

Non-Consensus Alpha

— PROFITS BEYOND CONSENSUS —



By

Weekly Newsletter for June 16, 2025

Market Sentiment

Use market sentiment to gauge your overall market exposure.

For the week ending **June 13**, U.S. markets closed slightly down: **Dow -1.3%, S&P 500 -0.4%, Nasdaq -0.6%**. Friday's heavy losses—fueled by **escalating Middle East conflict** and a consequent **oil spike**—erased earlier gains, marking a volatile end to what had been a steady rally since April. This signals investor caution ahead of the upcoming Fed meeting and evolving geopolitical tensions.

Weekly Performance:

- **Nasdaq Composite:** -.6%
- **S&P 500:** -.4%
- **Dow Jones Industrial Average:** -1.3%

Key Market Drivers:

- **Escalating Israel-Iran conflict :** On June 13, Israel struck Iranian nuclear/military sites. Iran responded with missile launches. This triggered a ~7% surge in oil prices, from geopolitical supply fears.
- **Oil and Inflation Jitters:** With crude futures jumping over 7%, investor concerns about inflation and future Fed tightening ramped up. Treasury yields climbed, gold rallied and equity volatility spiked
- **Tech-sector influence & corporate earnings:** Despite Friday's broad drop, gains earlier in the week—especially among tech and consumer stocks—helped limit losses. Notably, bumps in big-tech and solid sector rotation were in play before the geopolitical seller's barrage.

The markets sold off on Friday spurred by a risk-off reaction from traders due to the Israel-Iran confrontation. Investor reaction lifted energy stocks and sent oil soaring in expectation of a disruption to the oil markets. The markets continued to anticipate the Fed holding rates steady this week, but recent inflationary risks from oil could influence future policy.

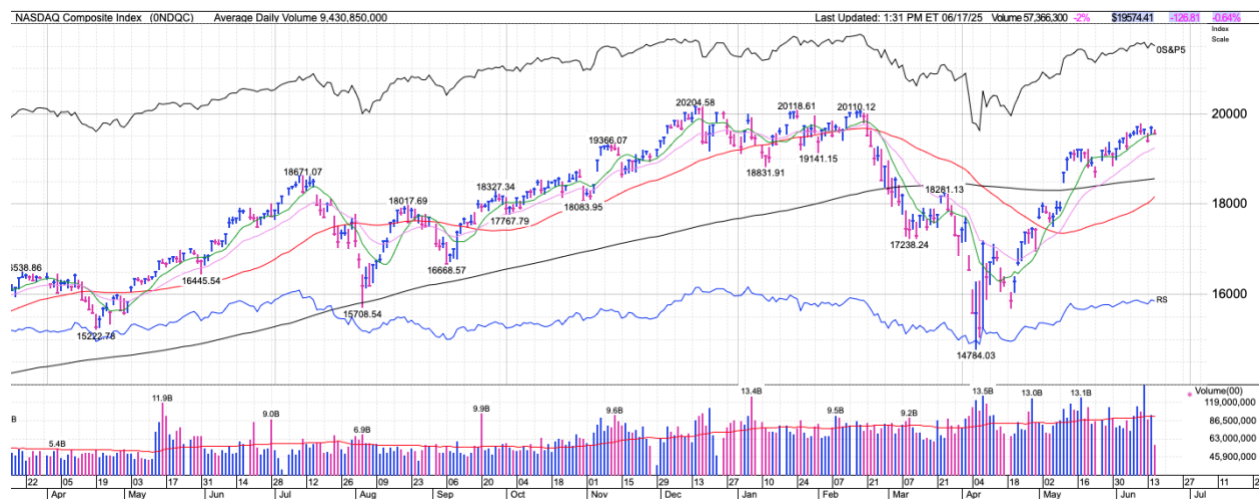
Corporate earnings beat reports and hopes for easing trade tensions had buoyed equities earlier in the week but gains were overpowered by Friday's shock.

We continue to see the market effectively working through challenging events including riots, protests and the Israel-Iran confrontation which continues to show there is market optimism driving stocks in the near term.

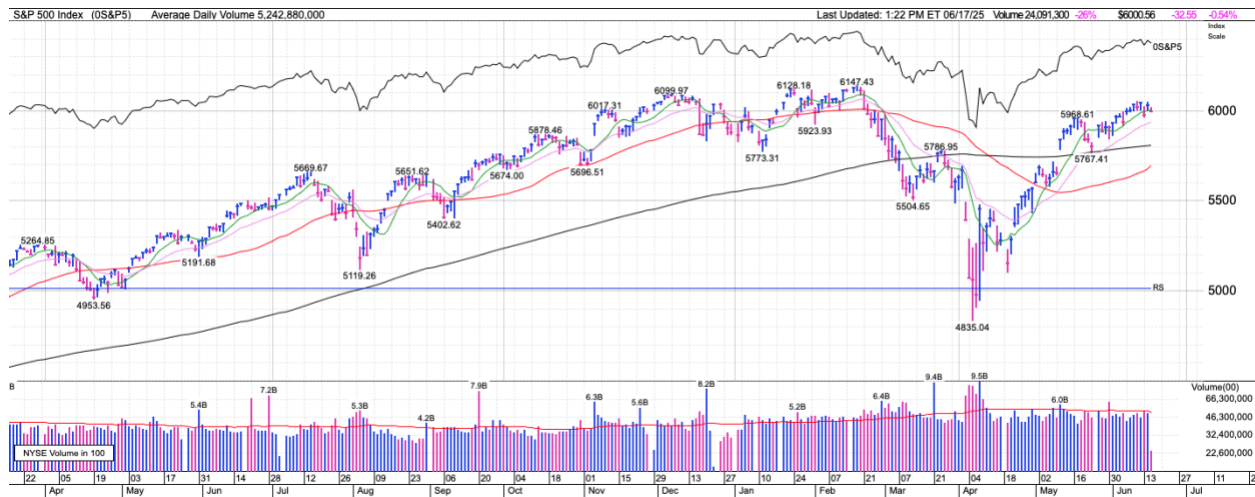
In this market environment investors could be 80% invested. Although the market's recent resilience through challenging headlines, political and world events gives us a level of comfort investors should continue to manage downside risk limits by establishing and observing stop losses on all investments.

Important: All of our ideas noted in the newsletter are only buys if the market environment is conducive to being invested.

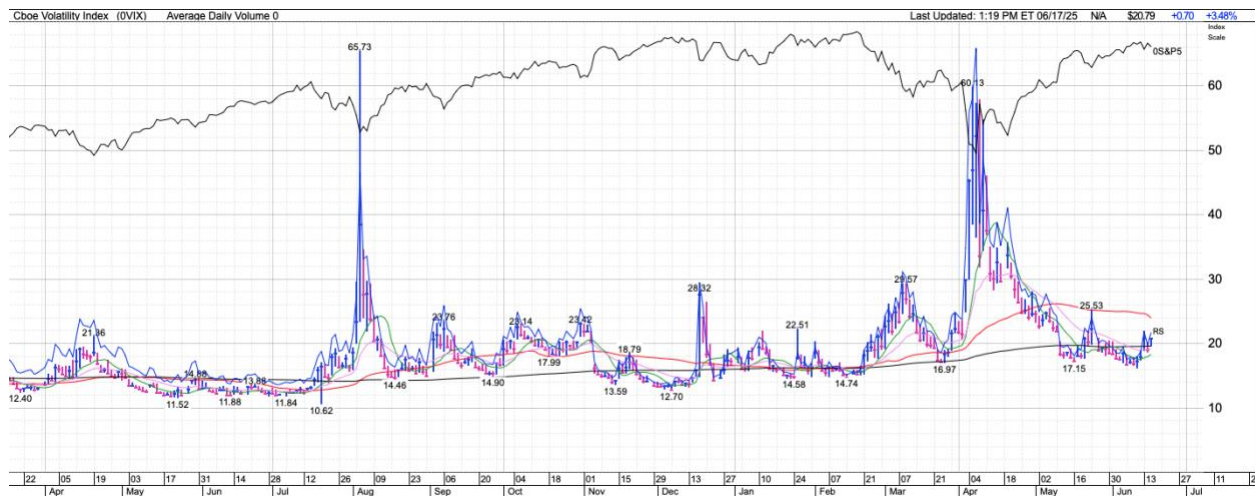
Nasdaq – Green – The index continues to extend above its 200 day moving average and continues the upward trajectory. Market leading stocks that weigh heavily on the Nasdaq continue to gaining strength supported by positive earnings and overall market resiliency.



S&P 500 – Green – In line with the Nasdaq the S&P 500 continues to extend its rise above the 200 day.



VIX – Green – The VIX recently spiked in connection with the confrontation between Israel and Iran. The volatility is expected given the circumstance and we will maintain the VIX in green unless we continue seeing an uptrend aligned with relatively negative market news.




Key index ranges and market interpretation is as follows:

- Below 15 – Indicates low volatility and a stable market environment.
- Between 15 and 30 – Indicates moderate volatility and an uncertain market sentiment.
- Above 30 – Indicates high volatility and heightened fear in the market. It often aligns with market corrections or sharp downturns.

Newsletter Stock Highlights

Below are some of the highlights from our newsletter recommendations this year. A full list of all of our recommendations will be available on our website.

Stock Recommendation	Recomm. Date	Rec. Price	Trader Target		Investor Target		Return
			Low	High	Low	High	
 ODDITY TECH LTD (XNAS:ODD)	3/10/25	\$ 49	\$ 56.35	\$ 61.25	\$ 63.70	\$ 73.50	50%
 ZSCALER, INC. (XNAS:ZS)	4/29/25	\$ 218	\$ 250.70	\$ 272.50	\$ 283.40	\$ 327.00	41%
 VEEVA SYSTEMS INC. (XNYS:VEEV)	2/17/25	\$ 215	\$ 247.25	\$ 268.75	\$ 279.50	\$ 322.50	31%
 SERVICETITAN, INC. (XNAS:TTAN)	3/17/25	\$ 101	\$ 116.15	\$ 126.25	\$ 131.30	\$ 151.50	30%
 Amer Sports, Inc (XNYS:AS)	3/24/25	\$ 29	\$ 33.35	\$ 36.25	\$ 37.70	\$ 43.50	30%
 AGNICO EAGLE MINES LIMITED (XNYS:AEM)	3/10/25	\$ 100	\$ 115.00	\$ 125.00	\$ 130.00	\$ 150.00	25%
 GENERAL ELECTRIC COMPANY (XNYS:GE)	3/24/25	\$ 213	\$ 244.95	\$ 266.25	\$ 276.90	\$ 319.50	11%
 PALANTIR TECHNOLOGIES INC. (XNAS:PLTR)	5/12/25	\$ 126	\$ 144.90	\$ 157.50	\$ 163.80	\$ 189.00	10%
 ROBINHOOD MARKETS, INC. (XNAS:HOOD)	6/2/25	\$ 68	\$ 78.20	\$ 85.00	\$ 88.40	\$ 102.00	10%
 MERCADOLIBRE, INC. (XNAS:MLI)	5/6/25	\$ 2,200	\$ 2,530.00	\$ 2,750.00	\$ 2,860.00	\$ 3,300.00	8%

Watch List Ideas

Disclaimer: RTS Capital Management may trade in and out of the positions mentioned below. Our positions can change quickly in alignment with market fluctuation and stock behavior.

(For definitions of the Stock Model, Stock Cycle, Stock Fit and other terms, see the end of the newsletter.)

Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Toast	TOST	Model 1	Stage 1	Trader and Investor

Comments:
 First stage consolidation. Looking for an inflection point in the in the \$46-48 range.

Toast (TOST) NYSE Finance-CrdtCard/PmtPr (30/197) Average Daily Volume 7,384,000

Provides technology restaurant management platform, hardware, and software solutions for restaurant sector.

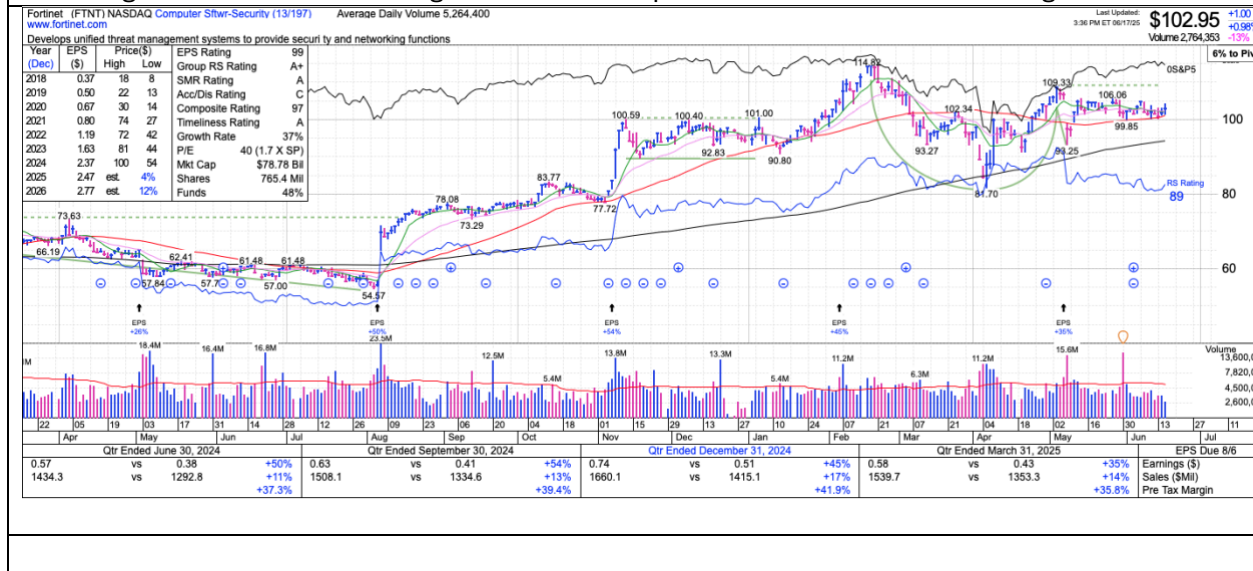
Year	EPS (\$)	Price (\$)	High	Low	EPS Rating	Group RS Rating	SMR Rating	Acc/Dis Rating	Composite Rating	Timeliness Rating	Growth Rate	P/E	Mkt Cap	Shares	Funds
2018	-0.42				A										
2019	-0.49				C										
2020	-0.97	69	30		99										
2021	-0.54	35	11												
2022	-0.46	27	13												
2023	0.04	44	16												
2024	0.02														
2025	1.11														

Qtr Ended	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
EPS	0.03	0.07	0.05	0.09	0.15
vs	-0.19	-0.09	-0.07	-0.15	-0.15
Change	+116%	+178%	+171%	+160%	+160%
Revenue (\$)	1242.0	1305.0	1338.0	1337.0	1075.0
vs	978.0	1032.0	1036.0	1075.0	1075.0
Change	+27%	+26%	+29%	+24%	+24%
Sales (\$M)					
Pre Tax Margin	+1.5%	+4.4%	+2.4%	+4.3%	+4.3%

Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Fortinet	FTNT	Model 1	Stage 1	Trader and Investor

Comments:

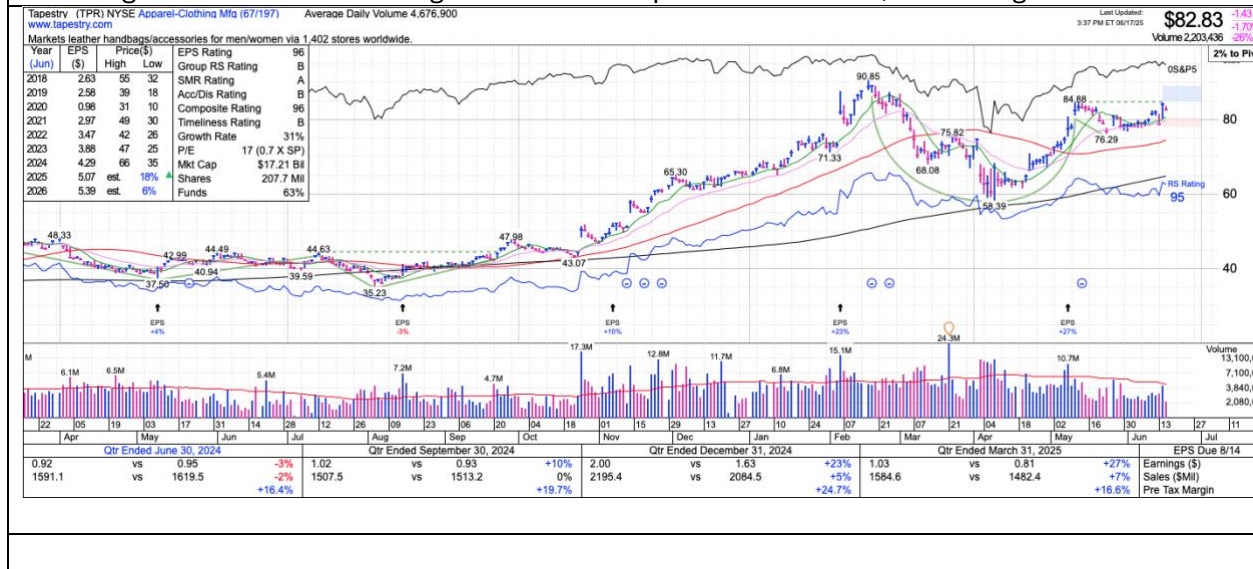
First stage consolidation. Looking for an inflection point in the in the \$110-114 range.



Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Tapestry	TPR	Model 1	Stage 1	Trader and Investor

Comments:

First stage consolidation. Looking for an inflection point in the in the \$85-88 range.



Terms and Definitions

Stock Model Type	Definition
Model 1	The stock meets current and annual earnings as well as the revenue growth standards for our investment model
Model 2	The stock meets our current earnings and revenue growth model expectations.
Model 3	The stock meets the revenue growth expectations model.
Model 4	The stock meets the high relative strength investment model. Does not yet meet the earnings or revenue growth standards.

Stock Cycles	Definition
Stage 0	The stock is in a notable downtrend and should be avoided. Usually trading below the 150 day moving average.
Stage 1	Stock is in discovery showing the first sign of consolidation usually coming off a bottom. Stock has crossed the 150 day moving average and is trending with or extending above the average.
Stage 2	The stock is in continuation of its upward trend from its discovery. The stock may experience periods of consolidation but the overall trend is up.
Stage 3	The stock is beginning to climax. The moving averages are beginning to flatten out and the stock is trading inconsistently above and below the moving average.

Stock Fit	Definition
Trader	Short-term investment horizon (holding period is days to months) Recommended Target Trader Strategy <ul style="list-style-type: none"> • Stop Loss – 5%-8% • Upside Target – 15%-25%
Investor	Longer-term investment horizon (holding period is months to years) Recommended Target Investor Strategy <ul style="list-style-type: none"> • Stop Loss- 10%-16% • Upside Target – 30%-50%

Market Trend Definitions

1. **Uptrend** – The longer-term trend of the market is up although there may be some short-term trend changes.
 - a. **Confirmed Uptrend** – The market is trending higher than the normal trajectory of the larger market upwards movement.
 - b. **Pullback** – The market is in a short-term downward movement within a longer-term upward trajectory.
2. **Downtrend** – The longer-term trend of the market is down although there may be short-term rallies withing the longer term decline.
 - a. **Confirmed Downtrend** – In the short-term, the market is trending lower than the current longer-term downward trajectory.
 - b. **Rally** – The market is in a short-term rally within a long-term trajectory.