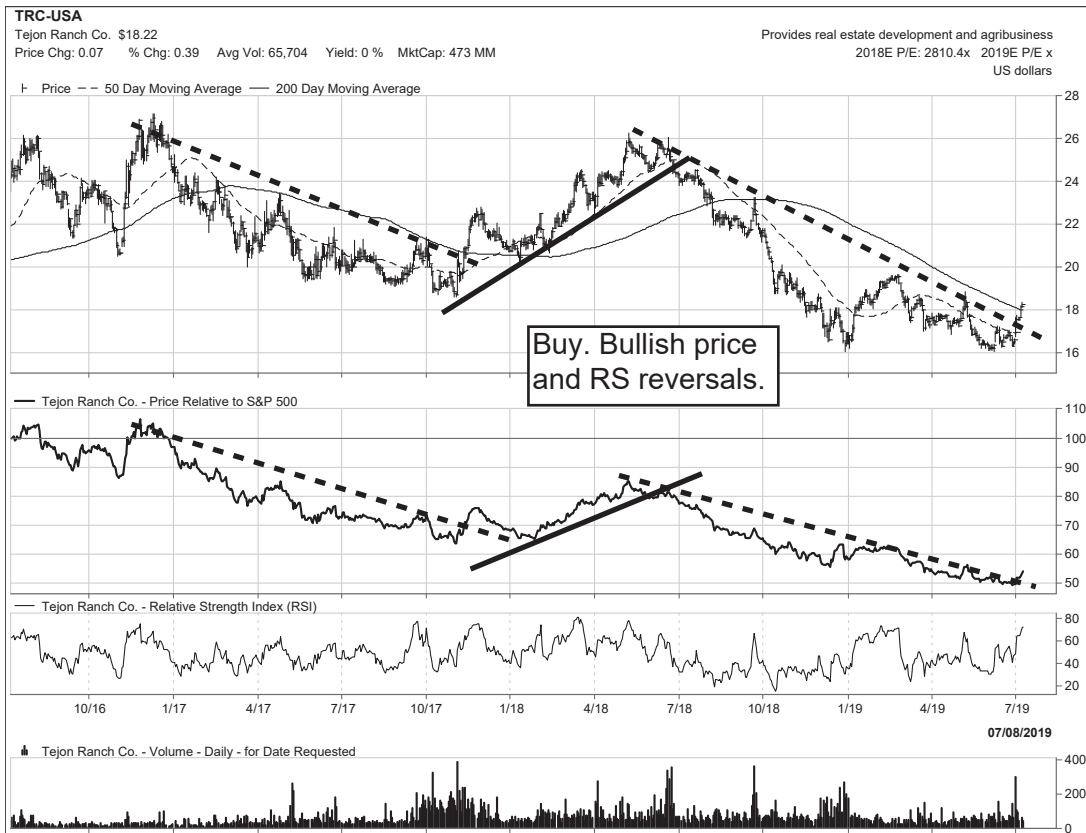
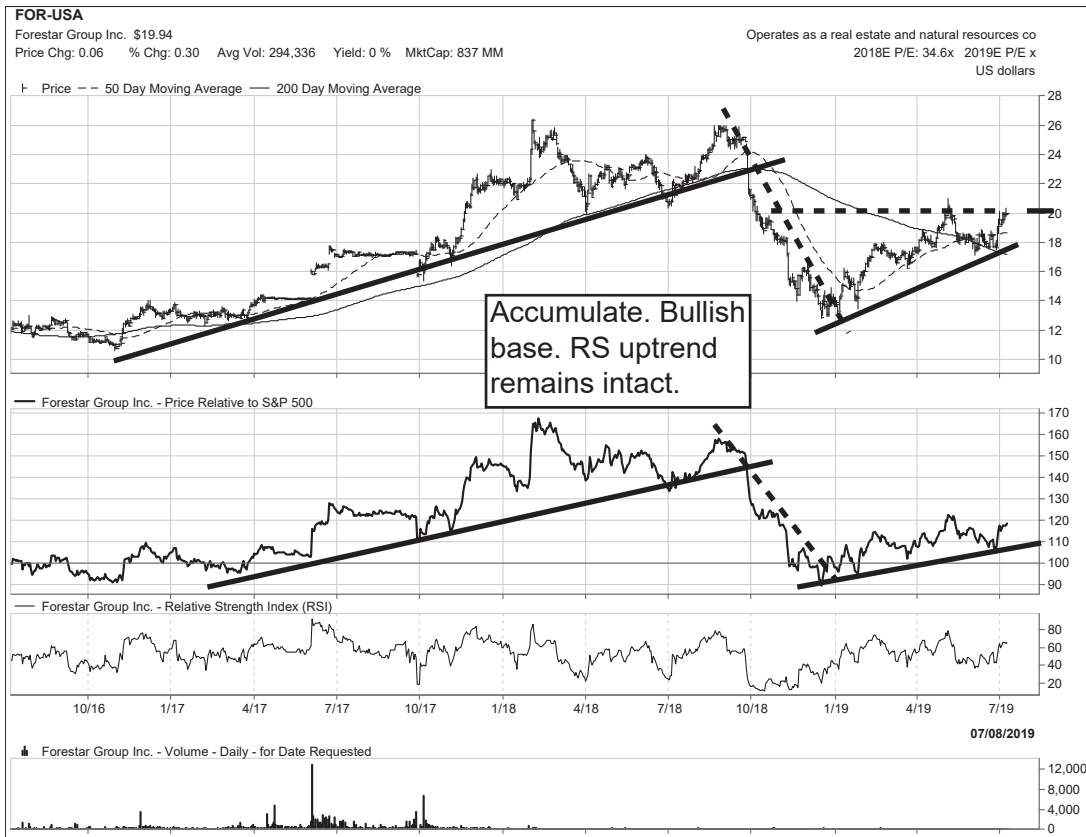


Attractive Groups: CD-58 Real Estate Developers



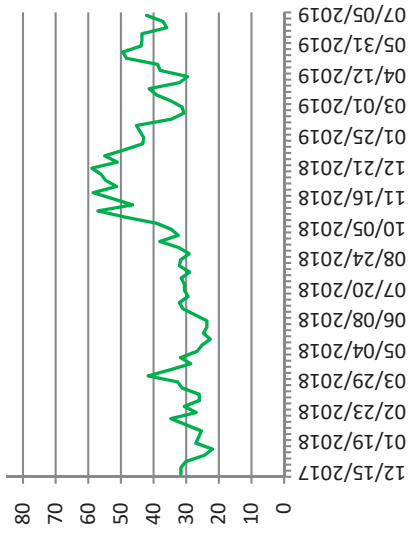
Attractive Groups: CD-58 Real Estate Developers



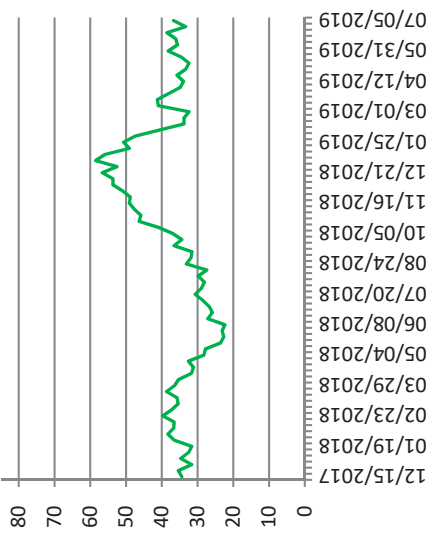


	Bottom-fishing	Positive Infection	Uptrends	Pullback to Support	Negative Infection	Downtrends	Toppy
Consumer Discretionary	ARL BYD C/CO DFRG ELY ETH JACK ALCO ELF	AMWD JOE CBRL CCS CNTY FPI GOLF GPI JBSS	AAN DECK HASI DENN DIN ERI ETSY FNKO FRPT HELE JJSF		HIBB	AEQ BGG BYD CROX GME GEF GEP FARM FDP	
Consumer Staples							
Energy	AROC DK HEES HNRG	CKH DRQ ERII FOR HLX	OVI			AMR AREX AXAS BAS BTU D/WSN GFOR MR GPRE CJ EPEG HK	
Financial	ABCB ACBI ALX APAM AROW BANF BCBP BHB BHLB BLX BMTC BPHF BRKL CVCY GNL	AMNB AMSF BFS BSRR CAC CASH CBU CBL CFLX CFFC CIB CNO CNOB CTBI CTT CVCY GNL	AAT ADC ADH ARGO BRG CHCT CLI GSHD HALL CNS COLD CORR IHC IPR IRT EGP	ABR		ABTX BXS FULT IMH	
Health Care	AGEN ENZ ANIK HALO HEMD CCRN CRVS CUE CUTR DOVA	ACAD ADUS AMED AMN ATNX ATRC ATRS AXDX BPMC GNT	ANM CRVI ENSG FATE GMRX CYTK DRNA EGRX EPZM GNT	ALBO		AAC AMG DPLD GHD GLYC INGN	
Manufacturing	AJIC AIT BDC BMCH CCF DAN GENC GMS	ALG FLOW HRI MSC ATKR AZZ BLDR CHR CMCO CUB	AAGN CSWI GNRC IBP JBT DCO ESE FBI FOX FSS FSTR BOGM IOSP			ASTE AVAV BECN BXC CPS GBX GHM HY	
Materials	BCC CDE CSTE GLT	BCPC CLF HW/KN				AGFS AVD FOE GCP GEP GFF HL	
Services	BID DBD DY EIG GVA	ABM EXLS BBSI ICFI INT EBF EME	CACI EVBG FCN EVR EVTC GLDD CGSG EXPO FC			RAMP GRCM HNI	
Technology	ADTN AEIS ASPS ASUR CBLK CRUS ITI	ALTR DGII JCOM AMBA DGI AMSWA DID ATEN DMPC BLBK ENIT CHFR ICHR CMTL INO	ADTN BMT ENPH BRKS FNSR COOI HUIT AVID COUP HUBS IOTS CREE CSOD IPHI BATRA BTRK CVNA			AAGI BNFT EGOM INFN	
Communications	AGIA	GETV		CRMT		AMC GGB GCI GTT	
Transports	AIR GNK	ASC AYR EGLE GWCO GWRS	DHT FRO			BBI ETM GLIU GOGO	
Utilities	AQUA CDZI		ALE CWT IDA			AAWW DSKE GFN HUBG	
						ARCW ECHO GLNG HUBG	
						CVTI GAIA GLOG	
						ARC	

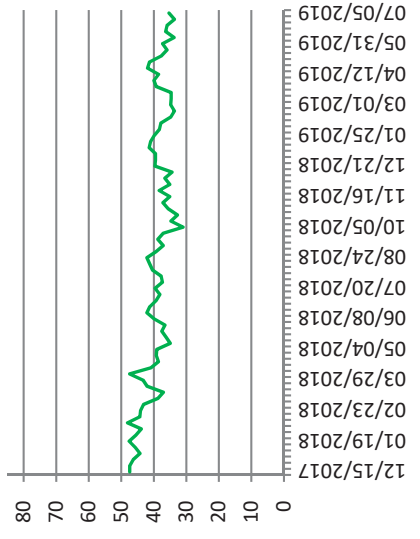
Consumer Staples



Communications

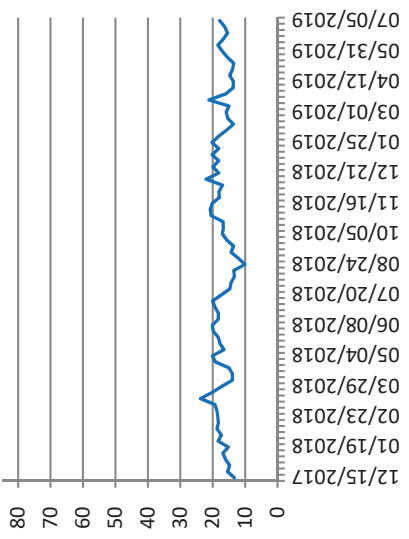
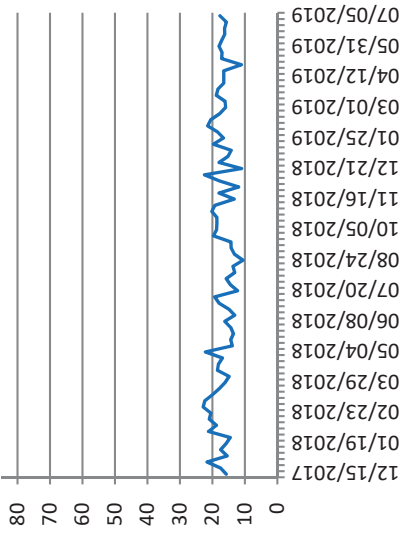
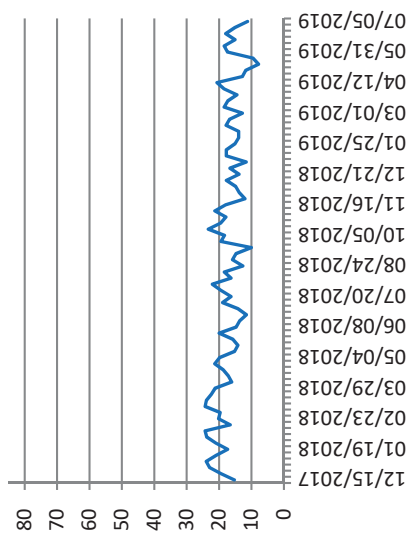


Consumer Discretionary



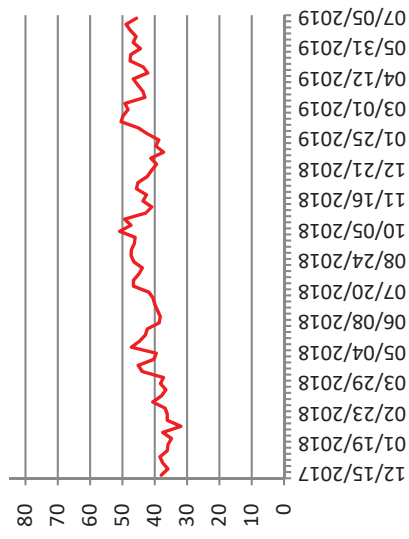
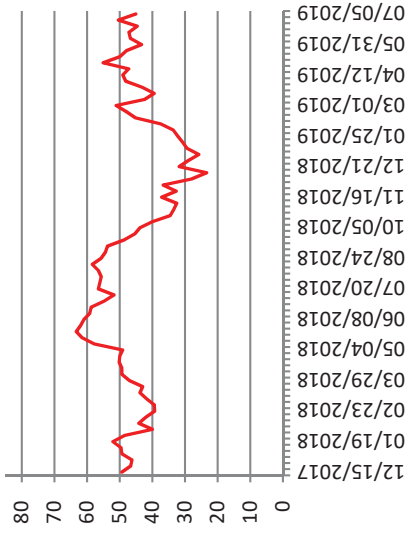
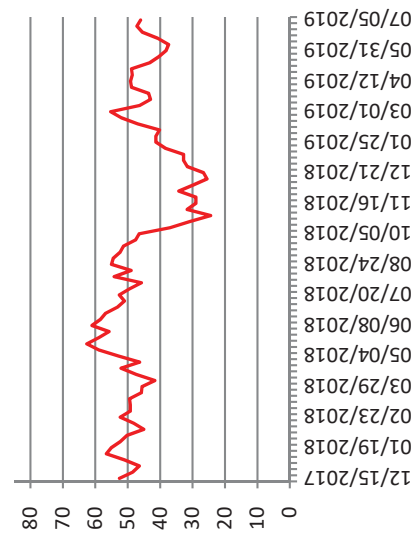
RSR 1-10 (% of stocks)

Consumer Staples



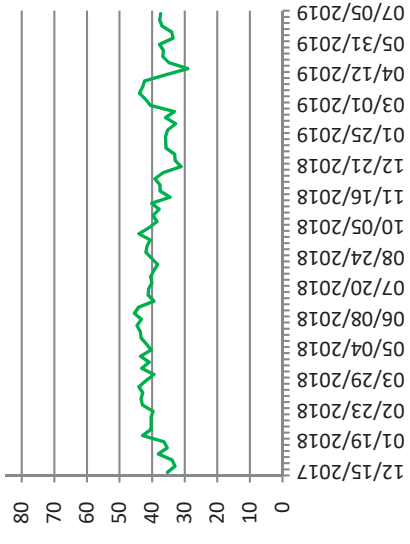
RSR 11-20 (% of stocks)

Consumer Staples

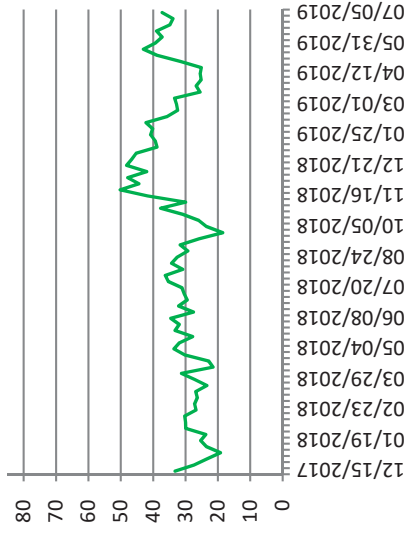


RSR 21-30 (% of stocks)

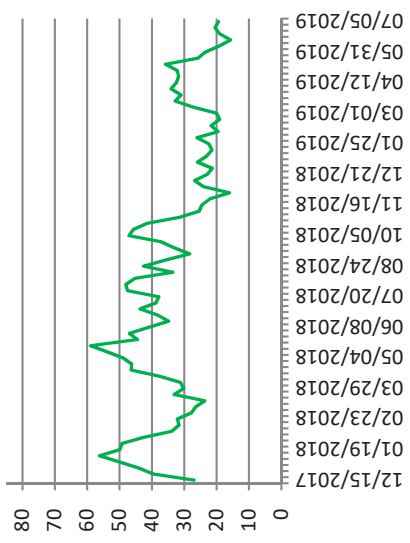
Health Care



Financials



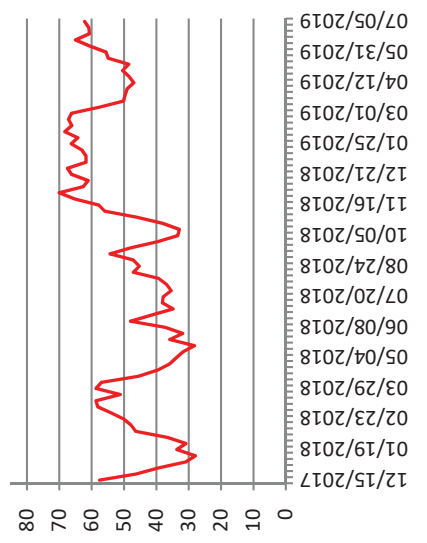
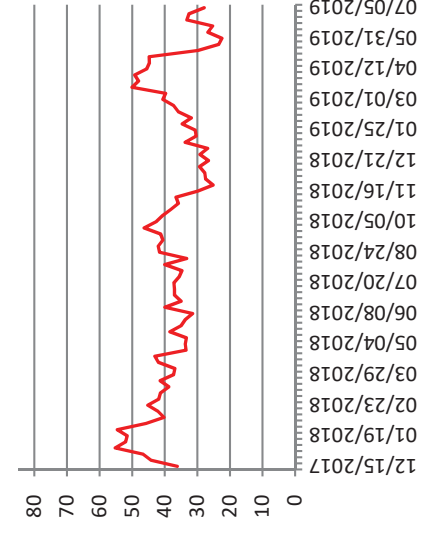
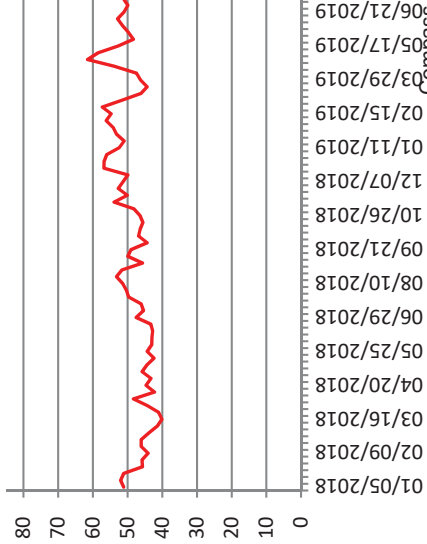
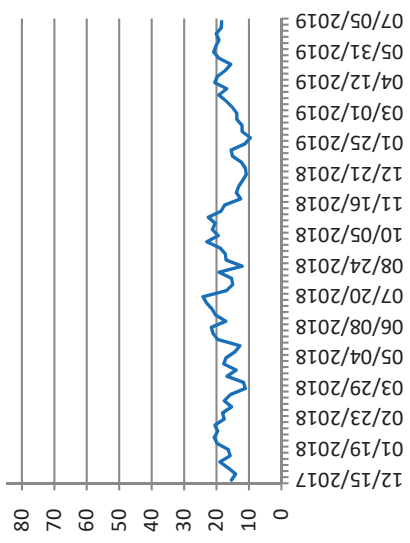
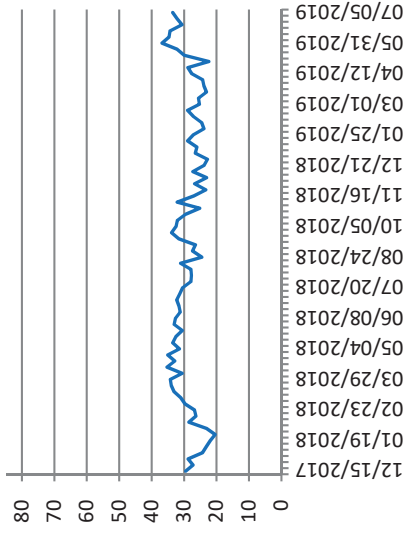
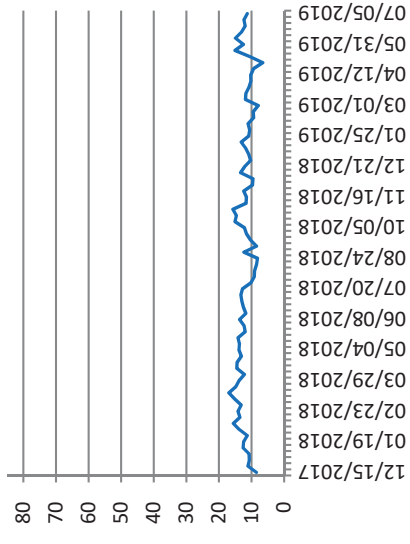
Energy



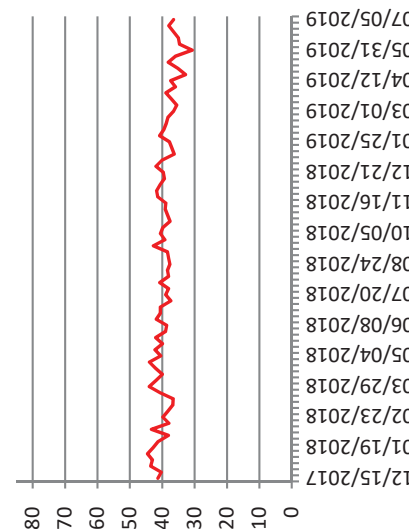
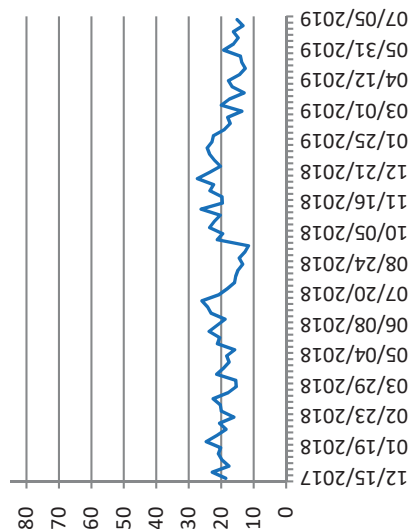
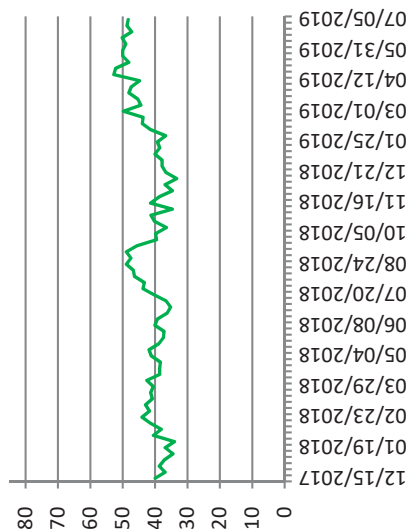
RSR 1-10 (% of stocks)

RSR 11-20 (% of stocks)

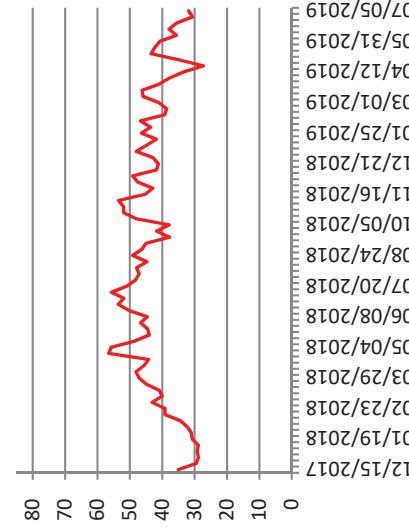
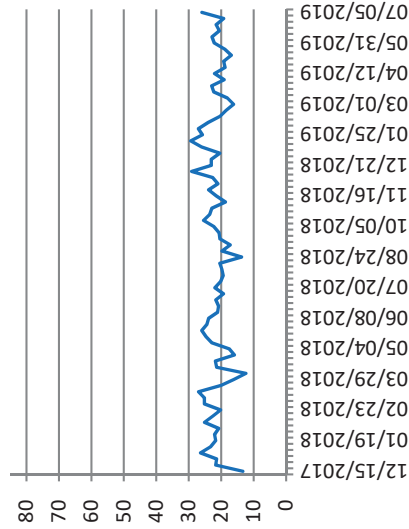
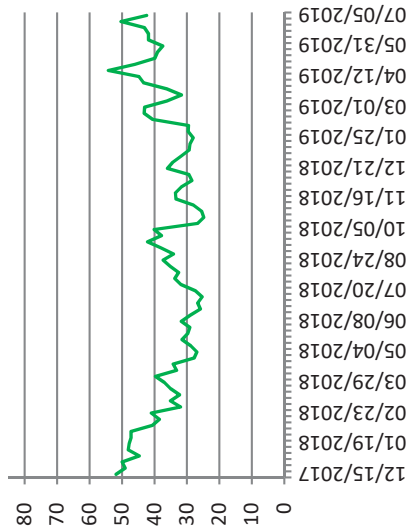
RSR 21-30 (% of stocks)



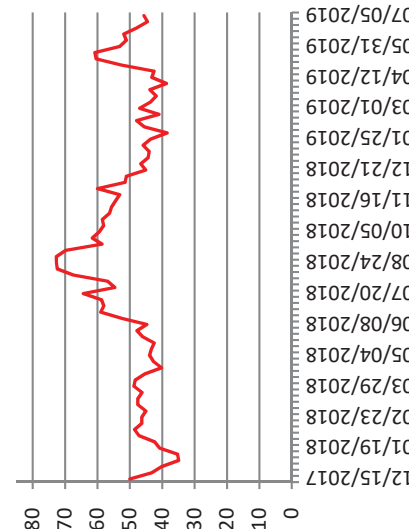
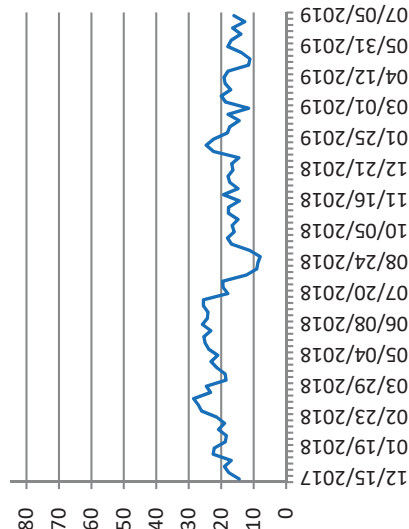
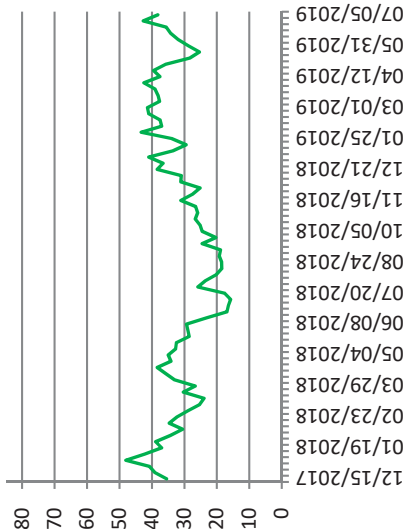
Services



Manufacturing



Materials

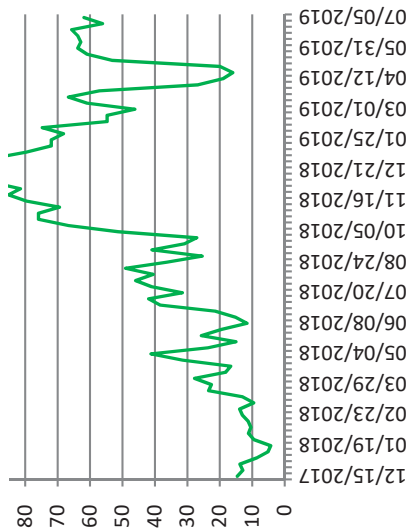


RSR 1-10
(% of stocks)

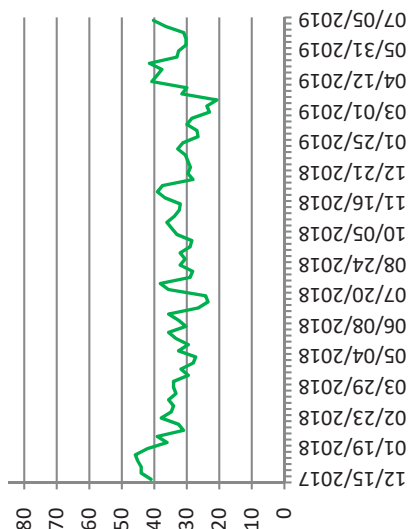
RSR 11-20
(% of stocks)

RSR 21-30
(% of stocks)

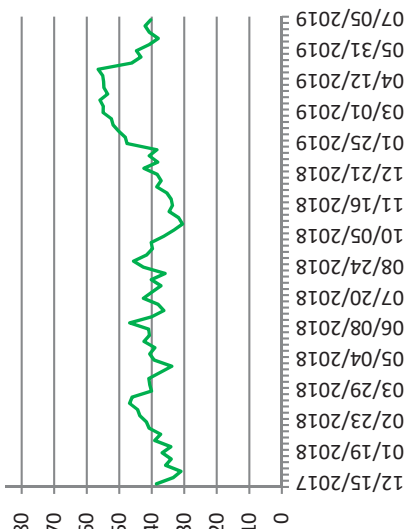
Utilities



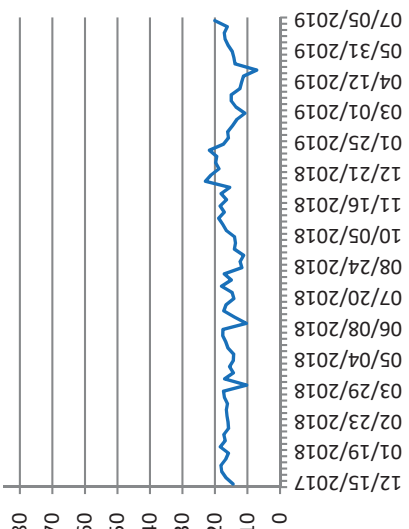
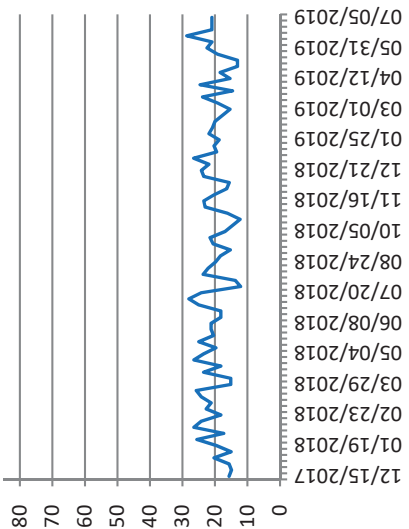
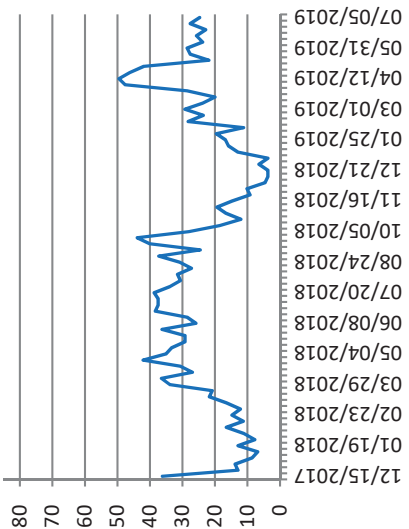
Transports



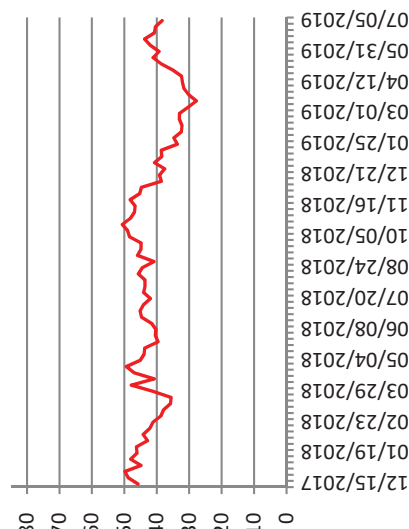
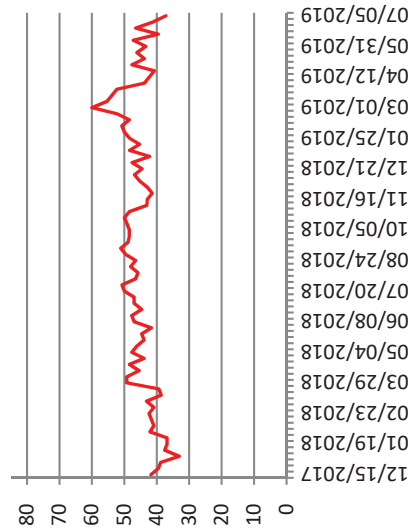
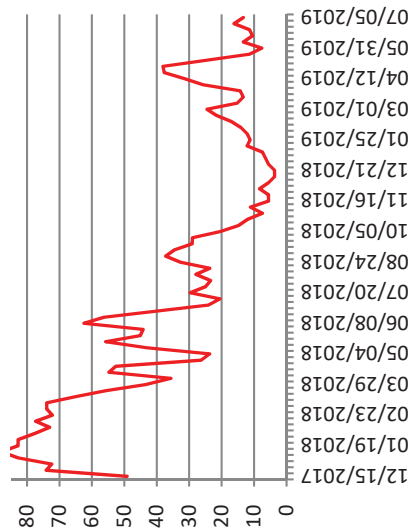
Technology



RSR 1-10 (% of stocks)



RSR 11-20 (% of stocks)



RSR 21-30 (% of stocks)

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