ETFSector.com
Sector Dashboard:
Financial Sector

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Industry Level Dashboard

ETFSECTOR.COM | INDUSTRY LEVEL DASHBOARD | FINANCIAL SECTOR

Sector/Industry	CAP WTD EARNINGS GROWTH	VALUATION ADJUSTED EARNINGS GROWTH	VOLATILITY ADJUSTED INCOME	MOMENTUM
40 Financials	0.00	-0.09	1.82	1.37
401010 Banks	0.01	-2.57	2.34	3.64
402010 Financial Services	-0.05	4.58	0.49	1.25
402020 Consumer Finance	0.05	0.05	0.79	16.65
402030 Capital Markets	0.14	2.03	1.68	2.39
403010 Insurance	-0.12	-3.00	2.45	-3.53

The sector isn't pretty to look at for those that think price follows earnings as projected losses in the Banking and Insurance Industries over the next 12-months skew the sector negative

At the Industry level, Capital Markets project to have the cheapest earnings growth while Consumer Finance stocks have strong 6-month momentum

The sector in general has positive momentum despite a headwind to Insurance stocks which have struggled since 2023

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

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Banking Industry

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?
	401010 Banks										
C		0.25	0.24	2.4	1.66	18.7	Bullish Reversal	5.1	0.9		
WFC		0.11	0.17	0.8	1.38	18.5	Bullish Reversal	4.2	0.9		
JPM		-0.06	-0.26	-0.4	1.30	13.2	Uptrend	3.8	1.1		
MTB		0.11	0.02	1.0	2.85	4.7	Bullish Reversal	-1.5	-1.5		
BAC		0.16	0.33	1.3	1.34	4.1	Bullish Reversal	-1.4	-2.8		
CFG		0.27	0.03	2.3	2.25	3.6	Bullish Reversal	-1.8	-2.8		
TFC		0.21	0.08	1.9	3.59	1.5	Consolidation	-0.3	-0.9		
HBAN		0.15	0.02	1.3	2.77	1.1	Bullish Reversal	-2.8	-3.3		
PNC		0.12	0.06	1.0	2.52	-0.9	Bullish Reversal	-4.0	-4.0		
FITB		0.17	0.03	1.4	2.34	-2.2	Consolidation	-2.3	-1.5		
RF		0.17	0.02	1.6	2.71	-2.8	Consolidation	-3.5	-2.9		
KEY		-5.61	-0.66	-49.4	2.90	-5.6	Consolidation	-3.9	-3.5		
USB		0.15	0.07	1.4	2.77	-6.6	Consolidation	-4.6	-4.1		

The biggest banks enjoy the strongest momentum

KEY drags down the earnings profile of the industry

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Financial Services Industry

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?
	402010 Financial Services										
FI		0.90	0.74	4.0	0.00	21.2	Uptrend	8.6	6.2		
V		0.18	0.67	0.6	0.53	14.4	Bullish Reversal	6.8	4.0		
APO		0.14	0.08	0.8	0.59	10.5	Uptrend	-6.5	-8.0		
MA		0.14	0.45	0.4	0.37	7.1	Bullish Reversal	3.8	2.7		
CPAY		0.51	0.08	3.0	0.00	6.0	Bullish Reversal	0.4	-0.6		
BRK.B		-0.54	-3.48	-2.3	0.00	-1.3	Consolidation	2.6	2.4		
PYPL		0.26	0.12	1.8	0.00	-5.7	Bullish Reversal	-9.6	-10.1		NT OVERSOLD
JKHY		0.12	0.01	0.4	1.16	-5.8	Consolidation	-1.3	-0.1		
FIS		3.05	0.71	25.0	1.42	-16.1	Consolidation	-11.7	-8.7		
GPN		1.01	0.16	12.1	0.87	-17.9	Consolidation	-5.5	-5.3		

FI, V and MA continue to be strong in the near-term, while APO is nearing a rare oversold condition in a strong longer-term trend

FIS and GPN are potentially bargains based on low valuation adjusted earning but momentum is still against them in the near-term

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Consumer Finance Industry

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?
	402020 Consumer Finance										
DFS		-0.22	-0.07	-1.6	0.87	26.7	Bullish Reversal	5.8	1.6		
COF		0.33	0.16	2.5	0.75	21.5	Bullish Reversal	5.7	2.2		
SYF		-0.10	-0.02	-1.3	0.87	11.9	Bullish Reversal	-5.1	-7.5		
AXP		0.09	0.12	0.5	0.67	6.6	Uptrend	-2.3	-4.2		

Consumer Finance stocks have had strong intermediate-term momentum

AXP is in near-term consolidation while COF continues to look cheap relative to its projected earnings growth

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Capital Markets Industry

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?
	402030 Capital Markets										
BK		0.19	0.07	1.5	1.55	21.5	Bullish Reversal	6.5	4.1		
GS		0.15	0.18	1.1	1.21	16.4	Bullish Reversal	2.9	0.1		
MS		0.09	0.13	0.6	1.95	16.0	Bullish Reversal	0.6	-2.1		
NTRS		-0.16	-0.02	-1.2	1.78	14.8	Bullish Reversal	5.5	3.6		
CME		0.09	0.05	0.4	9.58	10.8	Consolidation	5.2	4.6		
STT		0.19	0.03	1.9	1.63	9.2	Bullish Reversal	1.4	-0.1		
NDAQ		0.66	0.19	2.6	1.05	8.4	Bullish Reversal	2.0	1.4		
SCHW		0.41	0.37	2.2	1.08	8.2	Bullish Reversal	3.0	1.6		
RJF		0.14	0.03	1.0	0.81	7.5	Bullish Reversal	-4.2	-6.3		
AMP		0.16	0.05	1.2	0.68	5.2	Uptrend	-1.0	-1.7		
MCO		0.25	0.14	0.7	0.33	2.4	Bullish Reversal	2.0	1.4		
ICE		0.40	0.24	1.6	0.79	2.0	Consolidation	5.8	6.1		
SPGI		0.39	0.40	1.3	0.43	1.8	Consolidation	3.6	3.3		
BLK		0.13	0.12	0.6	1.15	0.0	Bullish Reversal	-2.7	-2.6		
IVZ		0.59	0.03	6.3	2.11	-1.7	Consolidation	-2.3	-2.6		
BX		0.57	0.41	2.1	1.27	-2.3	Bullish Reversal	-7.7	-7.4		
KKR		0.78	0.57	3.5	0.22	-2.9	Uptrend	-10.5	-10.9		NT OVERSOLD
FDS		0.23	0.03	0.9	0.87	-3.2	Consolidation	-1.0	-0.4		
CBOE		0.25	0.03	1.1	2.95	-4.7	Consolidation	3.6	4.5		
MSCI		0.21	0.06	0.6	0.69	-6.8	Consolidation	-2.2	-1.8		
TROW		0.00	0.00	0.0	2.45	-11.2	Consolidation	-5.6	-4.5		
BEN		1.53	0.10	16.6	2.94	-11.8	Downtrend	-0.5	1.1		
MKTX		0.04	0.00	0.1	1.03	-24.6	Support	-12.7	-7.3		

KKR looks like a potential accumulation opportunity registering a near-term oversold signal in an uptrend price structure

A number of these stocks score highly on our Vol. Adjusted Income metric including CME, CBOE, TROW and BEN

Insurance Industry

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?
	403010 Insurance										
AJG		0.80	0.42	2.9	0.82	8.6	Consolidation	7.7	7.1		
PGR		0.03	0.03	0.2	2.34	8.1	Uptrend	6.1	6.2		
AON		0.38	0.20	1.7	0.66	5.3	Consolidation	4.6	4.6		
GL		0.15	0.01	1.6	1.06	5.0	Bullish Reversal	5.9	3.1		
WTW		-18.90	-3.89	-99.9	1.17	4.7	Bullish Reversal	2.8	2.1		
BRO		0.21	0.04	0.8	0.47	4.1	Consolidation	4.6	4.9		
MET		0.58	0.20	6.8	2.49	-1.2	Consolidation	-2.5	-2.7		
MMC		0.18	0.13	0.8	1.47	-1.6	Retracement	3.7	4.3		
PFG		0.26	0.03	2.6	2.77	-2.0	Consolidation	2.4	2.9		
WRB		0.00	0.00	0.0	2.15	-2.2	Consolidation	2.0	2.7		
AIG		0.24	0.07	2.0	2.26	-3.3	Consolidation	2.9	3.1		
TRV		-0.15	-0.05	-1.2	2.10	-3.8	Consolidation	-1.4	-0.9		
ALL		0.05	0.02	0.5	7.20	-4.2	Consolidation	-2.5	-1.3		
L		#N/A	#N/A	#N/A	#N/A	-5.1	Consolidation	-1.4	-1.4		
CINF		-0.63	-0.08	-2.6	2.78	-5.3	Retracement	-3.7	-2.3		
AFL		-0.29	-0.10	-1.9	2.00	-5.4	Consolidation	-3.0	-1.6		
HIG		0.08	0.02	0.9	1.85	-5.6	Consolidation	-1.1	0.2		
AIZ		0.14	0.01	1.1	2.27	-6.0	Bullish Reversal	-4.1	-3.7		
CB		-0.06	-0.04	-0.5	2.05	-8.7	Consolidation	-2.0	-0.3		
PRU		0.90	0.22	11.6	3.33	-12.3	Consolidation	-6.6	-5.1		
ACGL		-0.30	-0.06	-2.7	5.36	-15.8	Retracement	-6.2	-3.3		
ERIE		0.35	0.04	1.3	2.29	-16.2	Support	-6.7	-3.4		
EG		0.55	0.05	8.2	5.05	-18.1	Support	-5.2	-3.3		

AJG and PGR remain very strong stocks while much of the industry has rolled over as risk appetite has increased and higher volatility exposures have been preferred

Insurance stocks are another source of strong vol. adjusted income, and we would expect their performance to improve if a deeper correction materializes

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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.