

Non-Consensus Alpha

— PROFITS BEYOND CONSENSUS —

By  RTS CAPITAL
MANAGEMENT

Weekly Newsletter for July 7, 2025

Market Sentiment

Use market sentiment to gauge your overall market exposure.

Over the holiday-shortened week, the major US indices closed higher and continued to make fresh highs. A strong jobs report, easing trade tensions and corporate share repurchase programs drove market gains.

Weekly Performance:

- **Nasdaq Composite:** +1.6%
- **S&P 500:** +1.7%
- **Dow Jones Industrial Average:** +2.3%

Key Market Drivers:

1. **Strong Jobs Reports:** June payrolls exceeded expectations with ~147,000 new jobs added (vs. ~110,000 expected), and the unemployment rate dipped to 4.1 %(). This reinforced confidence in economic resilience but dampened hope for imminent Fed rate cuts.
2. **Easing Trade Tensions:** Markets rallied on optimism after reports of potential tariff de-escalation—particularly with Vietnam—and with the U.S. reaching preliminary agreements in trade talks. A looming July 9 tariff deadline loomed over markets, but the week closed with fading tension.
3. **Retail Buying and Corporate Buybacks:** Amplifying the move higher, retail investors poured in while corporations continued share repurchase programs—even though institutions remained conservatively positioned.

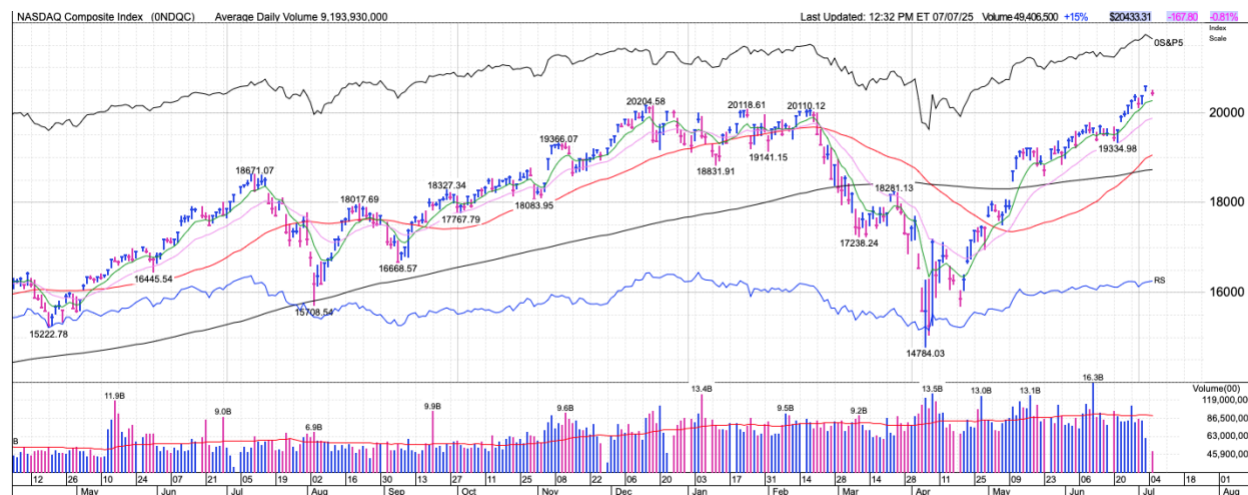
The markets continue to show strength moving up to new highs. Key data likely to move the market forward will include Tariff pause expiration news, results from Q2 earnings season early releases such as JP Morgan and CPI/PPI or employment data which could recalibrate

expectations around Fed policy direction. Historically, July is a strong month for the market averaging +2.5% gain in the S&P but we need to continue to monitor volatility. With solid but not overheating jobs and easing tariff fears and easing tariff fears, markets may continue grinding higher, though volatility should remain front and center.

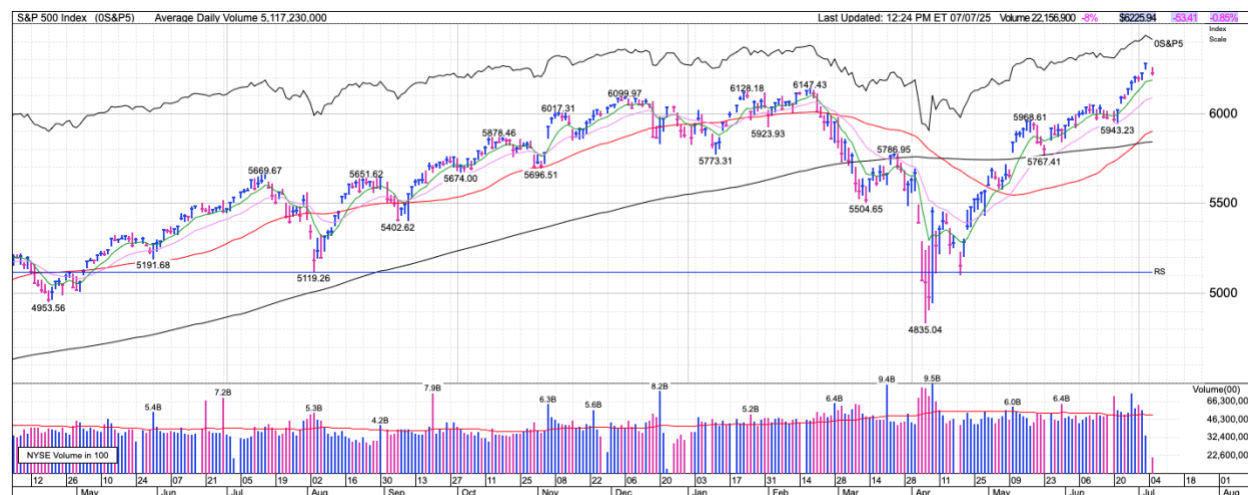
In this market environment investors could continue to be 100% invested. Although the market continues to be relatively resilient through challenging headlines, political and world events investors should continue to manage downside risk limits by establishing and observing stop losses on all investments.

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

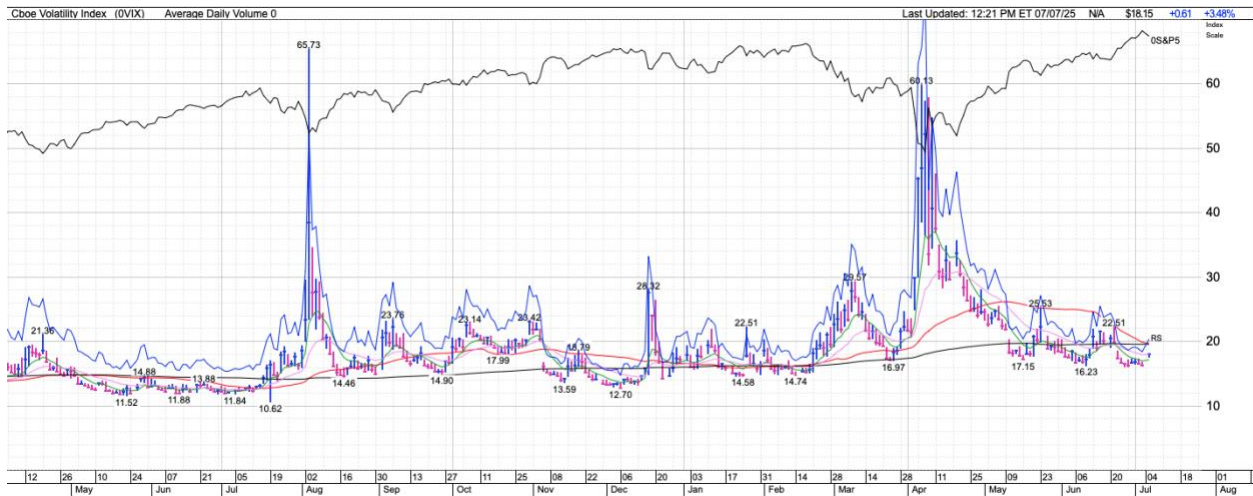
Nasdaq – Green – The index continued higher last week to record highs. The index continues to behave relatively well showing good resiliency.



S&P 500 – Green – In line with the Nasdaq the S&P 500 rallied to record highs last week.



VIX – Green – The VIX closed the week at 16.38 and may rise a bit due to tariff news, economic data and corporate earnings. We will continue to monitor the market’s reaction to these topics and see whether further market instability is observed and becomes a trend.



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.

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
Futu Holdings	FUTU	Model 1	Stage 1	Trader and Investor

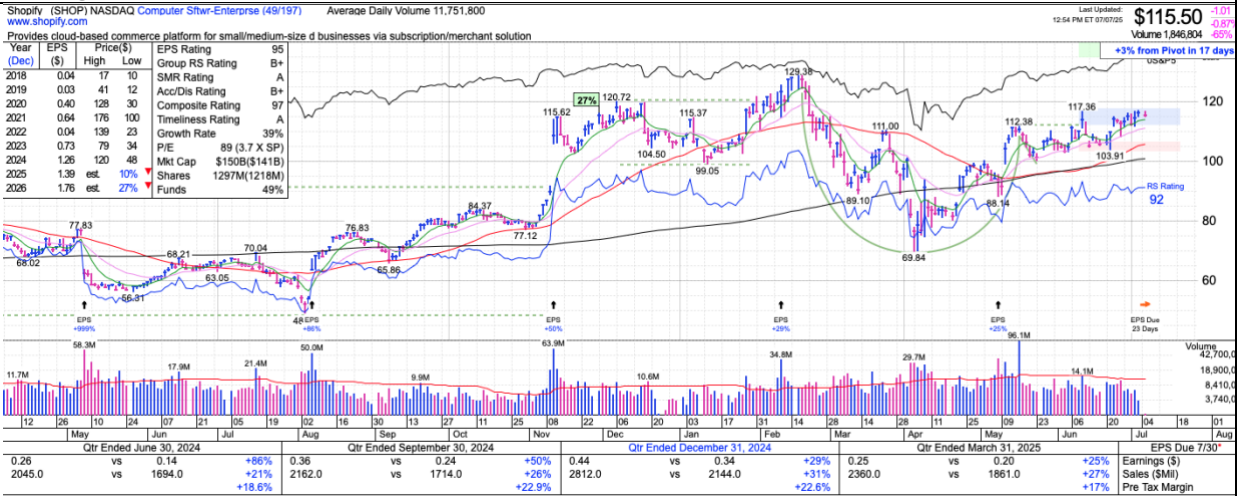
Comments:

China based company that offers an online brokerage platform and demonstrating consistently strong sales and EPS growth. First stage consolidation. Looking for an inflection point in the in the \$128-133 range.

Futu stands out because it makes investing easy and affordable through its sleek, all-in-one trading app, mainly serving investors in Asia. It combines low fees, real-time data, research tools, and a strong user community to give people everything they need to trade stocks and manage money. The app is beginner-friendly but also powerful enough for experienced traders, which helps attract a wide range of users. This strong digital experience and focus on financial education are why Futu keeps growing faster than many traditional brokers.

China's stock market is rebounding as economic growth improves, stimulus measures support equities, and investor sentiment turns more positive, especially with retail trading activity on the rise. Futu is well-positioned to benefit from this trend thanks to its user-friendly trading platform, strong earnings growth, and increasing retail investor demand in China and Hong Kong.

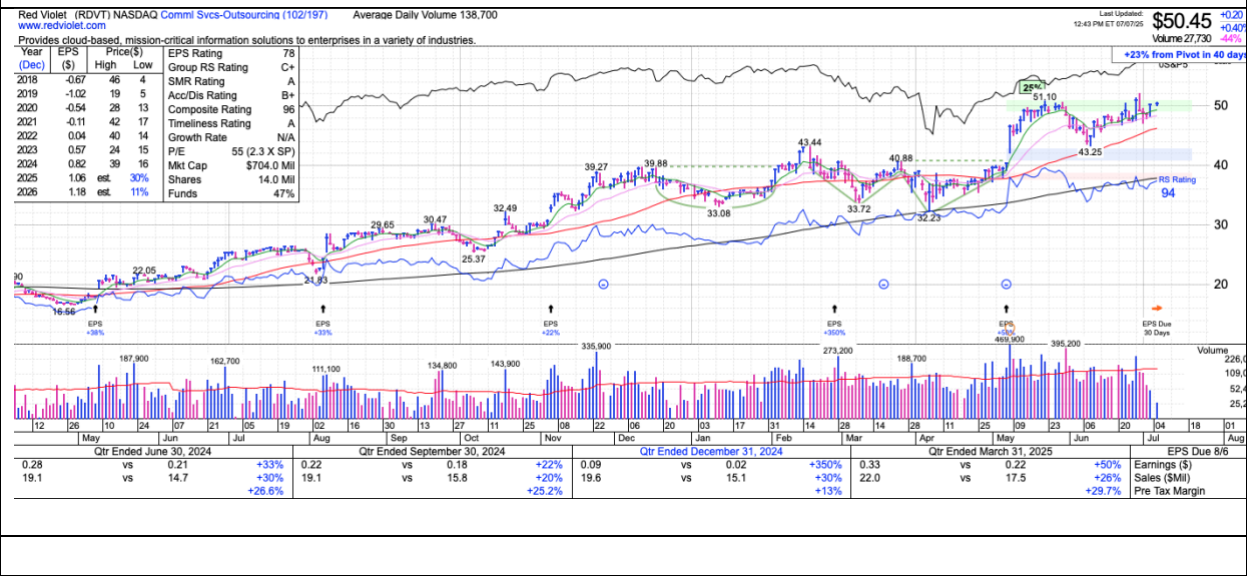




Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Red Violet	RDVT	Model 1	Stage 1	Trader and Investor

Comments:
Data provider that delivers mission-critical solutions to a variety of data dependent businesses. First stage consolidation. Looking for an inflection point in the in the \$52-54 range.

Red Violet stands out because it helps businesses find and understand people and companies by turning massive amounts of public and private data into clear, useful insights. Its platform is used to detect fraud, screen tenants, verify identities, and support investigations—all in real time. It's known for being fast, accurate, and easy to use, which keeps customers coming back. That strong data engine and loyal customer base are what allow Red Violet to grow steadily and stand out from the competition. Its competitive advantage comes from proprietary technology and vast, curated data sources that provide deeper insights with better speed and precision than most competitors.

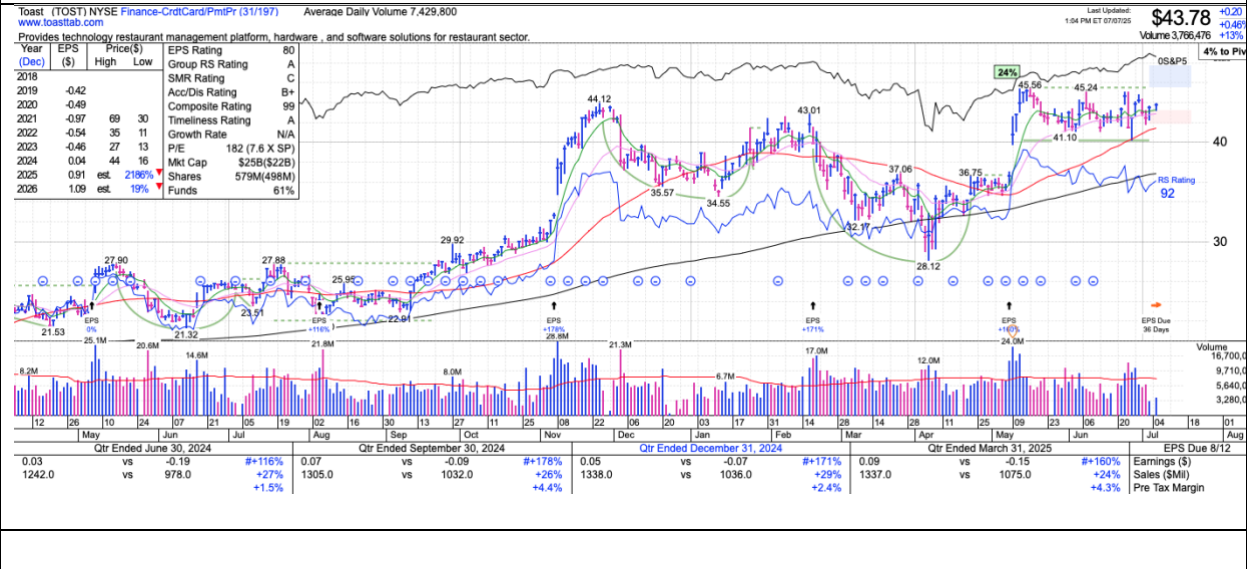


Company Name	Symbol	Stock Model	Stock Cycle	Stock Fit
Toast	TOST	Model 1	Stage 1	Trader and Investor

Comments:














Provides technology restaurant management platform, hardware and software solutions. First stage consolidation. Looking for an inflection point in the in the \$46-48 range.

Toast stands out because it gives restaurants everything they need to run their business in one easy-to-use system—from taking orders and handling payments to managing staff and tracking sales. It’s made just for restaurants, so it fits their needs better than generic systems. Because it helps owners save time, make smarter decisions, and run more smoothly, they tend to stick with it. This all-in-one setup is why Toast keeps growing faster than its competitors.



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	\$ 46.55	\$ 44.10	\$ 56.35	\$ 61.25	55%
 ZSCALER, INC. (XNAS:ZS)	4/29/25	\$ 218	\$ 207.10	\$ 196.20	\$ 250.70	\$ 272.50	44%
 ROBINHOOD MARKETS, INC. (XNAS:HOOD)	6/2/25	\$ 68	\$ 64.60	\$ 61.20	\$ 78.20	\$ 85.00	38%
 Amer Sports, Inc (XNYS:AS)	3/24/25	\$ 29	\$ 27.55	\$ 26.10	\$ 33.35	\$ 36.25	32%
 VEEVA SYSTEMS INC. (XNYS:VEEV)	2/17/25	\$ 215	\$ 204.25	\$ 193.50	\$ 247.25	\$ 268.75	32%
 SERVICETITAN, INC. (XNAS:TTAN)	3/17/25	\$ 101	\$ 95.95	\$ 90.90	\$ 116.15	\$ 126.25	30%
 AGNICO EAGLE MINES LIMITED (XNYS:AEM)	3/10/25	\$ 100	\$ 95.00	\$ 90.00	\$ 115.00	\$ 125.00	22%
 GENERAL ELECTRIC COMPANY (XNYS:GE)	3/24/25	\$ 213	\$ 202.35	\$ 191.70	\$ 244.95	\$ 266.25	16%
 BROADCOM INC. (XNAS:AVGO)	5/27/25	\$ 237	\$ 225.15	\$ 213.30	\$ 272.55	\$ 296.25	16%
 MERCADOLIBRE, INC. (XNAS:MELI)	5/6/25	\$ 2,200	\$ 2,090.00	\$ 1,980.00	\$ 2,530.00	\$ 2,750.00	13%
 Amsc ASA (XOSL:AMSC)	6/9/25	\$ 36	\$ 34.20	\$ 32.40	\$ 41.40	\$ 45.00	11%
 CROWDSTRIKE HOLDINGS, INC. (XNAS:CRWD)	5/6/25	\$ 456	\$ 433.20	\$ 410.40	\$ 524.40	\$ 570.00	10%
 PALANTIR TECHNOLOGIES INC. (XNAS:PLTR)	5/12/25	\$ 126	\$ 119.70	\$ 113.40	\$ 144.90	\$ 157.50	10%

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.