

June 1, 2019

Technical Analysis: *Inflection Points*

The Return of the Momentum Factor

The implications of lower interest rates depend on an equity investor's time horizon. Our take is that the low level of rates should provide valuation support for stocks and limit the threat of a prolonged downturn—indicating an opportunity for the long term. However, we believe the direction of rates needs to reverse higher before equities are rewarded—indicating risk over the near term.

Overall, we remain focused on low economic growth rather than no economic growth, and accordingly anticipate mixed market returns (late economic cycle) rather than a broad-based decline (end-of-cycle). In terms of portfolio positioning, our conviction is in **1)** big over small, **2)** growth over value, and **3)** high-momentum over low-momentum.

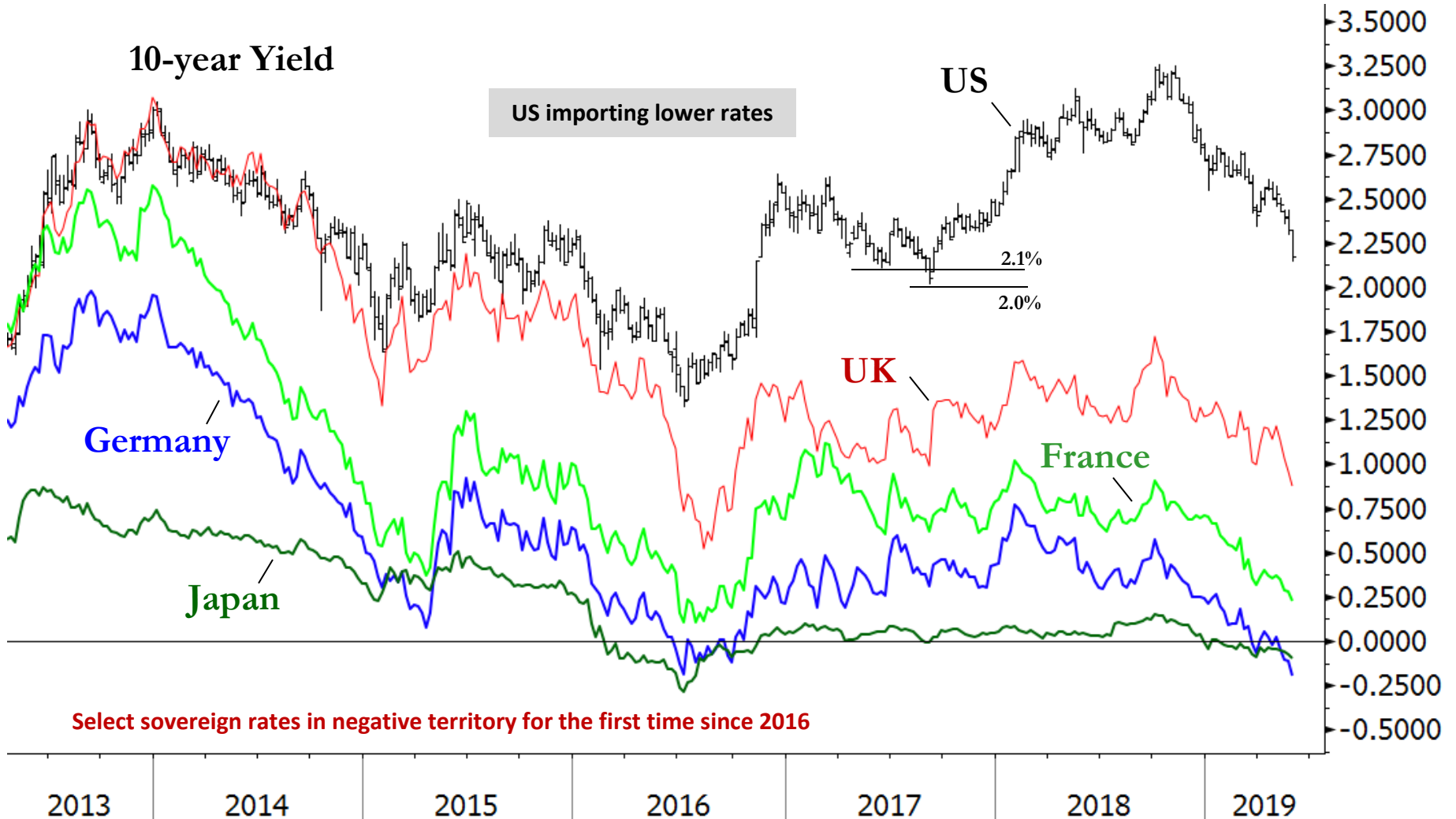
Buy High-Momentum Growth, Sell Low-Momentum Value

- ✚ For *Buy* ideas, we screen the Russell 1000 Growth for the 50 highest momentum scores, and chart four with a *beta over 1.0* that are less likely to underperform should a reversal in rates stir a rotation towards beta: LULU, PYPL, RNG, W.
- ✚ For *Sell* ideas, we screen the Russell 1000 Value for the 50 lowest momentum scores, and chart four with a *beta below 1.0* that are less likely to outperform should a reversal in rates stir a rotation toward beta: **ADM**, **MAC**, **NWL**, **OXY**.

Underlined tickers rated Outperform by OPCO fundamental research

The Race to Zero

One of our long-standing views has been that **US rates are being anchored by lower yields on euro sovereign bonds** ([Questioning the Bid for Treasuries? Look Overseas, May 2014](#)). For instance, the 10-year yield in Germany has trended in negative territory this year for the first time since the summer of 2016 and has simultaneously dragged the 10-year US Treasury to its lowest print (2.15%) since September 2017, by our analysis. With little evidence that these trends are yet abating, **this week's report highlights the implications that lower rates should have on both the equity cycle and portfolio positioning.**



USGG10YR Index (US Generic Govt 10 Year Yield) US vs. German Debt_wkly Weekly 1

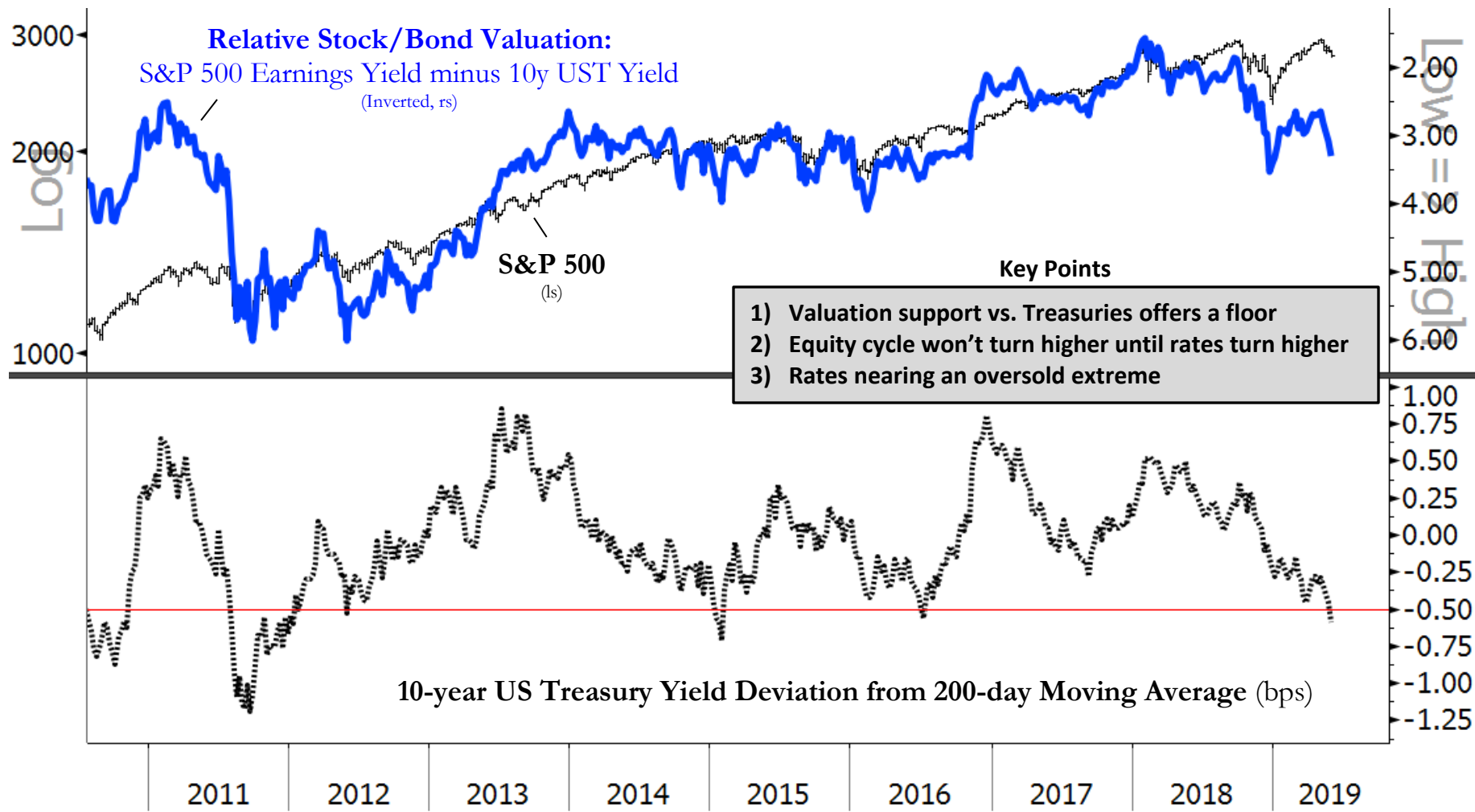
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Source: Oppenheimer & Co. and Bloomberg.

Is There an Alternative?

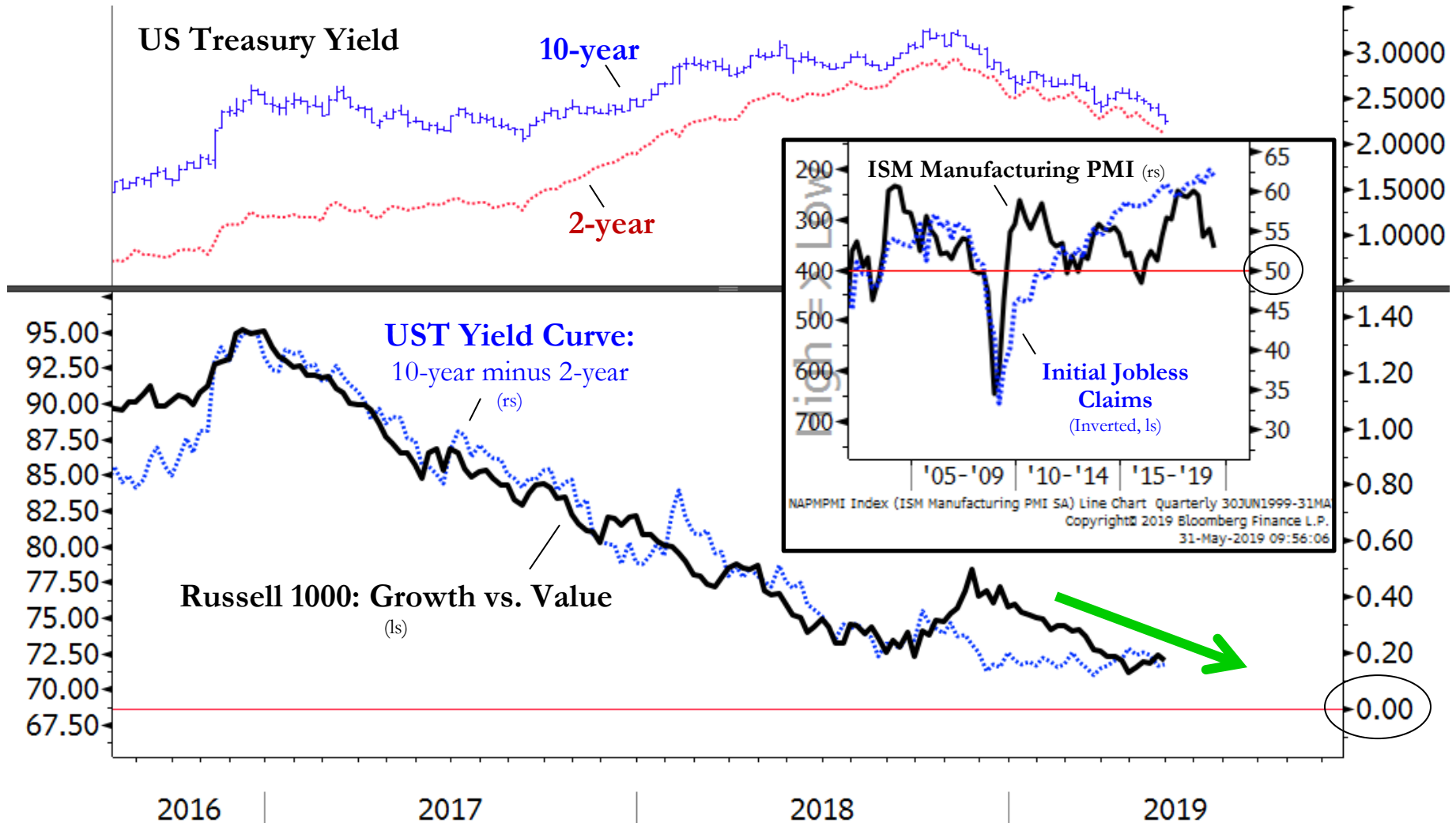
The S&P 500 is trading at the same level it first traded in Jan. 2018. At the same time, the index's earnings yield minus the 10y UST rate is on par with readings from the summer of 2016. Our take is that **valuation support vs. Treasuries should limit the threat of a prolonged downturn**, especially after 18 months of little market progress. However, we still think **the equity cycle should be slow to turn higher until interest rates** turn higher; low-and-rising rates are generally a net-positive for stocks, and vice versa. For the 10-year, we see support in the 2.0-2.1% range which would mark a ~70bp deviation from its 200-day average—similar to oversold extremes in 2015 and 2016.



USGG10YR Index (US Generic Govt 10 Year Yield) Earnings Yield vs TY Weekly 05JU Copyright© 2019 Bloomberg Finance L.P. 31-May-2019 09:19:27
 Source: Oppenheimer & Co. and Bloomberg.

Focused on Low Growth, Rather than No Growth

Directionally lower interest rates are a cautionary signal for the equity market, in our view. However, **1)** a positive yield curve (10-year minus 2-year), **2)** a bullish trend for jobless claims, and **3)** an ISM Manufacturing PMI that is still above its expansionary threshold at 50, keeps our **focus on low economic growth rather than no economic growth**. Against this backdrop, **we expect Russell 1000 Growth to outperform vs. Russell 1000 Value**—growth outperformance has been correlated to a flattening yield curve in recent years. Overall, **we anticipate mixed market returns (late economic cycle) rather than a broad-based decline (end-of-cycle)**.



USGG10YR Index (US Generic Govt 10 Year Yield) Yield Curve vs. G/V Weekly 03MAY

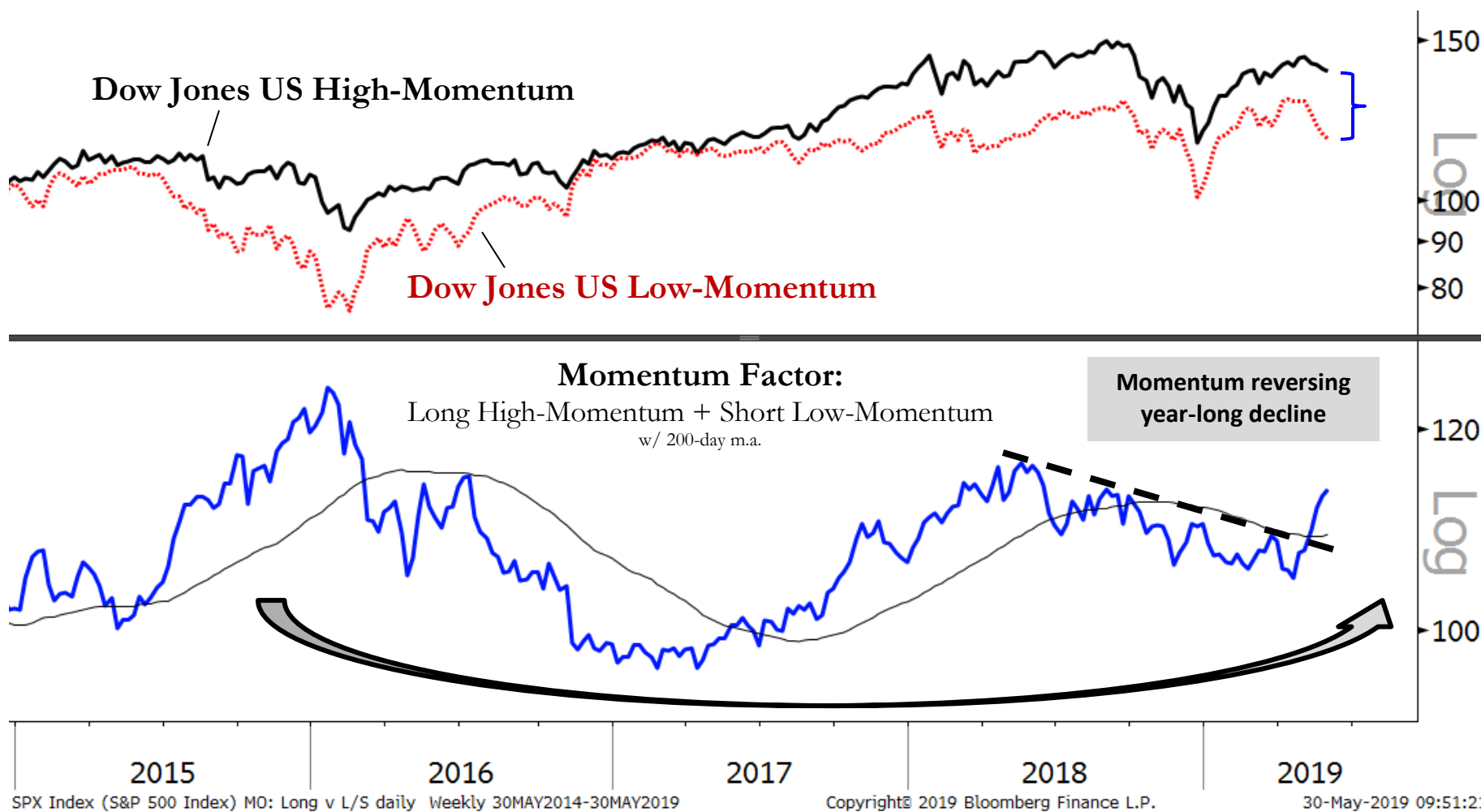
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Source: Oppenheimer & Co. and Bloomberg.

The Return of the Momentum Factor

Regular readers of our work are familiar with our advocacy for a long-term momentum strategy: [Jan. 2016](#), [Feb. 2018](#), [June 2018](#). We're therefore encouraged that the Dow Jones Market Neutral Momentum index (long high-momentum + short low-momentum) **appears poised to become an alpha-generating strategy from both the long- and short-side following the reversal of its year-long downtrend**, in our view. As a refresher, many believe that **momentum, a strategy based on buying winning stocks and selling losing stocks, has outperformed over market cycles by taking advantage of conservatism bias**—investors typically react slowly to new information to create a steadily-developed trend rather than an efficiently-priced market. Distinguished professor Eugene Fama has gone as far as calling momentum the “premier anomaly” and the “biggest embarrassment” to the *Efficient Market Hypothesis*.



SPX Index (S&P 500 Index) MO: Long v L/S daily Weekly 30MAY2014-30MAY2019

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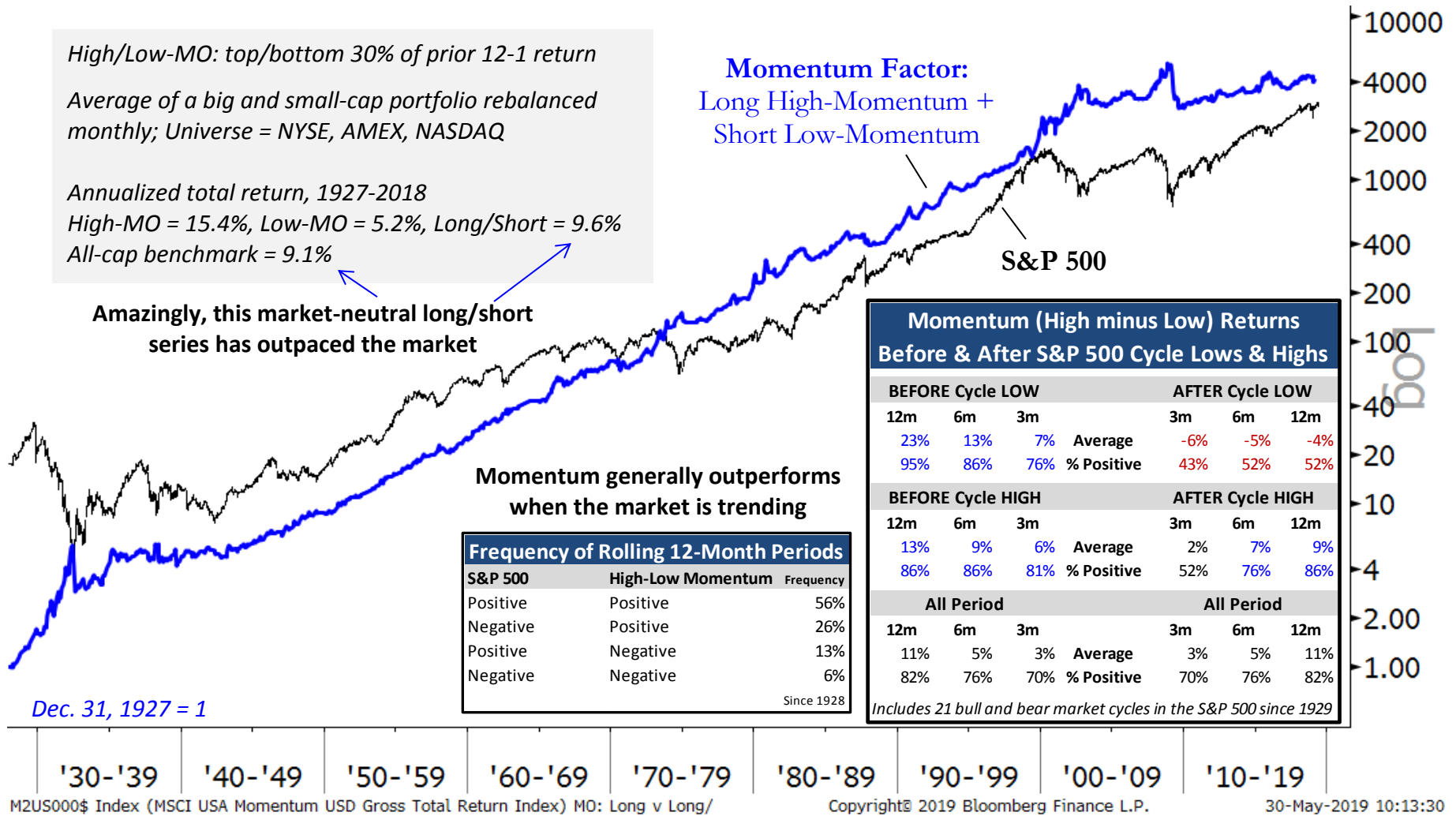
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Source: Oppenheimer & Co. and Bloomberg.



We ♥ Momentum

We created our own Momentum Factor series (which looks similar to the aforementioned Dow series except with 75 more years of history) from the Kenneth R. French data library. **Momentum generally outperforms when the market is trending** (in either direction) and has had a **tougher time developing when the market gyrates**—hence the underperformance over the prior year. Momentum has therefore posted higher returns before a cycle low and before a cycle high in the S&P 500 (while the market is still trending), than after (when the trend changes). Still, due to the slower nature of tops, **returns after a cycle high are still generally better than the market**. Instead, **the most significant underperformance typically occurs after a cycle low when investors gravitate toward out-of-favor issues**.



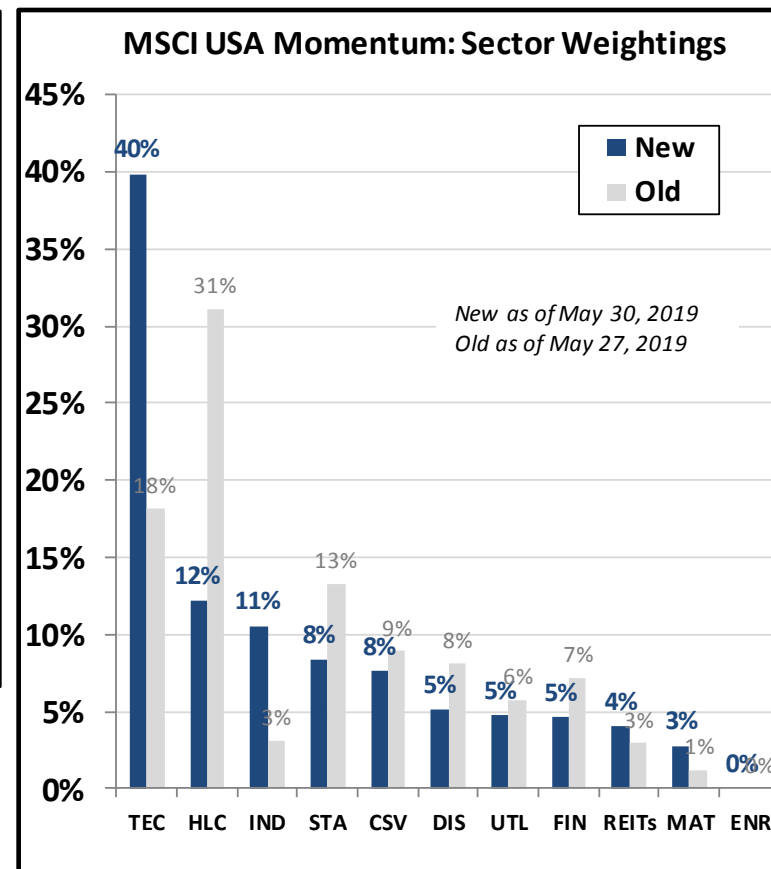
Source: Oppenheimer & Co., Kenneth R. French data, and Bloomberg. Note: These results cannot and should not be viewed as an indicator of future performance.

Where's the MO?!

- ✚ **Technology sports the highest weighting in our momentum calculation** based on the % of sector constituents in the top quintile of scores minus our bottom quintile. **Utilities** exhibits the highest average score but with a smaller weighting due to fewer issues.
- ✚ Conversely, **Financials** has the lowest weighting in our calculation and **Energy** shows the lowest average score.
- ✚ The **iShares Momentum ETF (MTUM)** was also rebalanced last week, and **Technology jumped significantly to a 40% weighting** following the [ad-hoc](#) rebalance in February when the sector's makeup in the ETF was nearly halved. Note: MTUM's calculation is also influenced by a stock's composition in the benchmark—i.e., its market cap.
- ✚ For individual stock ideas, [please inquire about our detailed momentum spreadsheet that includes MO scores for the Russell 3000.](#)

Sector	High-Low Weighting	% of Constituents in Quintile		Avg Total Score
		1	5	
Information Technology	17%	25%	8%	61%
Utilities	6%	7%	0%	74%
Real Estate	5%	9%	3%	58%
Industrials	3%	13%	10%	53%
Communication Services	1%	6%	5%	52%
Consumer Staples	1%	5%	5%	50%
Materials	-2%	3%	5%	44%
Consumer Discretionary	-4%	10%	14%	47%
Health Care	-7%	14%	20%	46%
Energy	-9%	1%	10%	33%
Financials	-11%	9%	19%	43%

Source: Oppenheimer & Co. and Bloomberg. Numbers may not total due to rounding.



Buy High-Momentum Growth

In conjunction with our view that growth should outperform vs. value, the following list screens for stocks found exclusively in **Russell 1000 Growth** (no overlap with R1K Value) with the **50 highest momentum scores**.

Ticker	Name	OPCO Rating	MO score	Sector	Industry	Beta	Mkt Cap (\$mm)
LVV	LIVE NATION ENTERTAINMENT IN		1	Communication Services	Entertainment	0.97	13,123
IAC	IAC/INTERACTIVECORP	O	1	Communication Services	Interactive Media & Services	1.00	18,643
CABO	CABLE ONE INC		1	Communication Services	Media	0.90	6,464
LULU	LULULEMON ATHLETICA INC	O	1	Consumer Discretionary	Textiles, Apparel & Luxury Goo	1.11	21,401
SBUX	STARBUCKS CORP	O	1	Consumer Discretionary	Hotels, Restaurants & Leisure	0.80	92,245
CMG	CHIPOTLE MEXICAN GRILL INC	U	1	Consumer Discretionary	Hotels, Restaurants & Leisure	1.16	18,646
W	WAYFAIR INC- CLASS A	O	1	Consumer Discretionary	Internet & Direct Marketing Re	1.43	13,236
ULTA	ULTA BEAUTY INC	O	1	Consumer Discretionary	Specialty Retail	0.89	18,995
MSCI	MSCI INC		1	Financials	Capital Markets	1.07	18,983
MKTX	MARKETAXESS HOLDINGS INC		1	Financials	Capital Markets	0.67	10,634
FDS	FACTSET RESEARCH SYSTEMS INC	P	1	Financials	Capital Markets	1.03	10,596
AON	AON PLC		1	Financials	Insurance	0.94	43,457
PGR	PROGRESSIVE CORP		1	Financials	Insurance	0.88	46,837
VEEV	VEEVA SYSTEMS INC-CLASS A		1	Health Care	Health Care Technology	1.29	22,816
MTD	METTLER-TOLEDO INTERNATIONAL		1	Health Care	Life Sciences Tools & Services	1.19	18,098
HEI/A	HEICO CORP-CLASS A		1	Industrials	Aerospace & Defense	1.02	13,954
TDG	TRANSDIGM GROUP INC		1	Industrials	Aerospace & Defense	1.07	23,879
HEI	HEICO CORP		1	Industrials	Aerospace & Defense	0.96	13,954
AWI	ARMSTRONG WORLD INDUSTRIES		1	Industrials	Building Products	1.01	4,304
TTC	TORO CO		1	Industrials	Machinery	0.99	6,925
FAST	FASTENAL CO		1	Industrials	Trading Companies & Distributo	1.13	17,525
VRSK	VERISK ANALYTICS INC		1	Industrials	Professional Services	0.88	22,984
CSGP	COSTAR GROUP INC		1	Industrials	Professional Services	0.98	18,775
XLNX	XILINX INC		1	Information Technology	Semiconductors & Semiconductor	0.99	26,664
OLED	UNIVERSAL DISPLAY CORP	O	1	Information Technology	Semiconductors & Semiconductor	1.22	7,086
MA	MASTERCARD INC - A	O	1	Information Technology	IT Services	1.10	258,991
GPN	GLOBAL PAYMENTS INC	O	1	Information Technology	IT Services	1.13	23,826
PYPL	PAYPAL HOLDINGS INC	O	1	Information Technology	IT Services	1.17	130,159
PAYX	PAYCHEX INC		1	Information Technology	IT Services	0.94	30,908
V	VISA INC-CLASS A SHARES	O	1	Information Technology	IT Services	1.03	323,522
FLT	FLEETCOR TECHNOLOGIES INC	O	1	Information Technology	IT Services	1.00	22,529
VRSN	VERISIGN INC		1	Information Technology	IT Services	1.02	23,337
EPAM	EPAM SYSTEMS INC		1	Information Technology	IT Services	1.36	9,323
CDNS	CADENCE DESIGN SYS INC		1	Information Technology	Software	1.00	18,126
FICO	FAIR ISAAC CORP		1	Information Technology	Software	1.18	8,641
PAYC	PAYCOM SOFTWARE INC	O	1	Information Technology	Software	1.26	12,126
WDAY	WORKDAY INC-CLASS A	O	1	Information Technology	Software	1.26	46,261
ZEN	ZENDESK INC	P	1	Information Technology	Software	1.13	9,249
RNG	RINGCENTRAL INC-CLASS A	O	1	Information Technology	Software	1.34	9,934
MANH	MANHATTAN ASSOCIATES INC		1	Information Technology	Software	1.37	4,268
INTU	INTUIT INC	O	1	Information Technology	Software	1.13	64,158
PEGA	PEGASYSTEMS INC		1	Information Technology	Software	1.26	5,781
NOW	SERVICENOW INC	P	1	Information Technology	Software	1.15	48,769
VMW	VMWARE INC-CLASS A	O	1	Information Technology	Software	1.33	78,816
UBNT	UBIQUITI NETWORKS INC		1	Information Technology	Communications Equipment	1.15	8,799
CDW	CDW CORP/DE		1	Information Technology	Electronic Equipment, Instrume	1.13	14,994
CCK	CROWN HOLDINGS INC		1	Materials	Containers & Packaging	1.12	7,394
ELS	EQUITY LIFESTYLE PROPERTIES		1	Real Estate	Equity Real Estate Investment	0.56	10,638
AMT	AMERICAN TOWER CORP	P	1	Real Estate	Equity Real Estate Investment	0.67	90,226
SBAC	SBA COMMUNICATIONS CORP		1	Real Estate	Equity Real Estate Investment	0.80	23,723

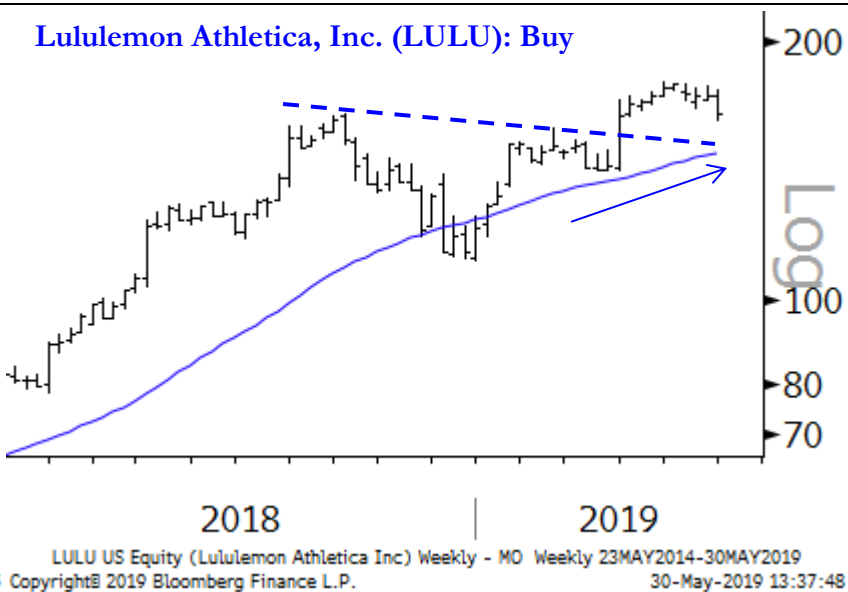
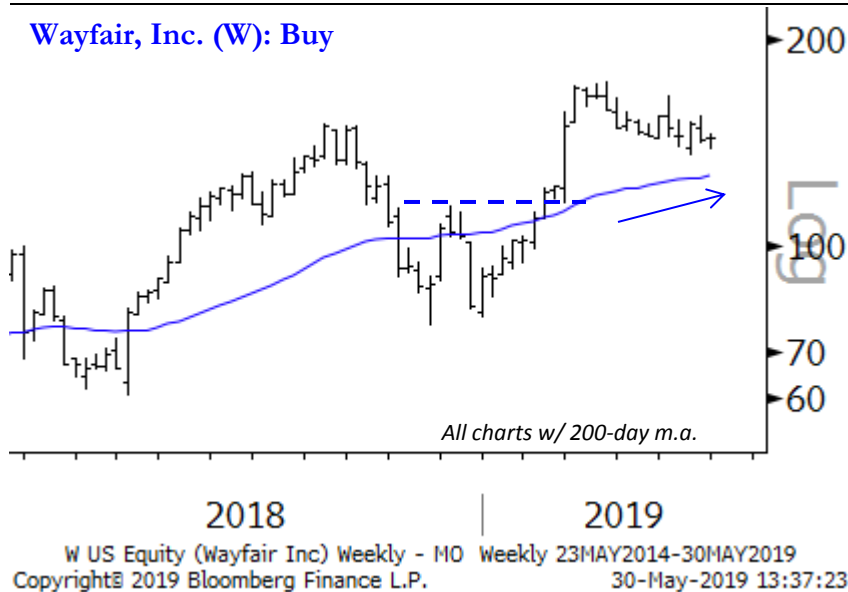
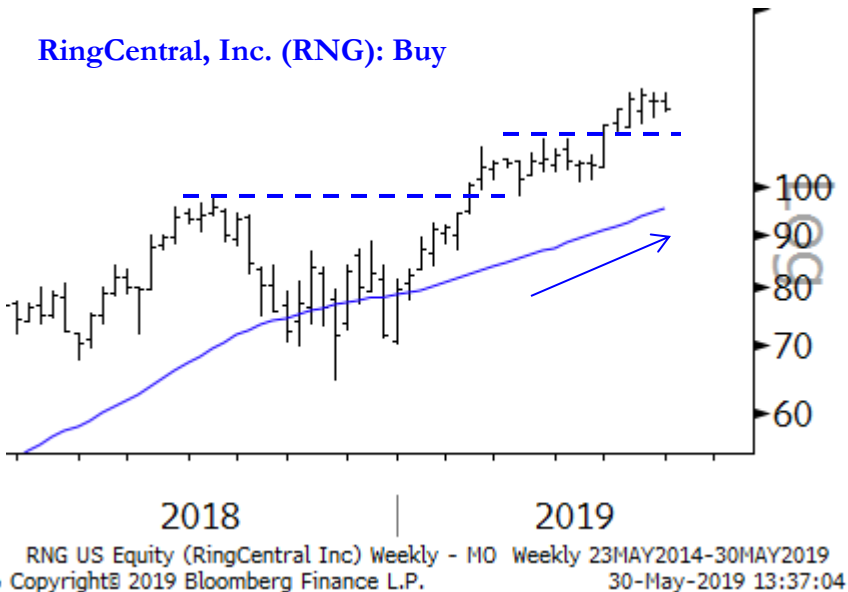
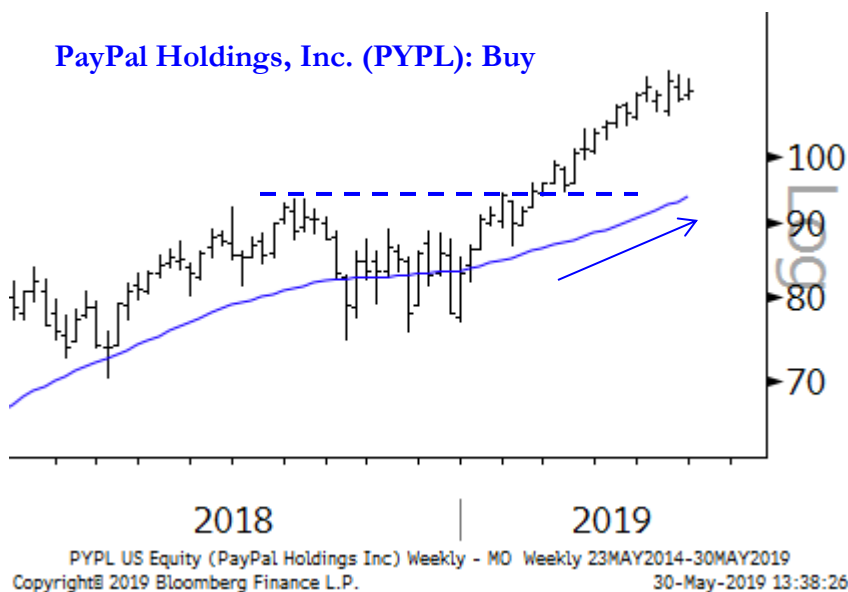
MO score (quintile readings, 1 = top score) based on a stock's 6-, 9-, and 12-month risk-adjusted return with the last month removed.

Trend descriptions based on the placement of a stock's price, 50-, and 200-day moving average.

Source: Oppenheimer & Co. and Bloomberg.

Buy High-Momentum Growth

From our **High-MO Growth** screen, the following *Buy* ideas sport a **beta over 1.0**—we believe they are less likely to underperform should a reversal in rates stir a rotation toward beta. Each are also rated *Outperform* by OPCO fundamental research. **Buy: LULU, PYPL, RNG, W.**



Source: Oppenheimer & Co. and Bloomberg.



Sell Low-Momentum Value

In conjunction with our view that value should underperform vs. growth, the following list screens for stocks found exclusively in **Russell 1000 Value** (no overlap with R1K Growth) with the **50 lowest momentum scores**.

Ticker	Name	OPCO Rating	MO score	Sector	Industry	Beta	Mkt Cap (\$mm)
JW/A	WILEY (JOHN) & SONS-CLASS A		5	Communication Services	Media	1.00	2,415
CTL	CENTURYLINK INC	O	5	Communication Services	Diversified Telecommunication	1.32	11,710
GT	GOODYEAR TIRE & RUBBER CO		5	Consumer Discretionary	Auto Components	1.02	3,277
MHK	MOHAWK INDUSTRIES INC		5	Consumer Discretionary	Household Durables	0.99	10,067
NWL	NEWELL BRANDS INC	P	5	Consumer Discretionary	Household Durables	0.95	5,684
CCL	CARNIVAL CORP		5	Consumer Discretionary	Hotels, Restaurants & Leisure	1.01	35,184
ARMK	ARAMARK		5	Consumer Discretionary	Hotels, Restaurants & Leisure	1.06	8,167
M	MACY'S INC		5	Consumer Discretionary	Multiline Retail	0.97	6,490
WBA	WALGREENS BOOTS ALLIANCE INC		5	Consumer Staples	Food & Staples Retailing	0.97	46,099
BG	BUNGE LTD		5	Consumer Staples	Food Products	0.58	7,273
INGR	INGREDION INC		5	Consumer Staples	Food Products	0.82	5,199
ADM	ARCHER-DANIELS-MIDLAND CO		5	Consumer Staples	Food Products	0.88	21,541
KHC	KRAFT HEINZ CO/THE		5	Consumer Staples	Food Products	0.82	33,295
SLB	SCHLUMBERGER LTD		5	Energy	Energy Equipment & Services	1.14	48,950
NOV	NATIONAL OILWELL VARCO INC		5	Energy	Energy Equipment & Services	1.16	8,124
OXY	OCCIDENTAL PETROLEUM CORP	P	5	Energy	Oil, Gas & Consumable Fuels	0.95	38,830
RRC	RANGE RESOURCES CORP		5	Energy	Oil, Gas & Consumable Fuels	1.21	1,973
CNX	CNX RESOURCES CORP		5	Energy	Oil, Gas & Consumable Fuels	1.10	1,476
SM	SM ENERGY CO		5	Energy	Oil, Gas & Consumable Fuels	1.43	1,384
HFC	HOLLYFRONTIER CORP		5	Energy	Oil, Gas & Consumable Fuels	1.07	6,785
PBF	PBF ENERGY INC-CLASS A		5	Energy	Oil, Gas & Consumable Fuels	1.13	3,345
MPC	MARATHON PETROLEUM CORP		5	Energy	Oil, Gas & Consumable Fuels	1.09	31,223
PSX	PHILLIPS 66		5	Energy	Oil, Gas & Consumable Fuels	0.97	36,951
TRGP	TARGA RESOURCES CORP		5	Energy	Oil, Gas & Consumable Fuels	0.99	9,073
WFC	WELLS FARGO & CO	P	5	Financials	Banks	1.00	203,054
UMPQ	UMPQUA HOLDINGS CORP		5	Financials	Banks	1.05	3,609
FHN	FIRST HORIZON NATIONAL CORP		5	Financials	Banks	1.04	4,352
PACW	PACWEST BANCORP		5	Financials	Banks	1.15	4,422
WBS	WEBSTER FINANCIAL CORP		5	Financials	Banks	1.10	4,235
ASB	ASSOCIATED BANC-CORP		5	Financials	Banks	1.03	3,350
AMG	AFFILIATED MANAGERS GROUP		5	Financials	Capital Markets	1.22	4,438
BGCP	BGC PARTNERS INC-CL A		5	Financials	Capital Markets	1.14	2,436
MD	MEDNAX INC		5	Health Care	Health Care Providers & Servic	0.92	2,185
MYL	MYLAN NV		5	Health Care	Pharmaceuticals	1.44	8,979
PRGO	PERRIGO CO PLC		5	Health Care	Pharmaceuticals	1.33	5,954
AAL	AMERICAN AIRLINES GROUP INC		5	Industrials	Airlines	1.20	12,473
DOX	AMDOCS LTD	O	5	Information Technology	IT Services	0.80	8,059
SATS	ECHOSTAR CORP-A		5	Information Technology	Communications Equipment	0.92	4,111
HPQ	HP INC		5	Information Technology	Technology Hardware, Storage &	1.19	29,428
CBT	CABOT CORP		5	Materials	Chemicals	1.27	2,405
EMN	EASTMAN CHEMICAL CO		5	Materials	Chemicals	1.12	9,374
ALB	ALBEMARLE CORP	O	5	Materials	Chemicals	1.09	6,929
WRK	WESTROCK CO		5	Materials	Containers & Packaging	1.29	8,542
AA	ALCOA CORP		5	Materials	Metals & Mining	1.27	4,034
X	UNITED STATES STEEL CORP		5	Materials	Metals & Mining	1.40	2,098
SNH	SENIOR HOUSING PROP TRUST		5	Real Estate	Equity Real Estate Investment	0.73	1,830
MAC	MACERICH CO/THE		5	Real Estate	Equity Real Estate Investment	0.77	5,256
UNIT	UNITI GROUP INC		5	Real Estate	Equity Real Estate Investment	1.32	1,841
WY	WEYERHAEUSER CO		5	Real Estate	Equity Real Estate Investment	1.04	16,735
RLGY	REALOGY HOLDINGS CORP		5	Real Estate	Real Estate Management & Devel	1.00	846

MO score (quintile readings, 1 = top score) based on a stock's 6-, 9-, and 12-month risk-adjusted return with the last month removed.

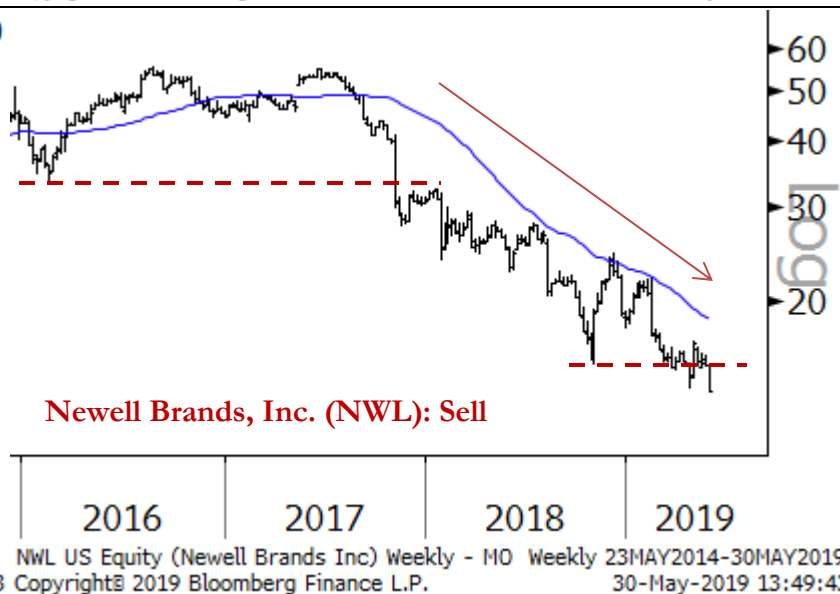
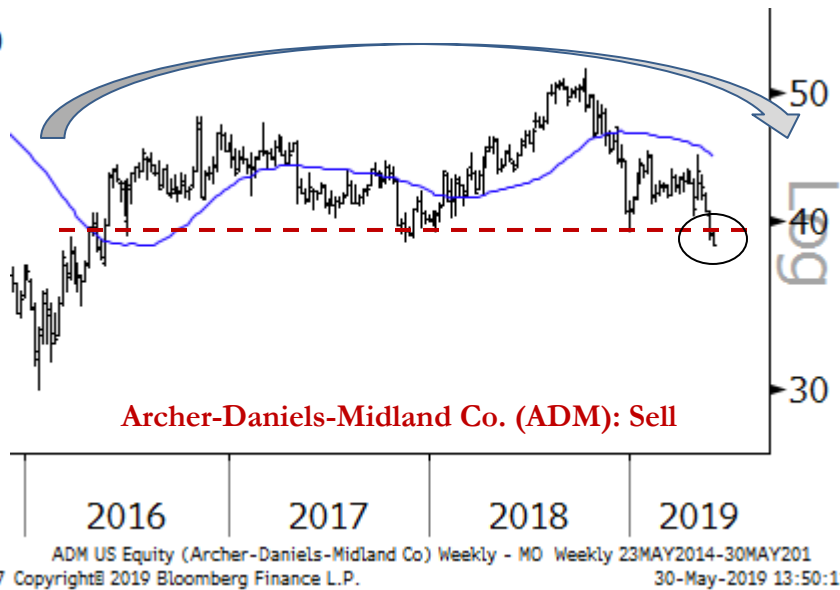
Trend descriptions based on the placement of a stock's price, 50-, and 200-day moving average.

Source: Oppenheimer & Co. and Bloomberg.

Sell Low-Momentum Value

From our **Low-MO Value** screen, the following *Sell* ideas also sport a **beta below 1.0**—we believe they are less likely to outperform should a reversal in rates stir a rotation toward beta. **Sell: ADM, MAC, NWL, OXY.**

All charts w/ 200-day m.a.

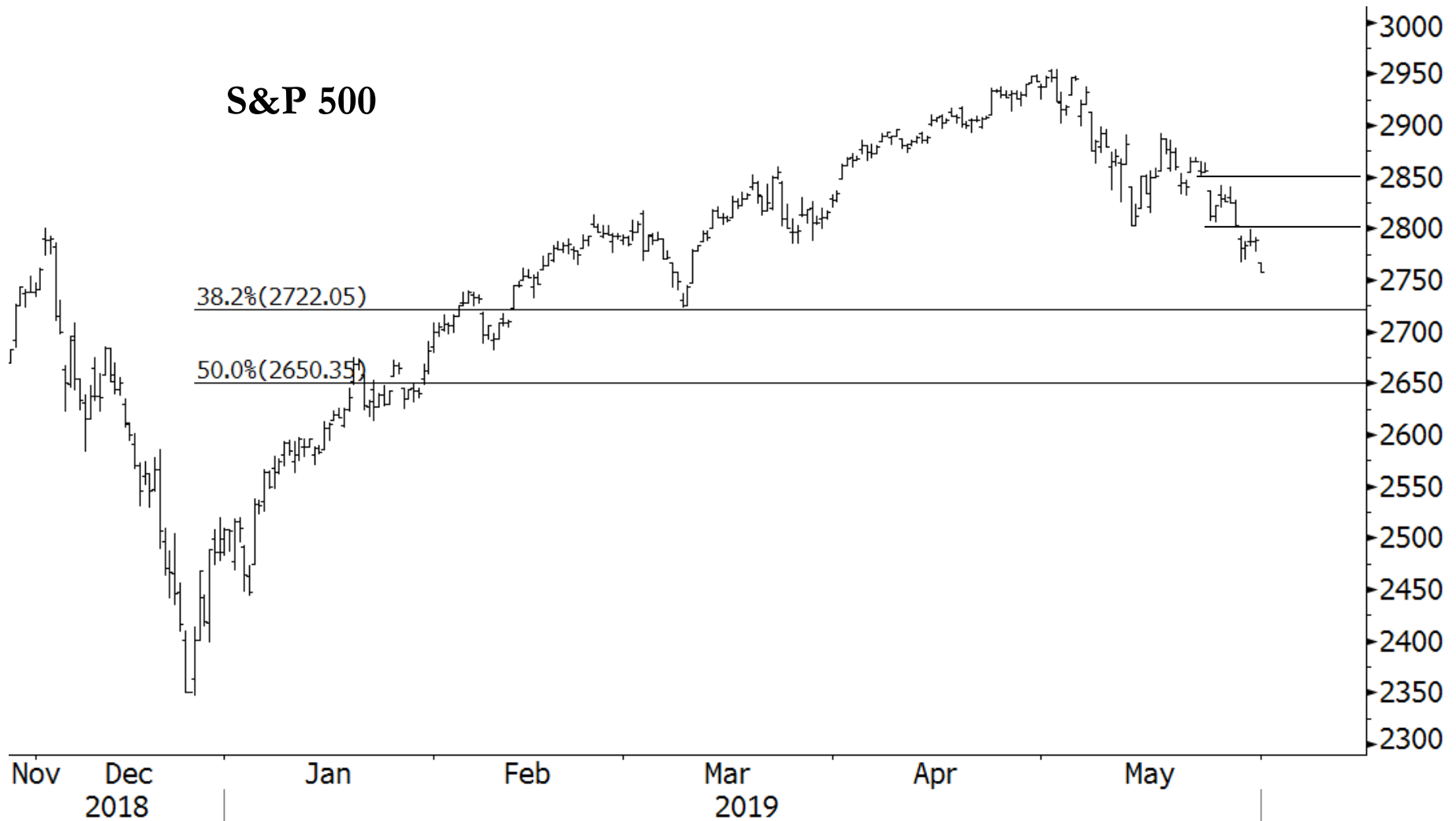


Source: Oppenheimer & Co. and Bloomberg.



S&P 500 Trading Levels

For S&P 500 trading levels, the index's March 8th low converges with the 38% retracement of the gains since December at 2,722. Below here the 50% retracement at 2,650 becomes important, by our analysis. Resistance starts at the gap at 2,800 followed by the gap at 2,850.



SPX Index (S&P 500 Index) Intra-day MAs 180 Days 240 Minutes

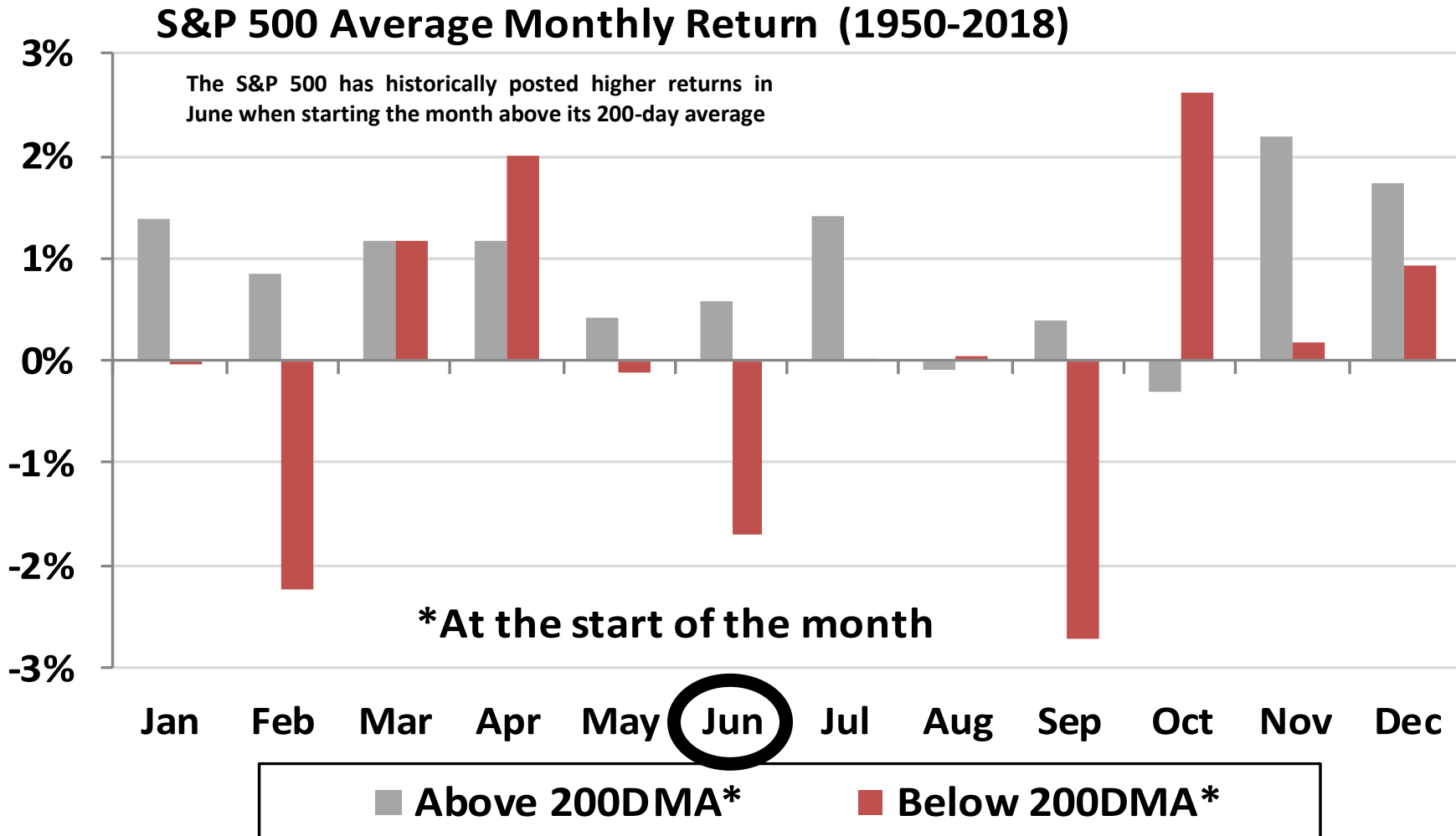
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Source: Oppenheimer & Co. and Bloomberg.

Weakness Begets Weakness in June

We've found that **returns in June have been poorer when the index's trend is lower** (i.e., below its 200-day m.a.). Since 1950, the S&P has averaged a 0.6% gain and traded higher 61% of the time when starting June above its smoothed trend vs. an average 1.7% loss and mere 33% positive hit-rate when starting below it. The S&P has averaged a +0.7% return and traded higher 60% of the time for any given month.



Source: Oppenheimer & Co. and Bloomberg. Note: These results cannot and should not be viewed as an indicator of future performance.

Sector and Industry Seasonal Ranks

Since 1990, Health Care has been the best-performing S&P 500 sector between June and August.

Seasonal Ranks: Average % Performance vs. S&P 500									
Sectors					Industries [Top 10]				
S&P 500 Sectors	3M		1M		S&P 500 Industries (GICL3)	3M		1M	
	JUN-AUG	Rank	JUN	Rank		JUN-AUG	Rank	JUN	Rank
Health Care	1.7%	1	1.0%	1	Biotechnology (HLC)	6.7%	1	-0.3%	26
Technology	1.1%	2	-0.1%	6	Internet & Catalog (DIS)	4.8%	2	0.5%	13
Utilities	0.7%	3	0.4%	3	Tobacco (STA)	2.8%	3	0.1%	21
Cons Staples	0.5%	4	0.0%	5	Computers & Peripherals (TEC)	2.6%	4	-1.3%	51
Comm Services	-0.3%	5	0.4%	2	HC Equipment & Supples (HLC)	2.2%	5	1.2%	5
Energy	-0.5%	6	0.0%	4	REITS (FIN)	2.2%	6	0.2%	18
Financials	-0.6%	7	-0.6%	9	Semi & Semi Equipment (TEC)	2.1%	7	-1.2%	49
Industrials	-1.1%	8	-0.6%	8	Software (TEC)	1.6%	8	2.8%	2
Cons Discretionary	-1.3%	9	-0.5%	7	Household Products (STA)	1.4%	9	-0.3%	27
Materials	-1.5%	10	-1.1%	10	Consumer Finance (FIN)	1.3%	10	0.7%	10

* Sorted by 3M rank.

Health Care has averaged a 1.7% relative gain between June and August since 1990

Industries [Bottom 10]				
S&P 500 Industries (GICL3)	3M JUN-AUG	3M Rank	1M JUN	1M Rank
Capital Markets (FIN)	-2.1%	50	-1.2%	48
Hotels, Rest., & Leisure (DIS)	-2.4%	51	-1.2%	47
Media (CSV)	-2.6%	52	-0.4%	33
Construction & Engineering (IND)	-2.7%	53	-0.3%	29
Construction Materials (MAT)	-2.7%	54	-1.4%	52
Auto Components (DIS)	-2.8%	55	-1.7%	57
Electronic Equip. Instr. & Comp. (TEC)	-3.9%	56	-0.8%	39
Automobiles (DIS)	-4.3%	57	-1.4%	55
Airlines (IND)	-4.6%	58	-1.4%	54
Real Estate Manage. & Dev. (FIN)	-4.7%	59	0.6%	12

*Includes sectors and industries with at least 10 years of data (most start in 1990)

Source: Oppenheimer & Co. and Bloomberg. Note: These results cannot and should not be viewed as an indicator of future performance.

Sector & Industry Snapshot: week of May 31

Our Sector & Industry Snapshot is a current and concise overview of the leaders and laggards throughout the equity market. As a proxy for trend and momentum, this tool screens a comprehensive list of broad market indexes, S&P sectors (relative to SPX), and all GICS level 3 industries relative to their respective sector. It is designed to be a differentiated performance table and an unbiased starting point to help generate trend-following or mean-reverting ideas.

- **RSI** calculates the avg. gain / avg. loss in a security over a specified period; in this case 14 weeks. High readings (colored red; above 60) mark overbought and low readings (colored green; below 40) mark oversold. Neutral readings are colored yellow (between 40 and 60).
- As a proxy for **Trend** we use the crossover between the 50-day and 200-day moving average. A positive percentage (colored green) indicates how far the 50D is above the 200D and a negative percentage (colored red) indicates how far the 50D is below the 200D.

Key Market Indexes			S&P 1500 Materials			S&P 1500 Health Care		
Absolute Price Momentum	RSI	Trend	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend
U.S. Dollar Index (DXY)	60	1%	Construction Materials	73	11%	Health Care Technology	75	8%
Gold spot	53	2%	Containers & Packaging	56	3%	Health Care Equipment & Supplies	66	5%
S&P 500 Index	49	4%	Chemicals	53	0%	Life Sciences Tools & Services	57	8%
WTI Crude Oil future	45	3%	Paper & Forest Products	37	-3%	Pharmaceuticals	50	1%
10-Year U.S. Treasury Yield	29	-12%	Metals & Mining	30	-4%	Health Care Providers & Services	45	-7%
						Biotechnology	37	-4%
Broad Market Equity Averages			S&P 1500 Industrials			S&P 1500 Financials		
Relative to S&P 500	RSI	Trend	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend
NASDAQ-100	51	2%	Commercial Services & Supplies	74	3%	Insurance	74	4%
S&P 100 Index	50	0%	Professional Services	67	2%	Consumer Finance	67	4%
MSCI EAFE Developed Markets	42	-2%	Road & Rail	64	4%	Thrifts & Mortgage Finance	50	5%
Dow Jones Industrial Average	39	-1%	Building Products	63	3%	Capital Markets	49	1%
S&P 500 Equal Weight	38	0%	Aerospace & Defense	59	0%	Diversified Financial Services	44	-2%
MSCI Emerging Markets	38	-1%	Marine	54	1%	Commercial Banks	33	-2%
Russell 2000	37	-3%	Construction & Engineering	49	-2%			
S&P 400 Mid Cap	34	-2%	Machinery	43	1%	S&P 1500 REITs		
S&P 600 Small Cap	34	-4%	Industrial Conglomerates	42	0%	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend
			Airlines	40	-5%	Equity REITs	67	0%
S&P 500 Sectors			Trading Companies & Distributors	39	-2%	Real Estate Management & Develop	33	-2%
Relative to S&P 500	RSI	Trend	Electrical Equipment	33	-1%	S&P 1500 Technology		
REITs	60	3%	Air Freight & Logistics	26	-7%	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend
Consumer Staples	56	0%	S&P 1500 Consumer Discretionary			IT Services	69	1%
Technology	55	4%	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend	Software	67	2%
Communication Services	55	1%	Hotels, Restaurants & Leisure	65	2%	Communications Equipment	56	3%
Utilities	55	1%	Internet & Catalog Retail	57	1%	Computers & Peripherals	38	-5%
Consumer Discretionary	55	2%	Diversified Consumer Services	57	-5%	Semis & Semi Equipment	33	0%
Financials	49	-2%	Household Durables	52	2%	Electronic Equipment	32	-2%
Industrials	45	0%	Multiline Retail	50	-3%	S&P 1500 Communication Services		
Health Care	44	-5%	Distributors	44	-1%	Industry (GICL2) vs. Sector (GICL1)	RSI	Trend
Materials	39	-2%	Automobiles	42	-1%	Media & Entertainment	59	3%
Energy	28	-6%	Specialty Retail	41	-1%	Telecommunication Services	48	-4%
			Leisure Equipment & Products	38	-9%	S&P 1500 Utilities		
Styles			Auto Components	36	-5%	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend
Relative to S&P 500	RSI	Trend	Textiles, Apparel & Luxury	35	-2%	Water Utilities	76	4%
S&P 500 Low Volatility	65	2%	S&P 1500 Consumer Staples			Multi-Utilities	58	1%
Russell 1000 Growth	62	1%	Industry (GICL3) vs. Sector (GICL1)	RSI	Trend	Electric Utilities	50	-1%
S&P High Yield Dividend	45	0%	Household Products	69	5%	Gas Utilities	37	-2%
Russell 2000 Growth	43	-2%	Beverages	62	1%	Independent Power Producers	27	-1%
S&P 500 High Beta	37	0%	Personal Products	55	6%			
Russell 1000 Value	36	-1%	Food & Staples Retailing	45	-4%			
Russell 2000 Value	33	-4%	Food Products	40	-1%			
			Tobacco	38	-3%			
S&P 1500 Energy								
Industry (GICL3) vs. Sector (GICL1)	RSI	Trend						
Oil, Gas, & Consumable Fuels	77	1%						
Energy Equipment & Services	23	-8%						

As of 31-May-19

Source: Oppenheimer & Co. & Bloomberg.

Stock prices of companies/ETFs mentioned in this report (as of May 31, 2019)

Ticker	Primary Exchange	Last Price	Ticker	Primary Exchange	Last Price	Ticker	Primary Exchange	Last Price
AMT	New York	204.1	AA	New York	21.7	MTUM	Cboe BZX	113.0
AON	New York	181.1	AAL	NASDAQ GS	28.2			
AWI	New York	88.6	ADM	New York	38.5			
CABO	New York	1130.8	ALB	New York	65.6			
CCK	New York	55.2	AMG	New York	86.6			
CDNS	NASDAQ GS	64.2	ARMK	New York	34.2			
CDW	NASDAQ GS	102.6	ASB	New York	20.4			
CMG	New York	677.2	BG	New York	51.4			
CSGP	NASDAQ GS	512.1	BGCP	NASDAQ GS	4.8			
ELS	New York	117.8	CBT	New York	41.1			
EPAM	New York	170.7	CCL	New York	51.5			
FAST	NASDAQ GS	30.7	CNX	New York	7.6			
FDS	New York	276.8	CTL	New York	10.8			
FICO	New York	296.1	DOX	NASDAQ GS	58.8			
FLT	New York	261.2	EMN	New York	67.7			
GPN	New York	153.2	FHN	New York	13.8			
HEI	New York	118.6	GT	NASDAQ GS	14.0			
HEI/A	New York	95.9	HFC	New York	39.7			
IAC	NASDAQ GS	220.7	HPQ	New York	19.1			
INTU	NASDAQ GS	247.5	INGR	New York	78.3			
LULU	NASDAQ GS	164.4	JW/A	New York	42.4			
LYV	New York	61.7	KHC	NASDAQ GS	27.4			
MA	New York	253.5	M	New York	21.0			
MANH	NASDAQ GS	65.7	MAC	New York	37.3			
MKTX	NASDAQ GS	281.3	MD	New York	25.2			
MSCI	New York	222.8	MHK	New York	139.9			
MTD	New York	731.0	MPC	New York	47.4			
NOW	New York	262.2	MYL	NASDAQ GS	17.5			
OLED	NASDAQ GS	149.0	NOV	New York	21.1			
PAYC	New York	206.5	NWL	NASDAQ GS	13.4			
PAYX	NASDAQ GS	86.2	OXY	New York	52.0			
PEGA	NASDAQ GS	73.2	PACW	NASDAQ GS	37.1			
PGR	New York	80.1	PBF	New York	27.9			
PYPL	NASDAQ GS	111.3	PRGO	New York	43.5			
RNG	New York	120.3	PSX	New York	82.1			
SBAC	NASDAQ GS	210.4	RLGY	New York	7.4			
SBUX	NASDAQ GS	76.1	RRC	New York	7.9			
TDG	New York	446.9	SATS	NASDAQ GS	43.0			
TTC	New York	65.4	SLB	New York	35.2			
UBNT	NASDAQ GS	123.5	SM	New York	12.4			
ULTA	NASDAQ GS	325.7	SNH	NASDAQ GS	7.7			
V	New York	162.5	TRGP	New York	39.5			
VEEV	New York	153.5	UMPQ	NASDAQ GS	16.4			
VMW	New York	189.7	UNIT	NASDAQ GS	9.8			
VRSK	NASDAQ GS	140.1	WBA	NASDAQ GS	50.5			
VRSN	NASDAQ GS	195.4	WBS	New York	46.1			
W	New York	144.5	WFC	New York	45.2			
WDAY	NASDAQ GS	204.4	WRK	New York	33.2			
XLNX	NASDAQ GS	105.3	WY	New York	22.5			
ZEN	New York	83.9	X	New York	12.3			

Disclosure Appendix

Important Disclosure Footnotes for Companies Mentioned in this Report that Are Covered by Oppenheimer & Co. Inc:

Stock Prices as of June 1, 2019

PayPal Holdings, Inc. (PYPL - NASDAQ, \$109.75, OUTPERFORM)
 Lululemon Athletica Inc. (LULU - NASDAQ, \$165.59, OUTPERFORM)
 RingCentral (RNG - NYSE, \$119.85, OUTPERFORM)
 Wayfair Inc. (W - NYSE, \$144.01, OUTPERFORM)
 Newell Brands (NWL - NYSE, \$13.42, PERFORM)
 Occidental Petroleum Corporation (OXY - NYSE, \$49.77, PERFORM)
 Albemarle (ALB - NYSE, \$63.30, OUTPERFORM)
 American Tower Corp. (AMT - NYSE, \$208.77, PERFORM)
 Chipotle Mexican Grill (CMG - NYSE, \$659.97, UNDERPERFORM)
 CenturyLink (CTL - NYSE, \$10.45, OUTPERFORM)
 Amdocs Ltd. (DOX - NYSE, \$59.42, OUTPERFORM)
 FactSet Research Systems Inc. (FDS - NYSE, \$278.20, PERFORM)
 FleetCor Technologies, Inc. (FLT - NYSE, \$258.21, OUTPERFORM)
 Global Payments Inc. (GPN - NYSE, \$154.04, OUTPERFORM)
 Goldman Sachs Group (GS - NYSE, \$182.49, OUTPERFORM)
 IAC/InterActiveCorp (IAC - NASDAQ, \$220.85, OUTPERFORM)
 Intuit, Inc. (INTU - NASDAQ, \$244.85, OUTPERFORM)
 Lowe's Cos. (LOW - NYSE, \$93.28, OUTPERFORM)
 Mastercard Incorporated (MA - NYSE, \$251.49, OUTPERFORM)
 ServiceNow Inc. (NOW - NYSE, \$261.93, PERFORM)
 Realty Income Corp. (O - NYSE, \$70.08, OUTPERFORM)
 Universal Display Corp. (OLED - NASDAQ, \$146.93, OUTPERFORM)
 Pandora Media, Inc. (P - NYSE, \$NA, NOT RATED)
 Paycom Software, Inc. (PAYC - NYSE, \$212.10, OUTPERFORM)
 Starbucks Corporation (SBUX - NASDAQ, \$76.06, OUTPERFORM)
 Ulta Beauty, Inc. (ULTA - NASDAQ, \$333.38, OUTPERFORM)
 Visa Inc. (V - NYSE, \$161.33, OUTPERFORM)
 VMware, Inc. (VMW - NYSE, \$176.98, OUTPERFORM)
 Workday, Inc. (WDAY - NYSE, \$204.12, OUTPERFORM)
 Wells Fargo (WFC - NYSE, \$44.37, PERFORM)
 Zendesk, Inc. (ZEN - NYSE, \$84.25, PERFORM)

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