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Sector Dashboard:

Healthcare Sector

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Industry Level Dashboard

ETFSECTOR.COM | INDUSTRY LEVEL DASHBOARD | HEALTHCARE SECTOR

Sector/Industry	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM
35 Health Care	0.78	35.39	1.90	-9.99
351010 Health Care Equipment & Supplies	0.17	1.50	0.71	-4.89
351020 Health Care Providers & Services	0.31	4.50	2.16	-11.60
352010 Biotechnology	2.97	59.57	2.26	-9.88
352020 Pharmaceuticals	1.67	188.85	6.76	-9.93
352030 Life Sciences Tools & Services	0.37	28.25	0.17	-17.22

Metrics:

(Formulas are in the appendix at the end of the report)

Cap. Weighted Earnings Growth

Higher score preferred when Large/Mega Cap stocks outperforming

Valuation Adjusted Earnings Growth

Higher scores preferred absent high momentum

Volatility Adjusted Income

Higher score preferred when equities and yields are moving lower

Momentum

Long higher scores, short lower scores

The “drug pipeline” stocks within the Pharma and Biotech Industry project the most earnings Growth over the next 12 months at a deep discount to the broad market multiple

Pharma stocks in particular are a strong source of income

The sector in aggregate has been out of favor over the longer-term and our momentum score (which favors 6-monrh outperformers) are still negative

Performance has improved over the past 3-months as equities have consolidated

HC Equipment & Supplies Industry

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TICKER	Sector/Industry	PROJECTED EARNINGS GROWTH	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM	PRICE STRUCTURE	Distance from 200 Day EMA (%)	Distance from 50 Day EMA (%)	OB/OS?	Near-term OB/OS?
351010 Health Care Equipment & Supplies											
PODD		-0.27	-0.03	-0.4	0.00	27.2	Bullish Reversal	5.0	2.0		
BSX		1.29	1.25	3.5	0.00	22.0	Uptrend	7.4	3.9		
ISRG		0.25	0.34	0.3	0.00	14.1	Uptrend	5.4	2.7		
ABT		-0.32	-0.48	-1.2	1.79	9.9	Bullish Reversal	10.4	8.6		
DXCM		0.42	0.09	1.0	0.00	2.8	Bullish Reversal	7.4	3.9		
GEHC		0.08	0.02	0.4	0.06	-0.1	Consolidation	5.3	4.3		
SYK		0.74	0.68	2.6	0.72	-2.1	Consolidation	0.9	0.5		
MDT		0.97	0.70	6.1	2.75	-2.3	Consolidation	2.7	2.9		
RMD		0.37	0.08	1.6	0.81	-2.7	Bullish Reversal	-2.7	-2.3		
EW		-0.65	-0.18	-2.2	0.00	-7.2	Consolidation	1.9	0.6		
STE		1.39	0.19	6.1	0.74	-9.4	Consolidation	1.2	2.4		
BDX		1.46	0.60	9.4	3.24	-9.4	Consolidation	-2.1	-2.3		
IDXX		0.12	0.03	0.3	0.00	-11.2	Consolidation	2.9	2.7		
BAX		-2.94	-0.32	-21.5	2.84	-13.1	Downtrend	5.6	8.2		
COO		1.03	0.11	4.7	0.02	-15.8	Basing	-6.6	-4.3		
ZBH		0.86	0.11	6.7	0.79	-16.1	Consolidation	-1.2	0.2		
HOLX		0.28	0.03	1.9	0.00	-24.4	Support	-9.3	-6.2		
TFX		0.86	0.04	7.4	0.52	-26.0	Support	-4.6	-0.4		
ALGN		0.79	0.07	4.2	0.00	-29.1	Support	-11.8	-10.5		
SOLV		-0.16	-0.01	-1.2	0.00		Bullish Reversal	2.0	0.8		

NT OVERSOLD

Not too many outliers for good or ill in this industry from a fundamental perspective

Names like HOLX, TFX and ALGN are at support despite projecting to grow earnings faster than the S&P 500

HC Providers & Services Industry

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TICKER	Sector/Industry	PROJECTED EARNINGS GROWTH	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM	PRICE STRUCTURE	Distance from 200 Day EMA (%)	Distance from 50 Day EMA (%)	OB/OS?	Near-term OB/OS?
351020 Health Care Providers & Services											
DGX		0.27	0.03	1.5	2.34	9.0	Consolidation	7.8	7.0		
CAH		1.31	0.25	8.7	1.63	5.0	Uptrend	3.4	1.7		
LH		0.82	0.11	5.2	0.89	1.2	Bullish Reversal	4.3	3.2		
CVS		0.61	0.31	5.7	5.24	-0.6	Consolidation	13.6	14.1	NT OVERBOUGHT	
MCK		0.46	0.22	2.8	0.67	-1.6	Consolidation	1.9	0.7		
HSIC		0.50	0.03	3.3	0.00	-2.9	Consolidation	3.4	2.1		
COR		1.04	0.31	6.8	0.74	-6.4	Bullish Reversal	0.0	-0.1		
DVA		0.03	0.00	0.2	0.77	-13.2	Bullish Reversal	-11.2	-11.2	NT OVERSOLD	
HCA		0.13	0.06	1.0	0.42	-15.2	Support	-2.6	0.7		
UHS		0.55	0.04	5.5	0.22	-17.3	Consolidation	-5.3	-2.2		
CI		1.46	0.76	14.5	5.72	-17.6	Downtrend	0.4	3.5		
MOH		0.21	0.02	1.8	0.00	-21.8	Consolidation	-4.3	-2.6		
UNH		0.92	2.47	5.9	4.42	-24.4	Consolidation	-12.3	-9.8		
ELV		0.34	0.19	3.1	2.57	-25.1	Downtrend	-3.8	-0.9		
CNC		0.16	0.03	2.0	2.98	-25.8	Downtrend	-6.1	-5.0		
HUM		0.64	0.12	4.0	5.87	-29.1	Consolidation	-7.1	-5.4		

Valuation adjusted earnings scores stand out positively for several stocks in the Industry, and we note improving momentum for CVS and DGX

Biotechnology Industry

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TICKER	Sector/Industry	PROJECTED EARNINGS GROWTH	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM	PRICE STRUCTURE	Distance from 200 Day EMA (%)	Distance from 50 Day EMA (%)	OB/OS?	Near-term OB/OS?
352010 Biotechnology											
GILD		19.87	17.07	142.1	4.71	31.1	Bullish Reversal	15.1	12.3		NT OVERBOUGHT
ABBV		4.14	9.26	25.2	8.56	4.5	Consolidation	9.3	8.5		
INCY		34.75	3.04	268.3	0.00	1.8	Consolidation	1.0	0.1		
VRTX		-9.64	-7.51	-35.9	0.00	-1.1	Consolidation	7.1	8.9		
AMGN		1.73	1.77	11.7	3.97	-5.9	Consolidation	5.5	7.5		
BIIB		0.43	0.06	4.8	0.00	-30.5	Downtrend	-6.7	-2.4		
REGN		0.11	0.05	0.7	0.88	-30.8	Support	-5.4	0.7		
MRNA		0.06	0.01		0.00	-48.2	Downtrend	-12.9	-4.9		

Consensus NTM Earnings Growth jumps off the page for GILD, INCY and ABBV, only GILD has investors excited

Pharmaceuticals Industry

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TICKER	Sector/Industry	PROJECTED EARNINGS GROWTH	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM	PRICE STRUCTURE	Distance from 200 Day EMA (%)	Distance from 50 Day EMA (%)	OB/OS?	Near-term OB/OS?
352020 Pharmaceuticals											
BMJ		-2.54	-1.80	-30.0	9.80	1.3	Bullish Reversal	-0.9	-1.5		
LLY		0.96	4.99	2.6	1.69	-0.9	Consolidation	6.2	6.9		
JNJ		0.83	2.03	5.4	6.48	-2.8	Consolidation	6.3	7.2		
PFE		1.09	1.02	12.0	15.29	-8.0	Consolidation	-0.5	0.0		
VTRS		58.23	4.90	1,328.2	3.47	-15.8	Consolidation	-2.9	-0.4		
ZTS		0.12	0.06	0.5	1.03	-18.1	Consolidation	-5.3	-3.2		
MRK		0.33	0.47	3.3	9.60	-25.2	Retracement	-6.9	-3.9		

The market thinks VTRS is on an unsustainable trajectory

Big Pharma names are likely to work well in an equity correction as a strong source of income

Life Sciences & Tools Industry

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TICKER	Sector/Industry	PROJECTED EARNINGS GROWTH	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM	PRICE STRUCTURE	Distance from 200 Day EMA (%)	Distance from 50 Day EMA (%)	OB/OS?	Near-term OB/OS?
352030 Life Sciences Tools & Services											
WAT		0.20	0.03	0.7	0.00	-1.5	Bullish Reversal	-2.4	-3.8		
RVTY		1.14	0.10	4.9	0.16	-7.9	Consolidation	-2.9	-2.8		
A		0.26	0.06	1.1	0.45	-8.6	Consolidation	-3.6	-3.9		
MTD		0.06	0.01	0.2	0.00	-8.6	Consolidation	-1.2	-0.9		
TMO		0.41	0.51	1.8	0.24	-12.6	Consolidation	-3.6	-3.3		
TECH		0.82	0.05	2.6	0.22	-17.1	Consolidation	-9.9	-9.1		
IQV		0.59	0.12	3.7	0.00	-23.3	Support	-5.9	-4.1		
DHR		0.44	0.42	1.6	0.46	-23.8	Downtrend	-8.0	-5.7		
CRL		46.20	2.41	266.3	0.00	-27.4	Downtrend	-6.7	-3.8		
WST		-0.09	-0.01	-0.3	0.21	-41.5	Consolidation	-30.3	-28.8	OVERSOLD	NT OVERSOLD

Outlier numbers projected for CRL are worth looking into

Momentum remains against this group of stocks

Metric Interpretation/Description

Valuation Adjusted Earnings Growth

Higher scores with positive momentum preferred

Valuation Adjusted Earnings Growth (simple mean)

Relative Earnings Growth Multiple (vs. Benchmark)

Divided by

Rel. Valuation Multiple (vs. Benchmark)

Relative Earnings Growth Multiple:

Company Earnings Growth:

Consensus EPS Estimates for the next 4 Unreported Qtrs (FY1) /
Restated LTM Annual Earnings

Divided by

Benchmark Earnings Growth:

Benchmark consensus mean EPS NTM / Restated Annual Benchmark
EPS

Relative Valuation Multiple

Company NTM P/E / Index NTM P/E

Volatility Adjusted Income

Higher score preferred when equities and yields are moving
lower

Volatility Adjusted Income (simple mean)

Dividend Yield Multiple

Divided by

3yr Beta Vs. S&P 500

Dividend Yield Multiple

Stock Dividend Yield (Consensus NTM)

Divided by

S&P 500 Dividend Yield (Consensus NTM)

Metric Interpretation/Descriptions

Cap. Weighted Earnings Growth

Higher score preferred when Large/Mega Cap stocks outperforming

Cap. Weighted Earnings Growth

Consensus EPS Estimates for the next 4 Unreported Qtrs (FY1) / Restated LTM Annual Earnings * weight of each company in the universe 1-n

Momentum

Long higher scores, short lower scores

Momentum (simple mean)

1-Month Excess Total Return (vs. S&P 500) * 0.1

Plus

3-Month Excess Total Return (vs. S&P 500) * 0.3

Plus

6-Month Excess Total Return (vs. S&P 500) * 0.4

Plus

12-month Excess Total Return (vs. S&P 500) * 0.2

Metric Interpretation/Descriptions

Price Structure

We categorize stock chart patterns into 7 categories

Uptrend—Stock exhibits sustained outperformance

Bullish Reversal—Stock has outperformed over the past 3-6 months by > 10% vs. benchmark

Consolidation—Sideways price action, generally a bearish pattern in a bull market

Retracement—A sharp move lower in a previously strong chart

Distributional—A topping pattern

Downtrend—Sustained underperformance, lagging the benchmark by >15% per year

Support—Price has reached a level where major bottom formations or basing has occurred in the past

Basing—A protracted consolidation at long-term support

Deviation from Trend

Intermediate-term: Price % Above/Below 200-day moving average

Near-term: Price % Above/Below 50-day moving average

Overbought/Oversold (We want to sell overbought charts with declining momentum)

Overbought = Stock price > 25% above 200-day m.a.

Oversold = Stock price > 20% below 200-day m.a.

Near-term Overbought/Oversold (Signals depend on trend context)

Overbought = Stock price > 15% above 50-day m.a.

Oversold = Stock price > 15% below 50-day m.a.