

## 2nd Quarter Stock Study –

The NLC (Northern Lights Chapter of BetterInvesting®) conducts quarterly stock studies. You can find previous stock studies on our website at: <https://www.betterinvesting.org/chapters/northern-lights/news-articles>

There are four main areas of study for us investors: finding stocks to study, analyzing those stocks, buying the right amount, and portfolio management (knowing when to sell or place a trailing stop-loss order).

Our **first step** is finding stocks to study, and to do so, I use Relative Strength (RS). RS in the stock market is a strategy that compares a stock's or security's performance against a benchmark, such as a market index (e.g., the S&P 500). It helps investors identify which securities are outperforming or underperforming relative to the market. If our portfolios are not outperforming the market, we can save ourselves a lot of time and effort by just investing in an ETF (exchange-traded fund) like the SPY. I encourage you to compare your portfolio's annualized return on investment (ARO) with the S&P 500's ARO or another index of your choice.

	Sector	Industry	Company	Size	BI recommends	Your Portfolio
1					25% small	(total small / total companies)*100 =
2					50% mid	(total mid / total companies)*100 =
3					25% large	(total large / total companies)*100 =
4						
.....						
20						
			12 - 20 companies			

Know the composition of your portfolio before looking for new companies

Portfolio template

The screenshot shows the Yahoo Finance website interface. The 'Markets' tab is selected in the top navigation bar. A dropdown menu is open under 'Markets', showing various market categories. The 'Sectors' option is highlighted in blue. To the right of the 'Sectors' dropdown, a list of eleven sectors is displayed: Technology, Financial services, Consumer cyclical, Communication services, Healthcare, Industrials, Consumer defensive, Energy, Basic materials, Real estate, and Utilities.

Click on Sectors to see all or go to a specific sector to the right

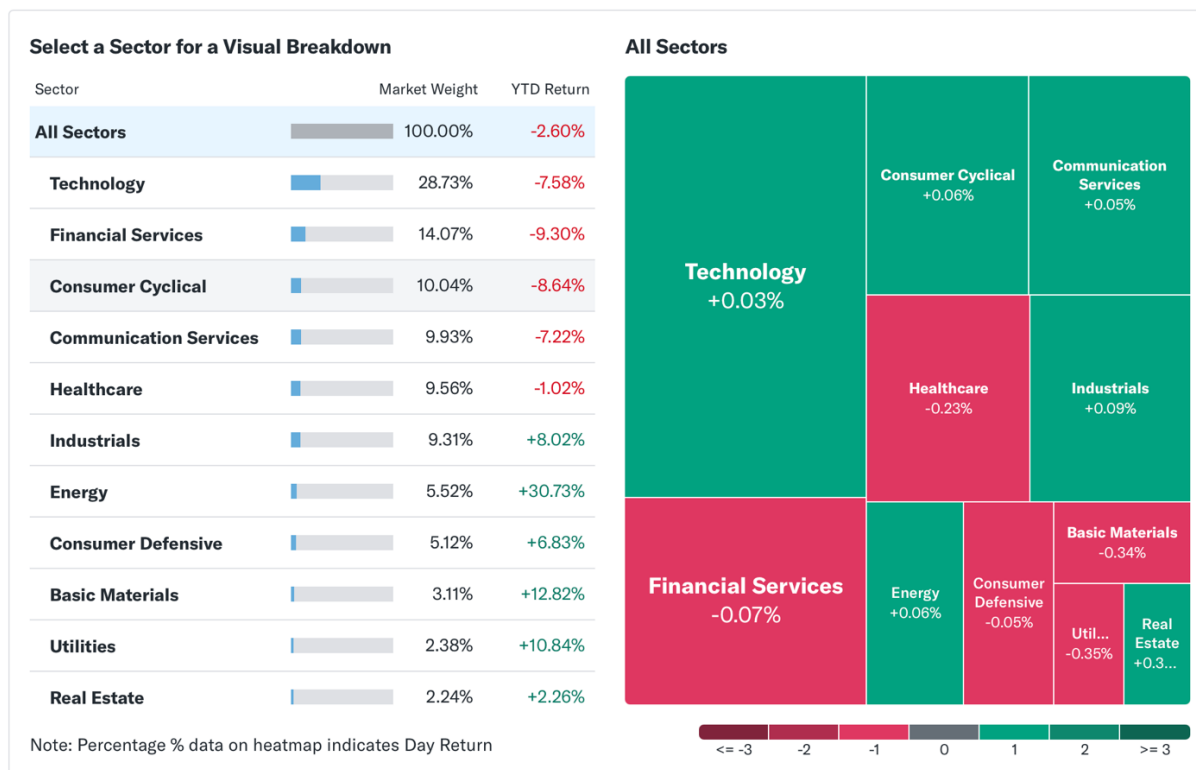
There are two websites I have found that give me RS: [www.stockcharts.com](http://www.stockcharts.com) and [www.finance.yahoo.com](http://www.finance.yahoo.com). One of the benefits of using Yahoo is that they use the same data source as BetterInvesting®, the Morningstar Global Equity Classification System. Another website, [www.finviz.com](http://www.finviz.com), also uses Morningstar data, but only gives me strength, not relative strength. I am going to focus on Yahoo's website. At Yahoo, click on Markets and go to Sectors. You can click on a specific sector, but I want to see all eleven, so I click on Sectors.

This screenshot is from April 4th, 2026.

## Sectors

Sectors represent large sections of the economy and include multiple companies. Explore different sector performances below to analyze the economy as a whole.

Sectors	Industries	Market Cap
11	145	74.957T



We see a definition of Sectors, the Market Weight of each sector, and the YTD Return for each. Note that the heat map represents only the day's return. When choosing a sector to start your research, be sure it fits your portfolio's diversification. With only 11 sectors, there can be more than one holding per sector, but be careful not to overweigh a sector. Clicking on a sector in the Heat Map will default to a 6-month chart showing the sector and its RS compared to the S&P 500. Click on 1M to see RS in a more recent time frame. We get a description of the sector, the number of Industries and Companies within the sector. Even though the Technology Sector (below) in this example is outperforming the S&P 500 Index, it is showing a negative 3.0% return for the prior month. We want to find a sector that is both outperforming the S&P 500 and giving a positive return over the last month. To do this, repeat the above procedure for the remaining 10 sectors by clicking on Sectors at the top and choosing the next sector in the Heat Map. On April 4th, 2026, the only sector that was outperforming the S&P 500 and gave a positive return over the last month was the Energy Sector. We will see which sector(s) are doing so on May 2nd.

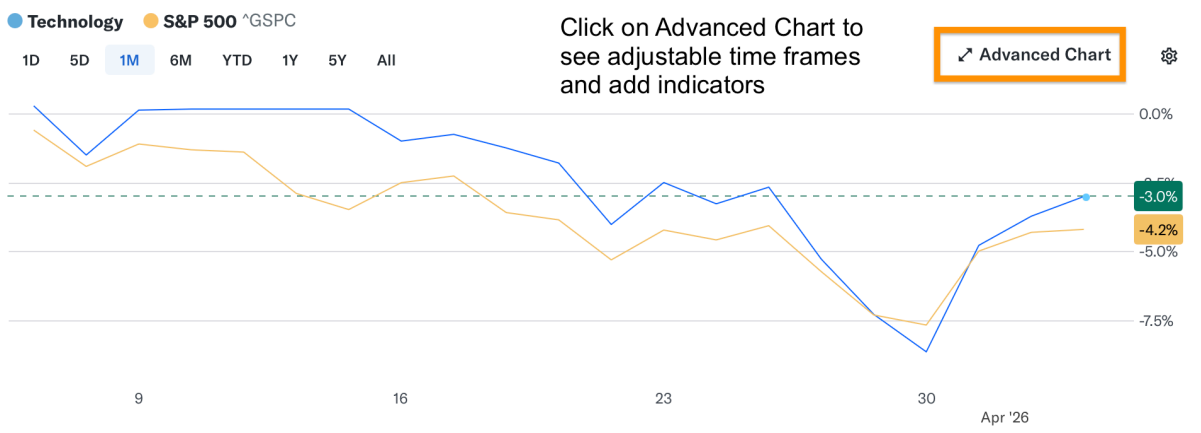
< Sectors **Technology**

## Technology

Companies engaged in the design, development, and support of computer operating systems and applications. This sector also includes companies that make computer equipment, data storage products, networking products, semiconductors, and components. Companies in...

Market Cap	Market Weight	Industries	Companies
<b>21.538T</b>	<b>28.73%</b>	<b>12</b>	<b>828</b>

▼ Show More

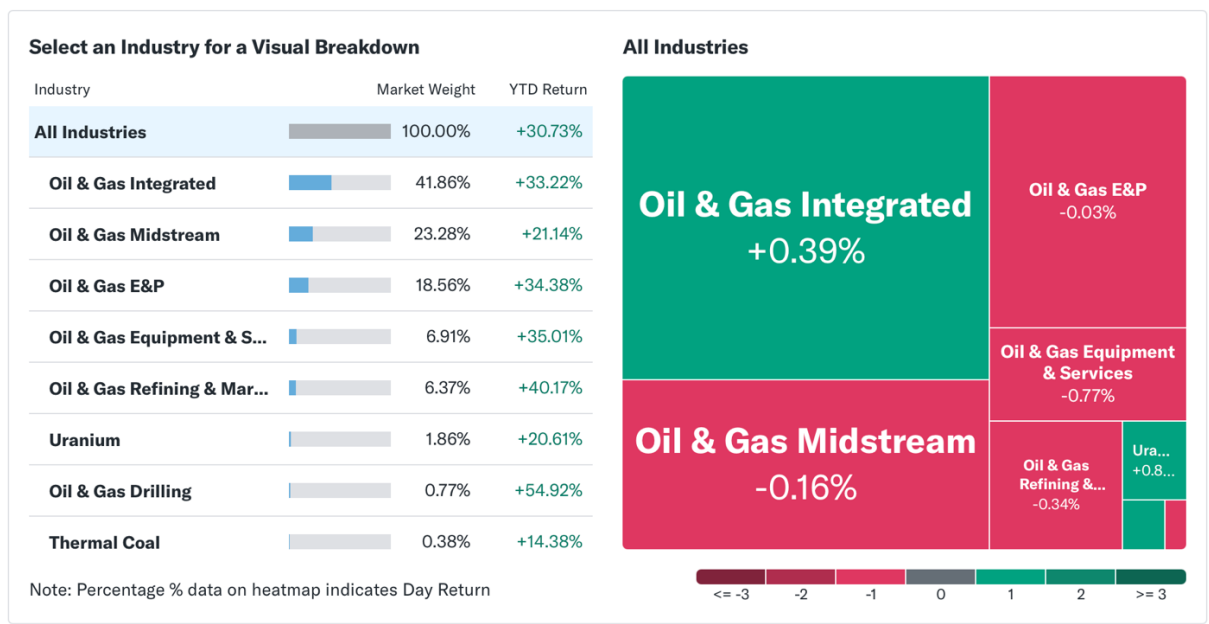


Day Return	YTD Return	1-Year Return	3-Year Return	5-Year Return
Sector: +0.03% S&P 500: +0.11%	Sector: -7.58% S&P 500: -4.55%	Sector: +42.24% S&P 500: +16.86%	Sector: +92.55% S&P 500: +60.19%	Sector: +95.33% S&P 500: +61.42%

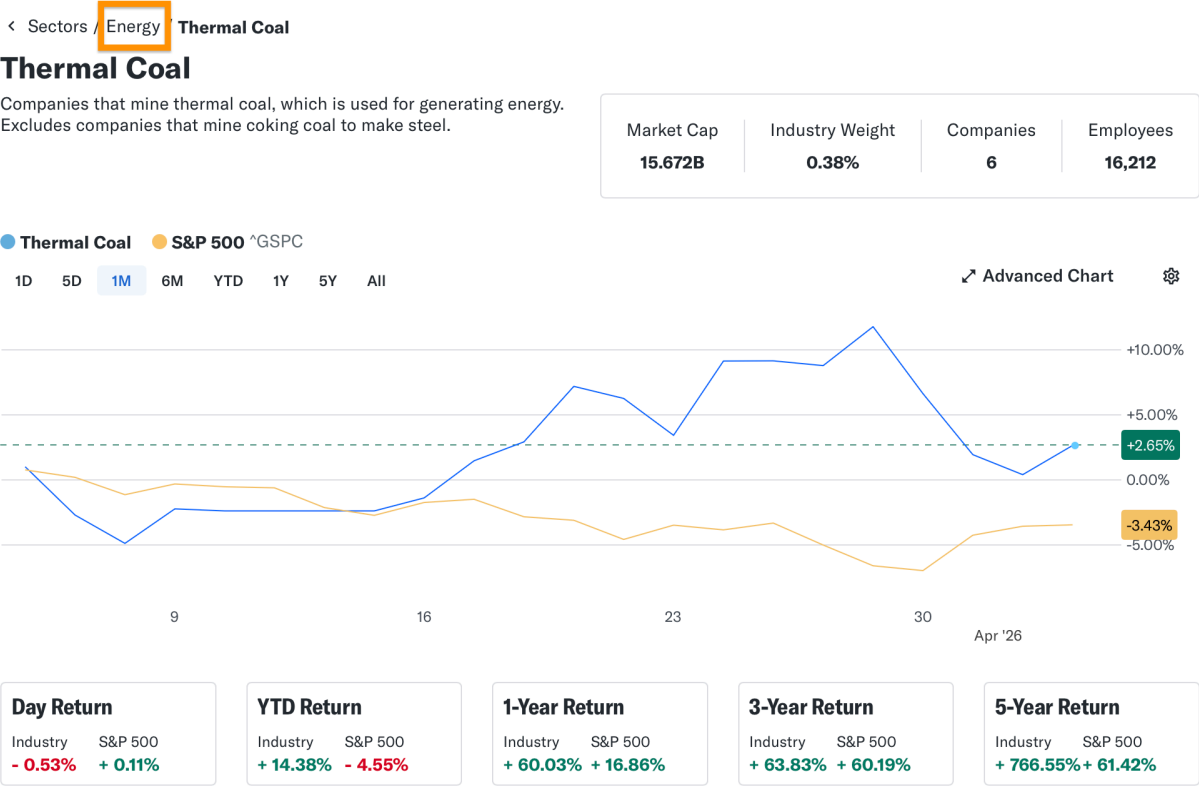
Note: Sector performance is calculated based on the previous closing price of all sector constituents

Once a Sector is chosen (Energy in this example), we look for RS among its Industries. Scroll down from the Sector graph to see Industries in This Sector:

### Industries in This Sector



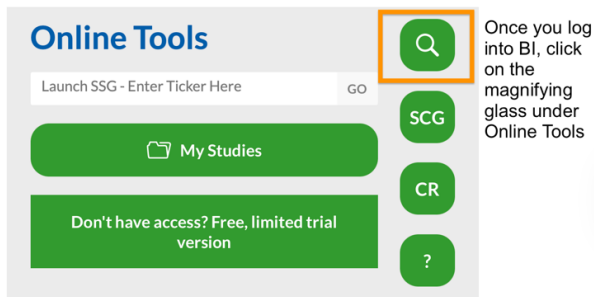
We repeat the above process of clicking on the Heat Map for each Industry to see the RS graph compared to the S&P 500. Look again at the 1M graph to see more recent data. Clicking on Energy will bring you back to the Heat Map. Below is the graph for Thermal Coal:



Note: Industry performance is calculated based on the previous closing price of all industry constituents

There is a description of the Industry and the number of Companies found within. I make a note showing each Industry in this sector and its 1M return. We need to be careful going forward to choose an Industry that fits our portfolio's diversification. With over 140 Industries, there is no need to have more than one company per Industry. If an adverse macro event for this Industry occurs, it may affect all companies within. We also need to be careful when studying the highest return Industry since these stocks may be overvalued. We now move on to our **second step**: analyzing.

Now that we have used RS to find our Sector and Industry to study, I turn to BetterInvesting® (BI) <https://www.betterinvesting.org> and use their stock screener.



Choose the sector you want to study by using the pull-down menu and selecting Energy in this case. Click on Search. See the Results below. Even though you can work within the Results field, I click on Export as CSV to download the Results to my spreadsheet.

**Search Criteria**

- 9 Yr Sales Growth (%): Any
- 9 Yr Earnings Growth (%): Any
- 5 Yr EPS R-squared: Any
- Size: Small, Medium, Large
- Sector: Energy**
- Dividend Yield (%): Any
- Pre-Tax Profit Trend: Up, Even, Down
- Return on Equity Trend: Up, Even, Down
- Morningstar Growth Grade: Any
- Morningstar Profit. Grade: Any
- Morningstar Financial Health: Any
- PE / Historical EPS Growth: Any
- Traded Exchange: US Exchanges Only

**Predefined Screens**

- Quality
- Value
- Quality + Dividend Yield
- Small Company
- Roster of Quality
- A-List Stocks

**Ticker Heat Map**

Technology: AAPL, MSFT, ACBE, AMD, ANET, ADXL, AVGO, ENPH, FLT, NVDA, FTNT, SWKS, CSCO, CRWD, MPWR, TSM, CLFD, PANW, ROK, EXL, QCOM, NTC

Healthcare: UNH, NVG, CIL, ABBV, VRTX, ADUS, EW, PFE, DHR, MCK, ENSG, BND, CVS, VEEV, SBC, GRD, MESP, LLY, JNJ, APT, MDT, ZTS, SYK

Looking for more in-depth screening? Check out MyStockProspector.com

**Filtered List**

- Show Filtered Companies
- Clear Filtered List

**Results**

Show 100 entries

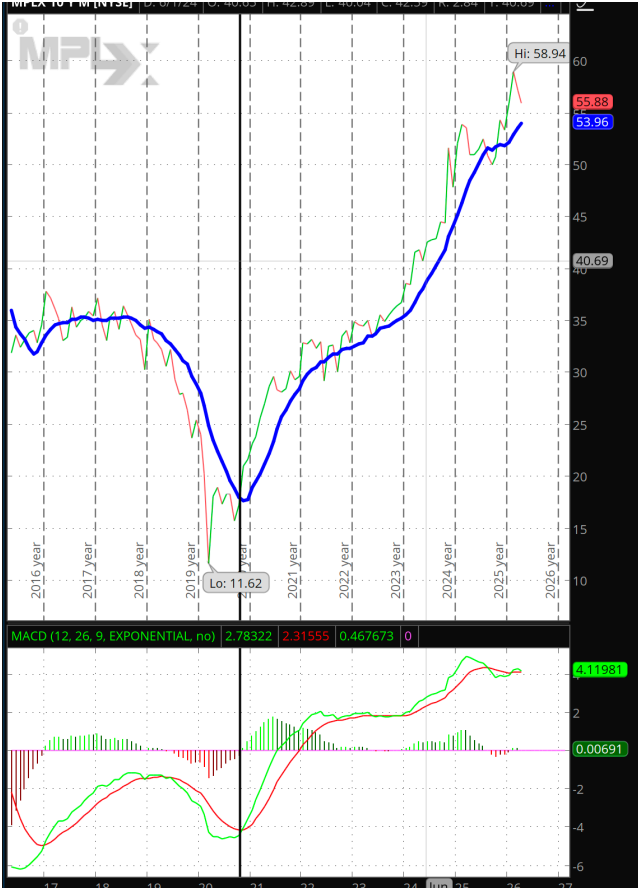
**Export as CSV**

Actions	Company	Ticker	Sector	Industry	Size	Sales Growth (%)	Earnings Growth (%)	EPS R2	Current P/E	PE / Hist EPS	Growth Grade
	AleAnna Inc	ANNA	Energy	Oil & Gas E&P							
	Alliance Resource Partners LP	ARLP	Energy	Thermal Coal	M	3.3	4.9	0.04	12.1	2.5	B

Yahoo shows 8 Industries for the Energy Sector and 250 companies. BI has 248 companies. In my downloaded file, I sort the database by size.

BI defines a company by size, not market cap. Small-sized companies have annual sales < 1 billion, mid-sized companies have annual sales of 1 billion to 10 billion, large-sized companies have annual sales > 10 billion. BI also has expected growth rates for each-sized company: small-sized companies are expected to have historical sales growth >12%, mid-sized companies are expected to have historical sales growth from 7% to 12%, and large-sized companies are expected to have historical sales growth from 5% to 7%. Depending on your portfolio's diversification, you may wish to focus your attention on specific Industries within this Sector. I do not encourage doubling up companies within an Industry. For our quarterly stock study, I am looking at all Industries. I sort large companies by sales growth and remove those that underperform expectations. I do the same for eps growth. This process is repeated for the mid-sized and small-sized companies. The remaining spreadsheet is then sorted by current PE, and companies with PE = 0 are removed. The remaining spreadsheet is then sorted by industry, and each industry is sorted by size. A peer group is defined by companies in the same sector, same industry, and same size. 98 companies have survived this process. We have found stocks to study, but that is a lot of SSGs (Stock Selection Guide) to do.

To reduce the number of companies I need to review, I copy the ticker column from my worksheet into a watchlist on my broker's trading platform. I can add criteria to this watchlist, such as price and volume. Companies that trade less than \$10 and/or have a volume < 100,000 could be removed from consideration. I did not. I also look at the stock price chart. This is considered Technical Analysis (TA). On the SSG, we look at past Sales, Pre-tax Profit (PTP), Earnings per Share (EPS), and Price to help us forecast the future (Fundamental Analysis). Looking at past Price and Volume can also help us forecast the future. I keep my technical indicators simple (see chart at right).



MPLX at TOS (Schwab)

At this stage, I am looking for Price (monthly line graph) to be above the 10-month SMA (blue line) and for the 10-month SMA to be sloping up. I am also looking for a crossover on the MACD indicator shown below the price chart. On April 18th, 98 companies were reduced to 87 companies.



The graph to the left was created at Yahoo. Price (blue monthly line graph) is above the red 10-month SMA, and MACD is below the zero line with a crossover.

MPLX at Yahoo

With our reduced number of companies to study, I do a quick look at their SSGs. Companies that are not looking good on the SSG are removed. A quick SSG reduced those 87 to 28 for more in-depth study. This sector has eight industries. Those 28 companies that survived our procedure ended up in five industries. Our goal now is to find the best one in each of those industries. This will mean a more in-depth SSG study. BI has an extensive Video Learning Library under the Learning Center tab to help you with your investigation.

Here are the 28 as of 04/20/2026:

companyname	ticker	industry	size	companygrade
Canadian Natura (C\$)	CNQ	Oil & Gas E&P	L	A
EQT	EQT	Oil & Gas E&P	M	B
Vista Energy	VIST	Oil & Gas E&P	M	C
Comstock Resources	CRK	Oil & Gas E&P	M	C
Coterra Energy	CTRA	Oil & Gas E&P	M	B
Antero Resources	AR	Oil & Gas E&P	M	C
Riley Exploration Pe	REPX	Oil & Gas E&P	S	C
Texas Pacific Land	TPL	Oil & Gas E&P	S	A
BKV	BKV	Oil & Gas E&P	S	C
Tidewater	TDW	Oil & Gas Equipment & Services	M	C
Natural Gas Services	NGS	Oil & Gas Equipment & Services	S	C
LandBridge	LB	Oil & Gas Equipment & Services	S	C
Flowco Holdings	FLOC	Oil & Gas Equipment & Services	S	D
Solaris Energy Infr	SEI	Oil & Gas Equipment & Services	S	C
Innovex Internationa	INVX	Oil & Gas Equipment & Services	S	B
Cenovus Energy (C\$)	CVE	Oil & Gas Integrated	L	B
Energy Transfer	ET	Oil & Gas Midstream	L	B
Enterprise Prods Par	EPD	Oil & Gas Midstream	L	A
Cheniere Energy	LNG	Oil & Gas Midstream	L	B
MPLX	MPLX	Oil & Gas Midstream	L	A
ONEOK	OKE	Oil & Gas Midstream	L	B
Williams Companies	WMB	Oil & Gas Midstream	L	B
Targa Resources	TRGP	Oil & Gas Midstream	L	B
Western Midstream	WES	Oil & Gas Midstream	M	B
Antero Midstream	AM	Oil & Gas Midstream	M	A
DT Midstream	DTM	Oil & Gas Midstream	M	A
Hess Midstream	HESM	Oil & Gas Midstream	M	B
Sunoco	SUN	Oil & Gas Refining & Marketing	L	D

### Survivors

Of course, be aware of your portfolio's diversification across company size and industry. Remember, BI encourages a 25% small size, 50% mid size, and 25% large size diversification. After a more in-depth fundamental analysis, 5 made my final cut: **VIST**, **TPL**, **INVX**, **DTM**, **HESM**. At this point, I would post these to the rest of the chapter board to gather their input and finalize the quarterly selection. All passed the technical analysis discussed above. One of my last checks is relative strength. I compare the S&P 500, the sector, the industry, and each of those companies. **VIST** and **TPL** both are outperforming the rest as of April 25th (see the graphic below). **INVX** and **DTM** are improving but trailing their industry. **HESM** is faltering but still outperforming the S&P over the last month. The 5 day RS graph on April 28 Oil & Gas E&P = +5%; Oil & Gas Equipment & Services = 6.7%; Oil & Gas Midstream = 3.1%. All are outperforming the S&P 500. My write-up, the chapter's SSGs, and our First Cut would be posted to the Chapter's website at BI. This would conclude the NLC quarterly stock study.