

# Non-Consensus Alpha

— PROFITS BEYOND CONSENSUS —



By

Weekly Newsletter for June 9, 2025

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## Market Sentiment

Use market sentiment to gauge your overall market exposure.

During the week ending June 6, 2025, U.S. stock markets closed above prior week levels helped by a stronger than expected May jobs report.

### Weekly Performance:

- **Nasdaq Composite:** +2.2%
- **S&P 500:** +1.5%
- **Dow Jones Industrial Average:** +1.2%

### Key Market Drivers:

- **Labor Market Resilience:** The **May payrolls** came in at **139,000**, outpacing expectations and underscoring economic resilience—even as hiring slowed. Unemployment remained steady at **4.2%**. This bolstered equities but dampened hopes for an early Federal Reserve rate cut.
- **US-China Trade Talks:** Markets drew support from nascent trade negotiations in London, pushing sentiment higher as hopes rose for easing tariffs and mitigating recession risks
- **Tesla-Trump Discord and Big Tech:** A public clash between Elon Musk and President Trump weighed on Tesla early in the week—sending shares down ~14% intraday—before a partial recovery by week's end (Friday: +3.7%)

Overall, the markets closed the week positively, led by tech, buoyed by strong jobs data and easing trade tensions—yet sentiment remains wary of diminishing Fed stimulus and stretched valuations.

We are observing that the Nasdaq has continued to gain strength and closed above the near-term trend line. Leading stocks are beginning to move above their bases and work through overhead supply.

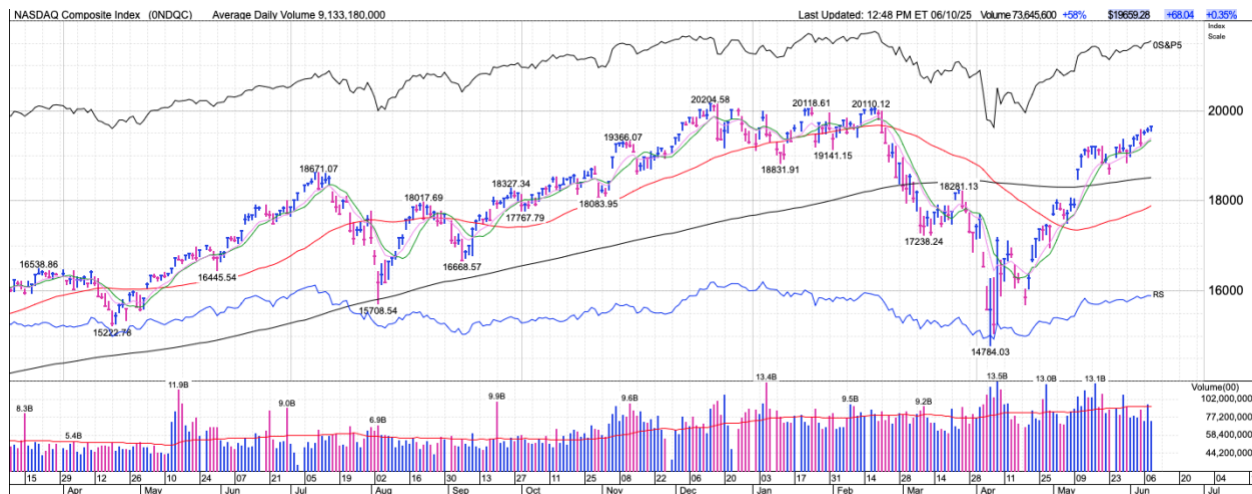
The continuing positive trajectory of the tax bill, China trade relations and the Europe trade should provide continued market stability and support for market leaders. With recent data on jobs slowing down and inflation easing, the market may be more optimistic about a potential rate cut later in the year. The market has also shrugged several challenging events such as the LA riots which demonstrates overall optimism in the market.

Overall, while the first few months of the President's term have caused the market to whipsaw at time, the policies seem to be moving the country forward.

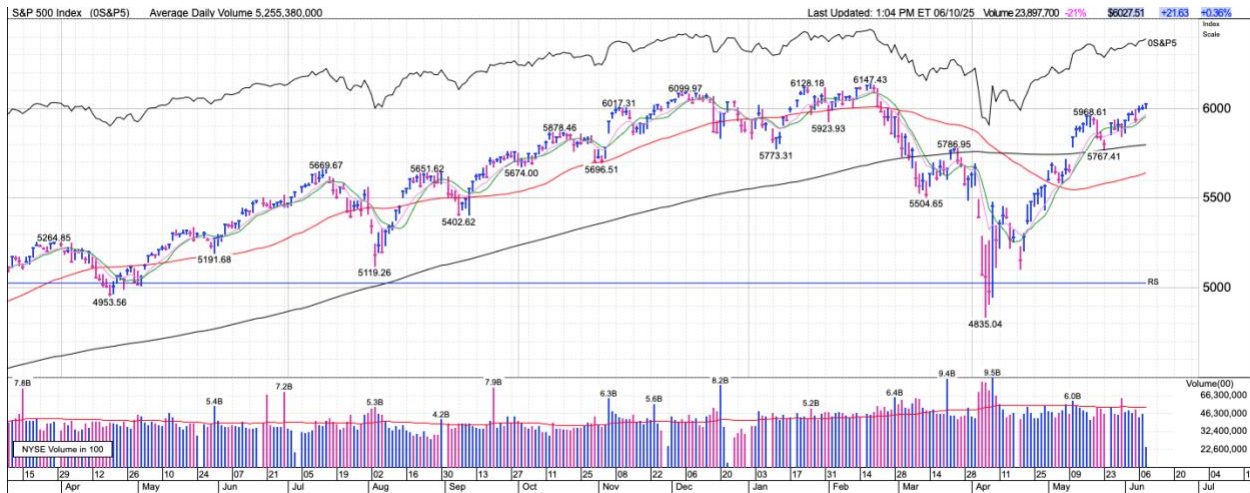
In this improving market environment investors could be 80% invested. The continued positive direction of trade talks gives and economic data gives us some confidence of the strength of the market. Downside risk limits should always be very closely observed and stop losses should be implemented on all current or new investments.

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

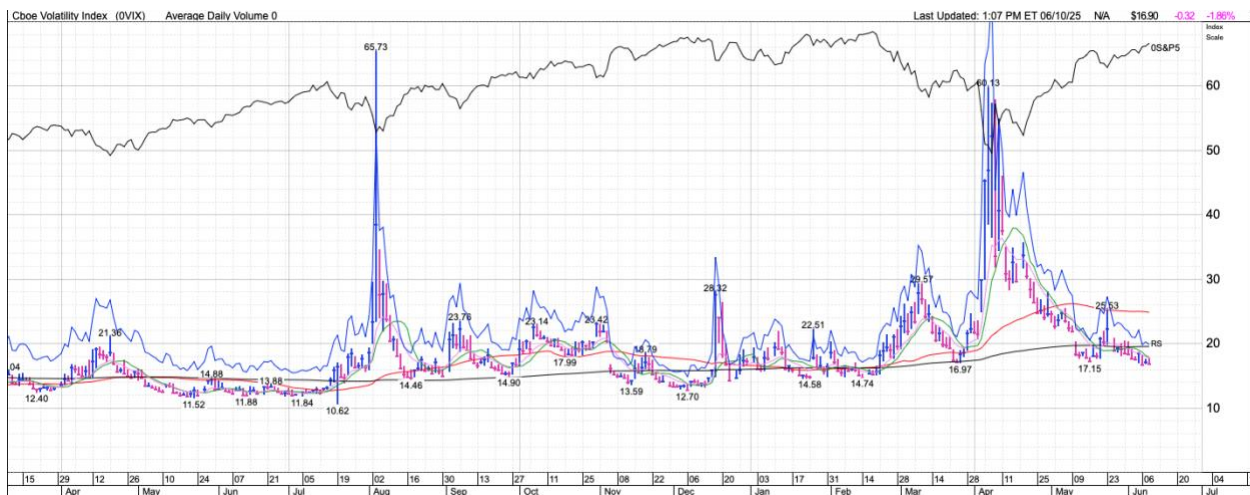
**Nasdaq – Green** – The index continues to extend above its 200 day moving average and continues the upward trajectory. Market leading stocks that weigh heavily on the Nasdaq continue to gaining strength supported by positive earnings and easing tariff challenges.



**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 continues to settle lower in alignment with the continuing settling of investor sentiment over the markets and tariff policy. While we may see some volatility until remaining tariff activity settles, it appears investors believe the worst is behind us.



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	Stop Loss		Trader Target		Investor Target		Price Today	Return
			Trader	Investor	Low	High	Low	High		
 ODDITY TECH LTD (XNAS:ODD)	3/10/25	\$ 49	\$ 46.55	\$ 44.10	\$ 56.35	\$ 61.25	\$ 63.70	\$ 73.50	\$ 77.56	58%
 ZSCALER, INC. (XNAS:ZS)	4/29/25	\$ 218	\$ 207.10	\$ 196.20	\$ 250.70	\$ 272.50	\$ 283.40	\$ 327.00	\$ 302.78	39%
 VEEVA SYSTEMS INC. (XNYS:VEEV)	2/17/25	\$ 215	\$ 204.25	\$ 193.50	\$ 247.25	\$ 268.75	\$ 279.50	\$ 322.50	\$ 287.08	34%
 SERVICETITAN, INC. (XNAS:TTAN)	3/17/25	\$ 101	\$ 95.95	\$ 90.90	\$ 116.15	\$ 126.25	\$ 131.30	\$ 151.50	\$ 107.52	30%
 Amer Sports, Inc (XNYS:AS)	3/24/25	\$ 29	\$ 27.55	\$ 26.10	\$ 33.35	\$ 36.25	\$ 37.70	\$ 43.50	\$ 37.40	29%
 GENERAL ELECTRIC COMPANY (XNYS:GE)	3/24/25	\$ 213	\$ 202.35	\$ 191.70	\$ 244.95	\$ 266.25	\$ 276.90	\$ 319.50	\$ 255.14	20%
 AGNICO EAGLE MINES LIMITED (XNYS:AEM)	3/10/25	\$ 100	\$ 95.00	\$ 90.00	\$ 115.00	\$ 125.00	\$ 130.00	\$ 150.00	\$ 118.25	18%
 ROBINHOOD MARKETS, INC. (XNAS:HOD)	6/2/25	\$ 68	\$ 64.60	\$ 61.20	\$ 78.20	\$ 85.00	\$ 88.40	\$ 102.00	\$ 76.65	13%
 MERCADOLIBRE, INC. (XNAS:MLU)	5/6/25	\$ 2,200	\$ 2,090.00	\$ 1,980.00	\$ 2,530.00	\$ 2,750.00	\$ 2,860.00	\$ 3,300.00	\$ 2,471.71	12%

## 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.)

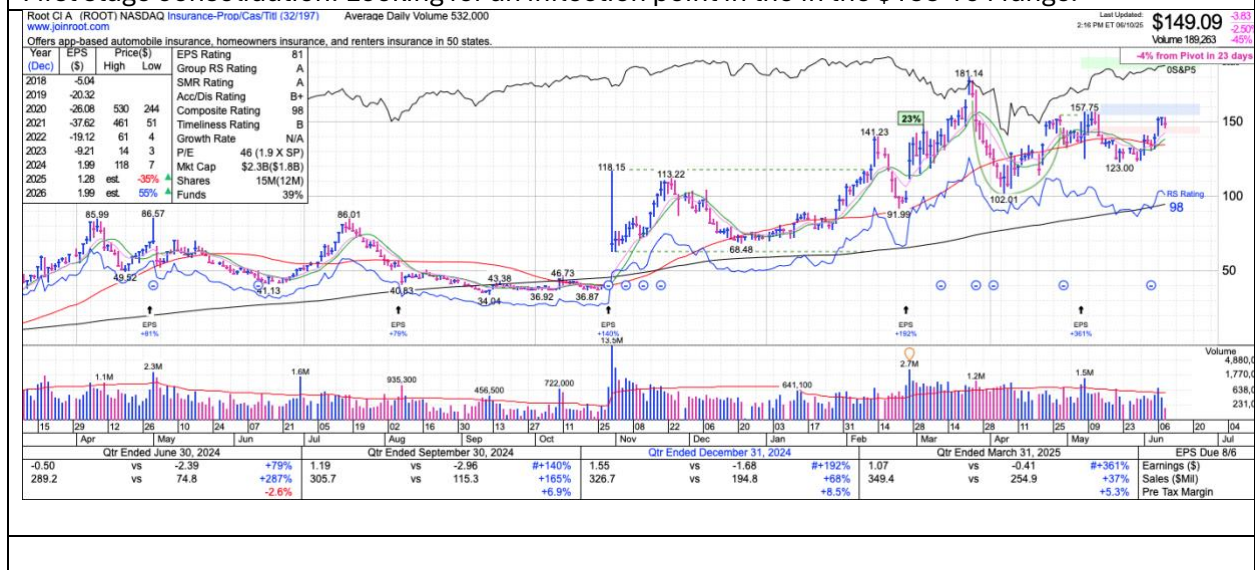
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<div><div><div>McKesson (MCK) NYSE Medical-Whistle Drg/Suppl (15/197) Average Daily Volume 1,082,100 www.mckesson.com</div><div>Distributes specialty care, healthcare products/medical supplies/equipment to pharmacies/hospitals.</div><table><tr><th>Year</th><th>EPS</th><th>Price(\$)</th><th>EPS Rating</th><th>92</th></tr><tr><td>(Mar)</td><td>(S)</td><td>High Low</td><td>Group RS Rating</td><td>A+</td></tr><tr><td>2019</td><td>13.57</td><td>154 109</td><td>SMR Rating</td><td>N/A</td></tr><tr><td>2020</td><td>14.95</td><td>187 112</td><td>Acc/Dia Rating</td><td>B</td></tr><tr><td>2021</td><td>17.21</td><td>251 169</td><td>Composite Rating</td><td>91</td></tr><tr><td>2022</td><td>23.69</td><td>401 237</td><td>Timeliness Rating</td><td>A</td></tr><tr><td>2023</td><td>25.94</td><td>476 331</td><td>Growth Rate</td><td>16%</td></tr><tr><td>2024</td><td>27.44</td><td>637 457</td><td>P/E</td><td>21 (0.9 X SP)</td></tr><tr><td>2025</td><td>33.05</td><td>731 565</td><td>Mkt Cap</td><td>\$88.19 Bn</td></tr><tr><td>2026</td><td>37.52</td><td>est. 13%</td><td>Shares</td><td>125.1 Mln</td></tr><tr><td>2027</td><td>41.90</td><td>est. 12%</td><td>Funds</td><td>50%</td></tr></table></div><div><div>Price(\$)</div><div>700 600 500</div><div>705.11 -3.11 -0.44 -3.7%</div><div>Volume 392,802 +11% from Pivot in 73 day</div><div>RS Rating 85</div><div>543.00 514.88 547.00 571.01 532.42 503.34 484.42 522.63 558.13 612.98 641.73 641.14 731.00</div><div>EPS +6% +15% +15% +6%</div><div>1.4M 1.2M 1.2M 3.0M 3.1M 2.5M 2.1M 1.9M 3.2M 2.9M</div><div>Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul</div><div>Qtr Ended June 30, 2024 7.88 vs 7.27 +8% 79.3 vs 74.5 +6% +1.6%</div><div>Qtr Ended September 30, 2024 7.07 vs 6.23 +13% 93.7 vs 77.2 +21% +1.3%</div><div>Qtr Ended December 31, 2024 8.03 vs 7.74 +4% 95.3 vs 80.9 +18% +1.5%</div><div>Qtr Ended March 31, 2025 10.12 vs 8.18 +24% 90.8 vs 76.4 +19% +1.7%</div><div>EPS Due 7/30 Earnings (\$) Sales (\$Bn) Pre Tax Margin</div></div></div>					Year	EPS	Price(\$)	EPS Rating	92	(Mar)	(S)	High Low	Group RS Rating	A+	2019	13.57	154 109	SMR Rating	N/A	2020	14.95	187 112	Acc/Dia Rating	B	2021	17.21	251 169	Composite Rating	91	2022	23.69	401 237	Timeliness Rating	A	2023	25.94	476 331	Growth Rate	16%	2024	27.44	637 457	P/E	21 (0.9 X SP)	2025	33.05	731 565	Mkt Cap	\$88.19 Bn	2026	37.52	est. 13%	Shares	125.1 Mln	2027	41.90	est. 12%	Funds	50%
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Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Root Insurance	ROOT	Model 1	Stage 2	Trader and Investor

### Comments:

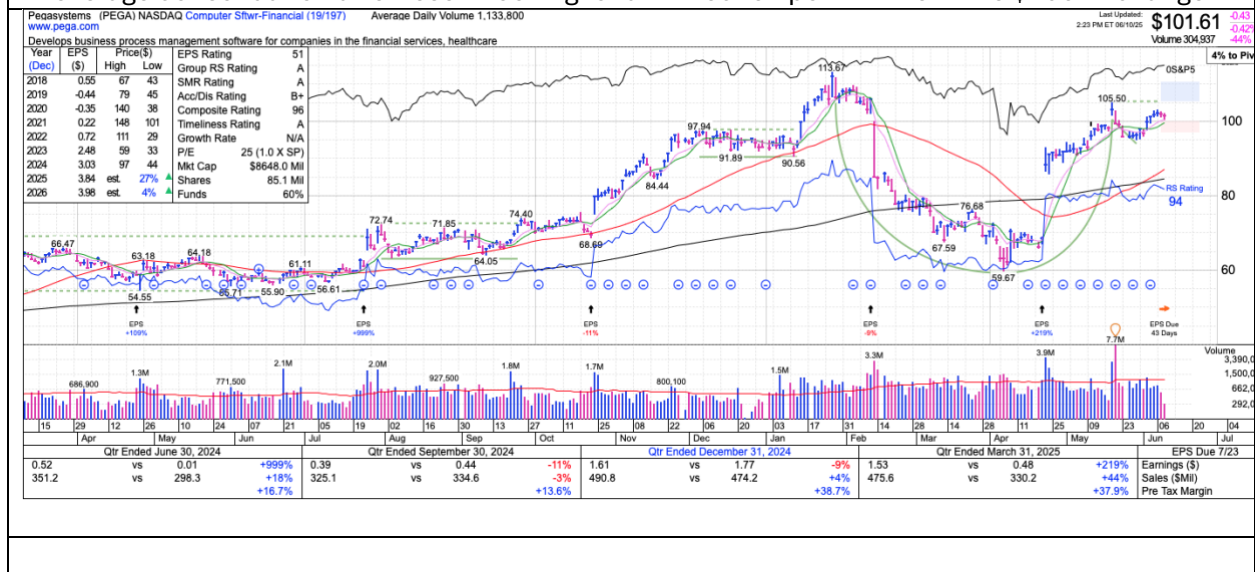
First stage consolidation. Looking for an inflection point in the in the \$158-164 range.

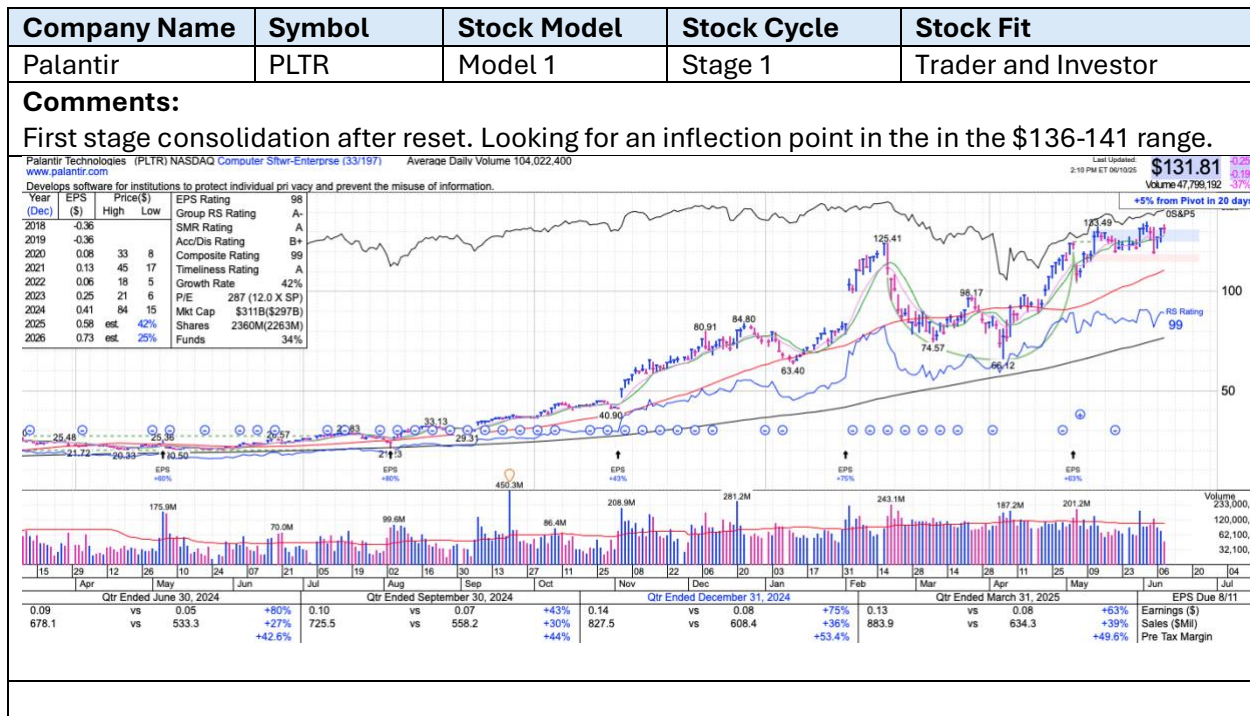
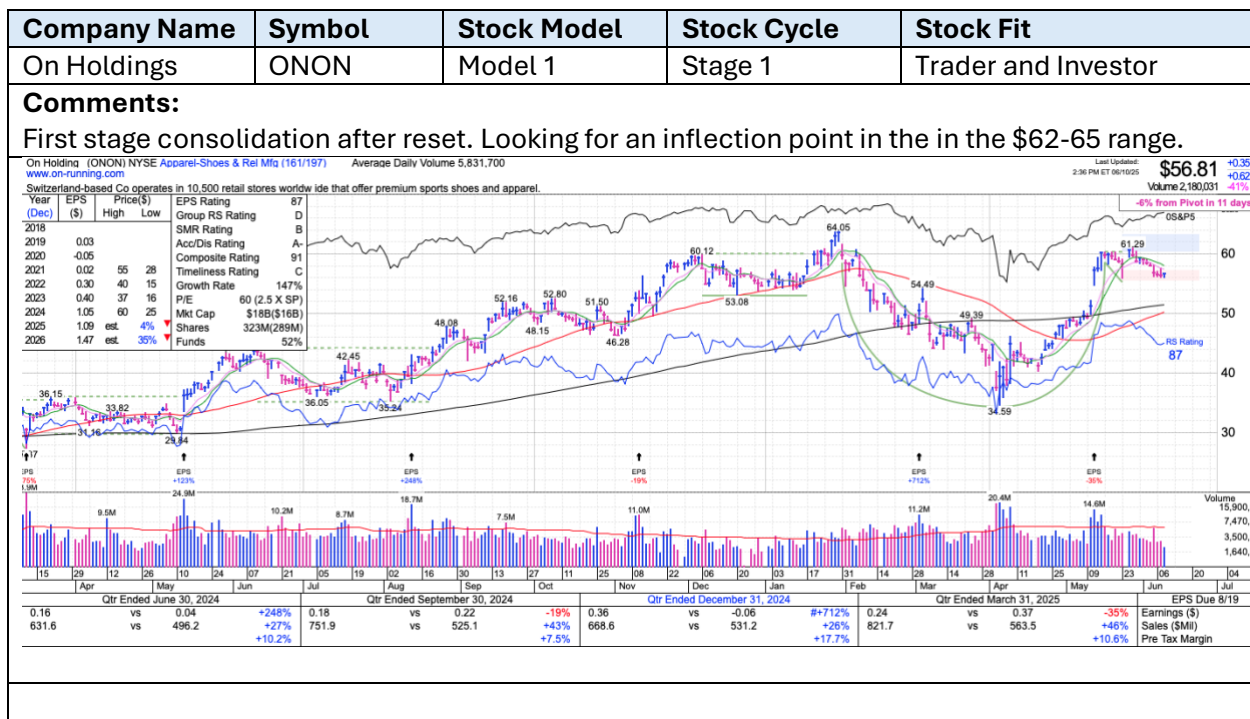


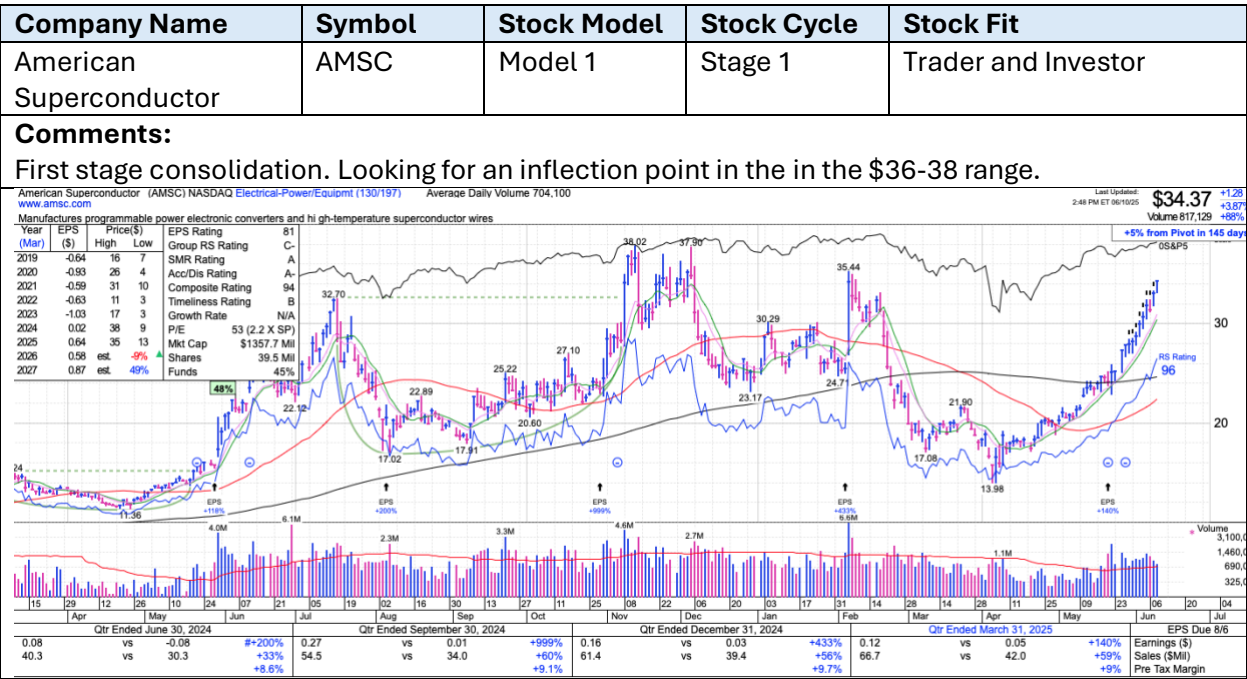
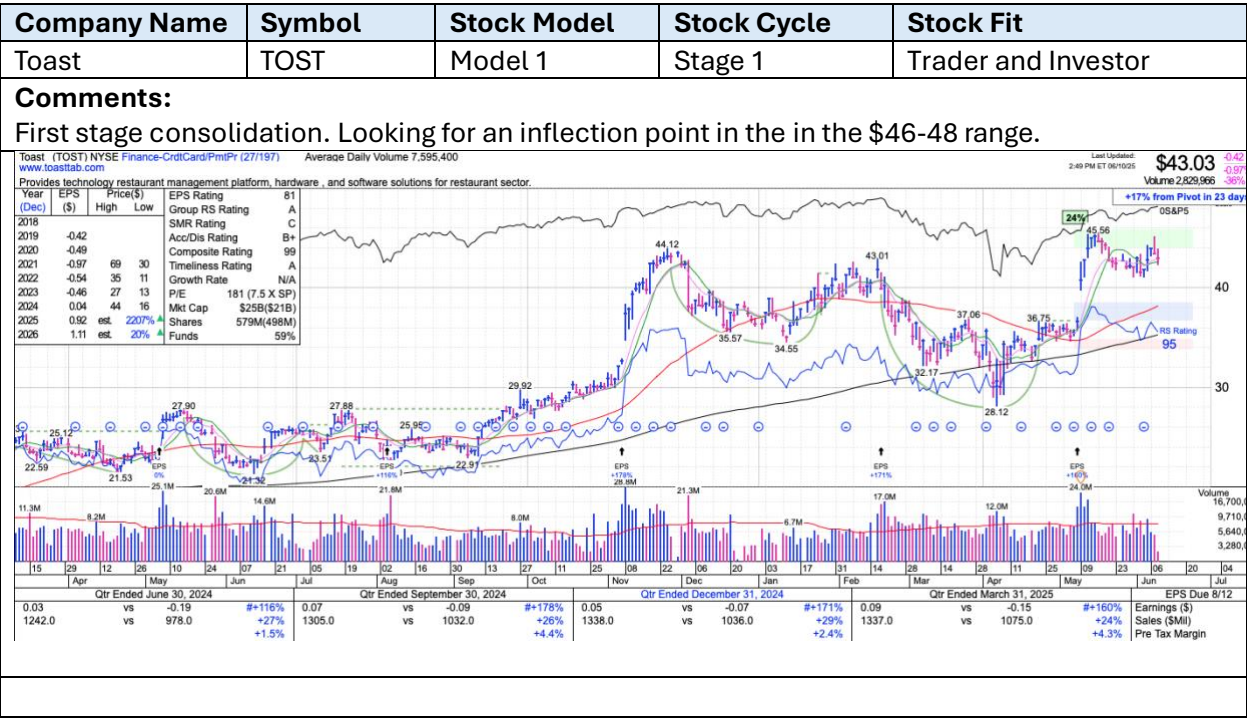
Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Pega Systems	PEGA	Model 1	Stage 1	Trader and Investor

### Comments:

First stage consolidation after reset. Looking for an inflection point in the in the \$106-110 range.







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<div>Atour Lifestyle Hldgs ADR (ATAT) NASDAQ <a href="#">Leisure-Lodging (132/197)</a> Average Daily Volume 1,583,700</div> <div>Chinese-based Co operates as franchised hotel operator with 1,209 Atour Hotels with 138,589 guest rooms.</div> <div><div><table><tr><th>Year</th><th>EPS</th><th>Price(\$)</th><th>High</th><th>Low</th><th>EPS Rating</th><th>99</th></tr><tr><td>2018</td><td></td><td></td><td></td><td></td><td>Group RS Rating</td><td>C-</td></tr><tr><td>2019</td><td>0.07</td><td></td><td></td><td></td><td>SMR Rating</td><td>A</td></tr><tr><td>2020</td><td>0.05</td><td></td><td></td><td></td><td>Acc/Dis Rating</td><td>B-</td></tr><tr><td>2021</td><td>0.18</td><td></td><td></td><td></td><td>Composite Rating</td><td>96</td></tr><tr><td>2022</td><td>0.30</td><td>18</td><td>11</td><td></td><td>Timeliness Rating</td><td>B</td></tr><tr><td>2023</td><td>0.93</td><td>29</td><td>14</td><td></td><td>Growth Rate</td><td>97%</td></tr><tr><td>2024</td><td>1.30</td><td>29</td><td>15</td><td></td><td>P/E</td><td>22 (0.9 X SP)</td></tr><tr><td>2025</td><td>1.63</td><td>est.</td><td>25%</td><td></td><td>Mkt Cap</td><td>\$4.2B(\$3.5B)</td></tr><tr><td>2026</td><td>2.03</td><td>est.</td><td>25%</td><td></td><td>Shares</td><td>138M(113M)</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td>Funds</td><td>50%</td></tr></table></div><div><table><tr><th>Qtr Ended</th><th>June 30, 2024</th><th>Qtr Ended</th><th>September 30, 2024</th><th>Qtr Ended</th><th>December 31, 2024</th><th>Qtr Ended</th><th>March 31, 2025</th><th>EPS Due</th><th>8/14</th></tr><tr><td>0.33</td><td>vs</td><td>0.25</td><td>+31%</td><td>0.40</td><td>vs</td><td>0.27</td><td>+47%</td><td>0.33</td><td>vs</td><td>0.23</td><td>+45%</td><td>0.34</td><td>vs</td><td>0.26</td><td>+31%</td><td>Earnings (\$)</td></tr><tr><td>247.3</td><td>vs</td><td>150.7</td><td>+64%</td><td>270.5</td><td>vs</td><td>177.2</td><td>+53%</td><td>285.5</td><td>vs</td><td>212.0</td><td>+35%</td><td>262.6</td><td>vs</td><td>203.3</td><td>+29%</td><td>Sales (\$M)</td></tr><tr><td></td><td></td><td></td><td>+24.4%</td><td></td><td></td><td></td><td>+27.8%</td><td></td><td></td><td></td><td>+21%</td><td></td><td></td><td></td><td>+25.2%</td><td>Pre Tax Margin</td></tr></table></div></div>					Year	EPS	Price(\$)	High	Low	EPS Rating	99	2018					Group RS Rating	C-	2019	0.07				SMR Rating	A	2020	0.05				Acc/Dis Rating	B-	2021	0.18				Composite Rating	96	2022	0.30	18	11		Timeliness Rating	B	2023	0.93	29	14		Growth Rate	97%	2024	1.30	29	15		P/E	22 (0.9 X SP)	2025	1.63	est.	25%		Mkt Cap	\$4.2B(\$3.5B)	2026	2.03	est.	25%		Shares	138M(113M)						Funds	50%	Qtr Ended	June 30, 2024	Qtr Ended	September 30, 2024	Qtr Ended	December 31, 2024	Qtr Ended	March 31, 2025	EPS Due	8/14	0.33	vs	0.25	+31%	0.40	vs	0.27	+47%	0.33	vs	0.23	+45%	0.34	vs	0.26	+31%	Earnings (\$)	247.3	vs	150.7	+64%	270.5	vs	177.2	+53%	285.5	vs	212.0	+35%	262.6	vs	203.3	+29%	Sales (\$M)				+24.4%				+27.8%				+21%				+25.2%	Pre Tax Margin
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## Terms and Definitions

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

Stock Cycles	Definition
<b>Stage 0</b>	The stock is in a notable downtrend and should be avoided. Usually trading below the 150 day moving average.
<b>Stage 1</b>	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.
<b>Stage 2</b>	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.
<b>Stage 3</b>	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
<b>Trader</b>	Short-term investment horizon (holding period is days to months) Recommended Target Trader Strategy <ul style="list-style-type: none"> <li>• Stop Loss – 5%-8%</li> <li>• Upside Target – 15%-25%</li> </ul>
<b>Investor</b>	Longer-term investment horizon (holding period is months to years) Recommended Target Investor Strategy <ul style="list-style-type: none"> <li>• Stop Loss- 10%-16%</li> <li>• Upside Target – 30%-50%</li> </ul>

## 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.