

MONEY IN MOTION

July 10, 2023

All Things Energy

- The simple thesis of this report is this: we believe, here in mid July 2023, it is right to be contrarian and embrace Energy Commodities (which are deeply out of favor) and Energy Equities (also deeply out of favor).
- The **first part** of the report addresses the commodities, examining the Bloomberg Energy Subindex comprising crude oil, heating oil, unleaded gasoline and natural gas. The Index chart is examined in detail, as are the charts of each constituent. Per usual in these pages, “lines and arrows” are drawn (read: judgments are rendered).
- The **second part** of the report address energy equities, examining the chart of the S&P 500 Energy Sector, absolute and relative. Also discussed is the ongoing outperformance of Oilfield Services & Equipment stocks versus Exploration & Production stocks and versus Major Integrated Oils. For those interested in a re-read of the beginning-of-the-year Buy Oil Svcs/Sell E&P stocks note to clients, [CLICK HERE](#) for the Jan 6th write up.
- The **third part** of the report singles out favorite individual energy stocks. In the Russell 3000 Index there are 156 companies designated as being in the ‘Energy’ Sector. We have examined the chart pattern of each and would call your attention to 42 stocks judged to be the most interesting on the long side (pages 34 & 35).

Trade well,

-Carter

Part 1:

Energy Commodities

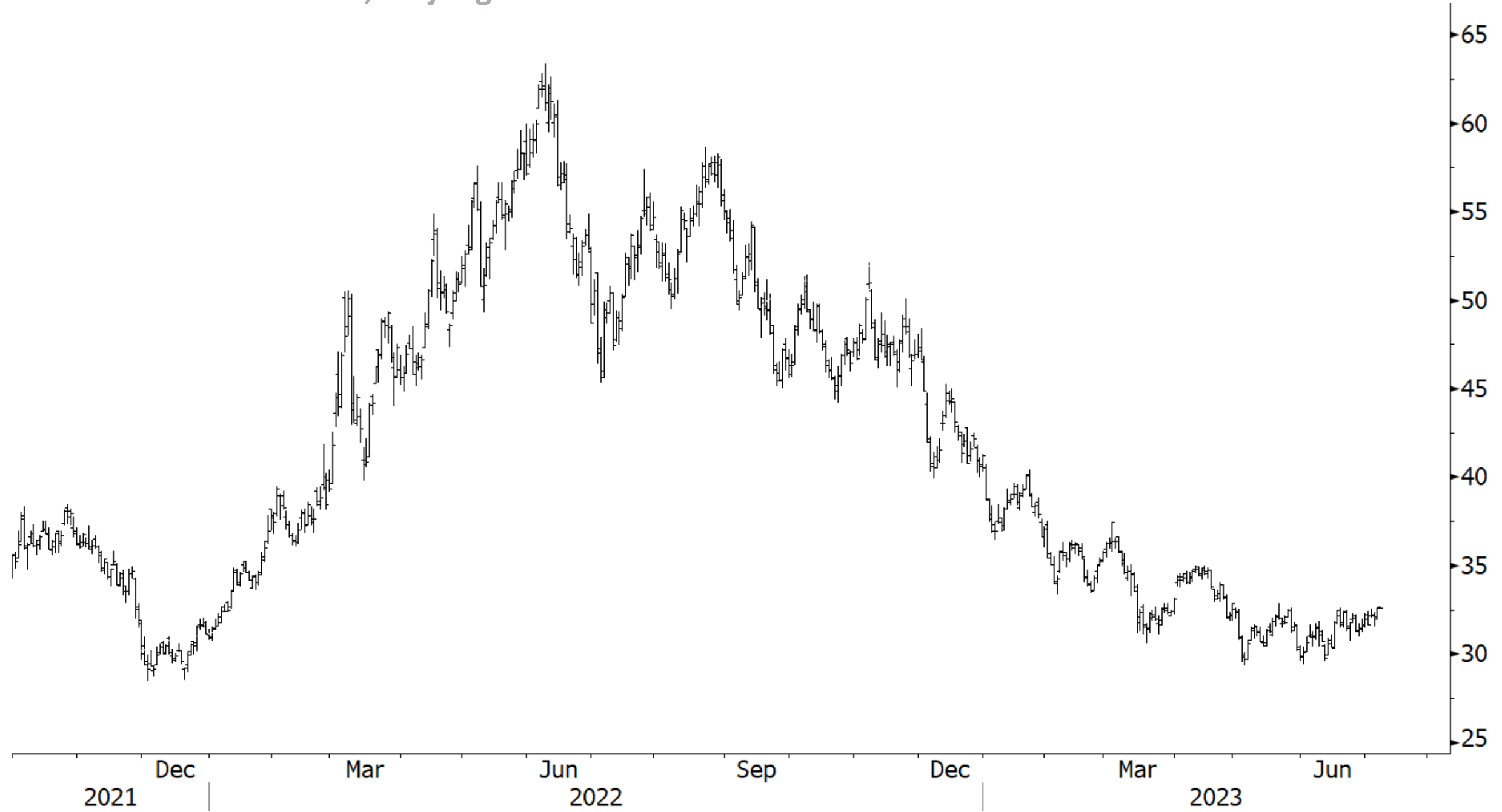
Bloomberg Energy Subindex

<u>Contract</u>	<u>Expiration</u>	<u>Exchange</u>	<u>Weight</u>
NYMEX Light Sweet Crude Oil	Sep 23	New York Mercantile Exchange	28.04%
ICE Brent Crude Oil	Sep 23	ICE Futures Europe Commodities	26.14%
NYMEX Henry Hub Natural Gas F	Sep 23	New York Mercantile Exchange	21.78%
NYMEX Reformulated Gasoline Blendstock	Sep 23	New York Mercantile Exchange	8.86%
ICE Gas Oil	Sep 23	ICE Futures Europe Commodities	8.56%
NYMEX NY Harbor ULSD F	Sep 23	New York Mercantile Exchange	6.61%

Bloomberg Energy Subindex

Identical Chart 1 of 5:

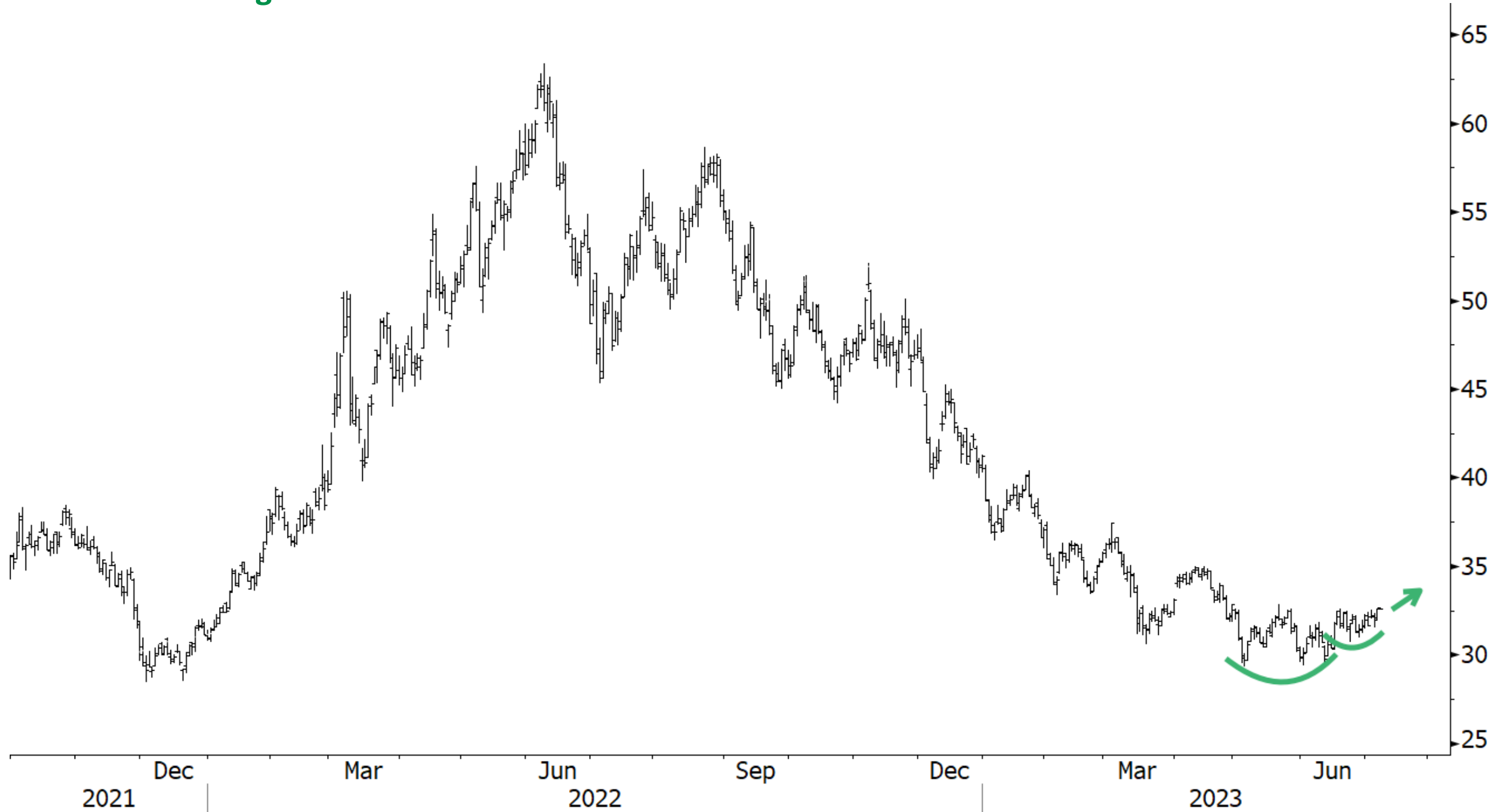
No lines or arrows drawn; no judgment rendered



Bloomberg Energy Subindex

Identical Chart 2 of 5:

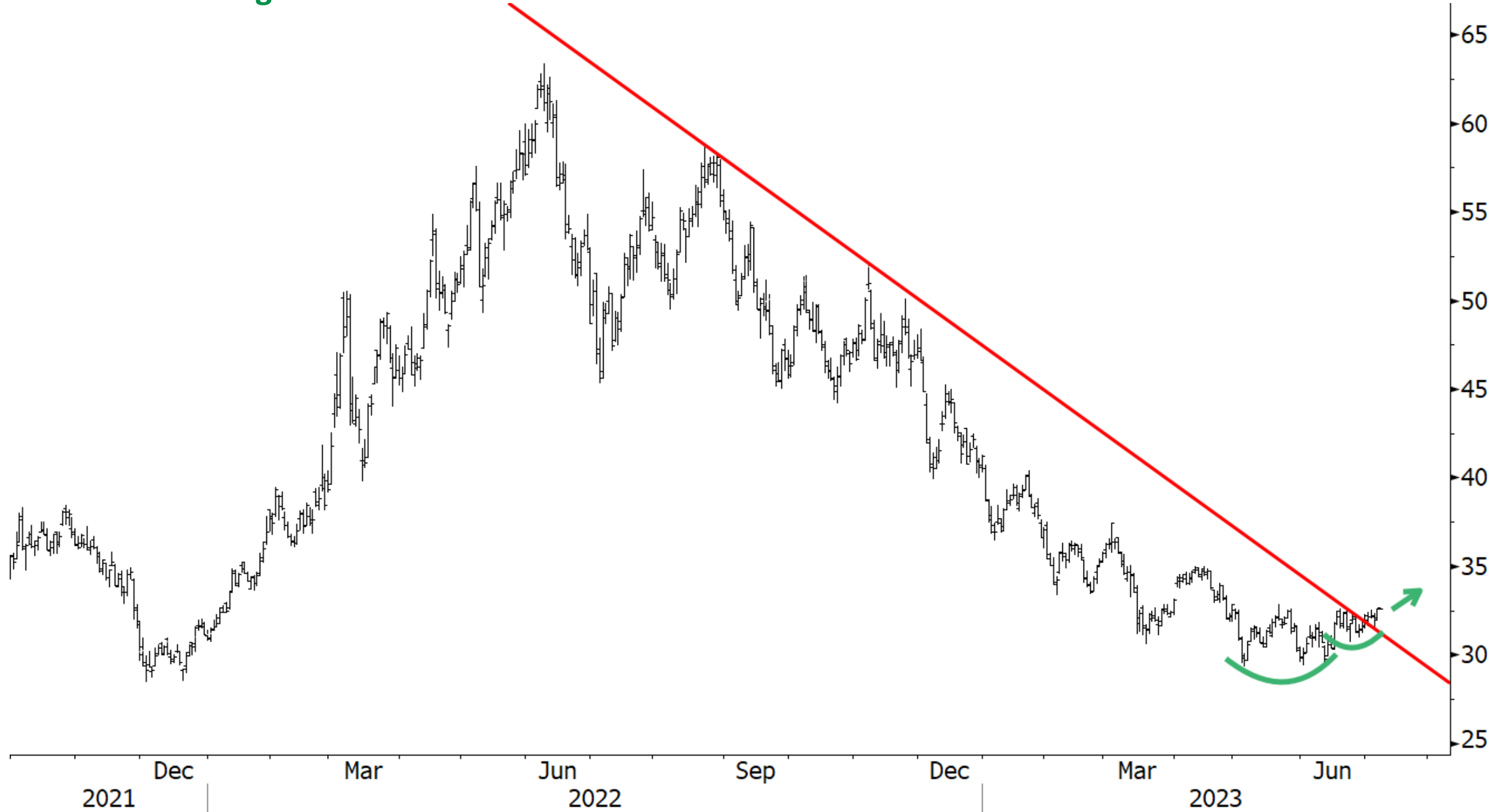
A minor bottoming-out formation



Bloomberg Energy Subindex

Identical Chart 3 of 5:

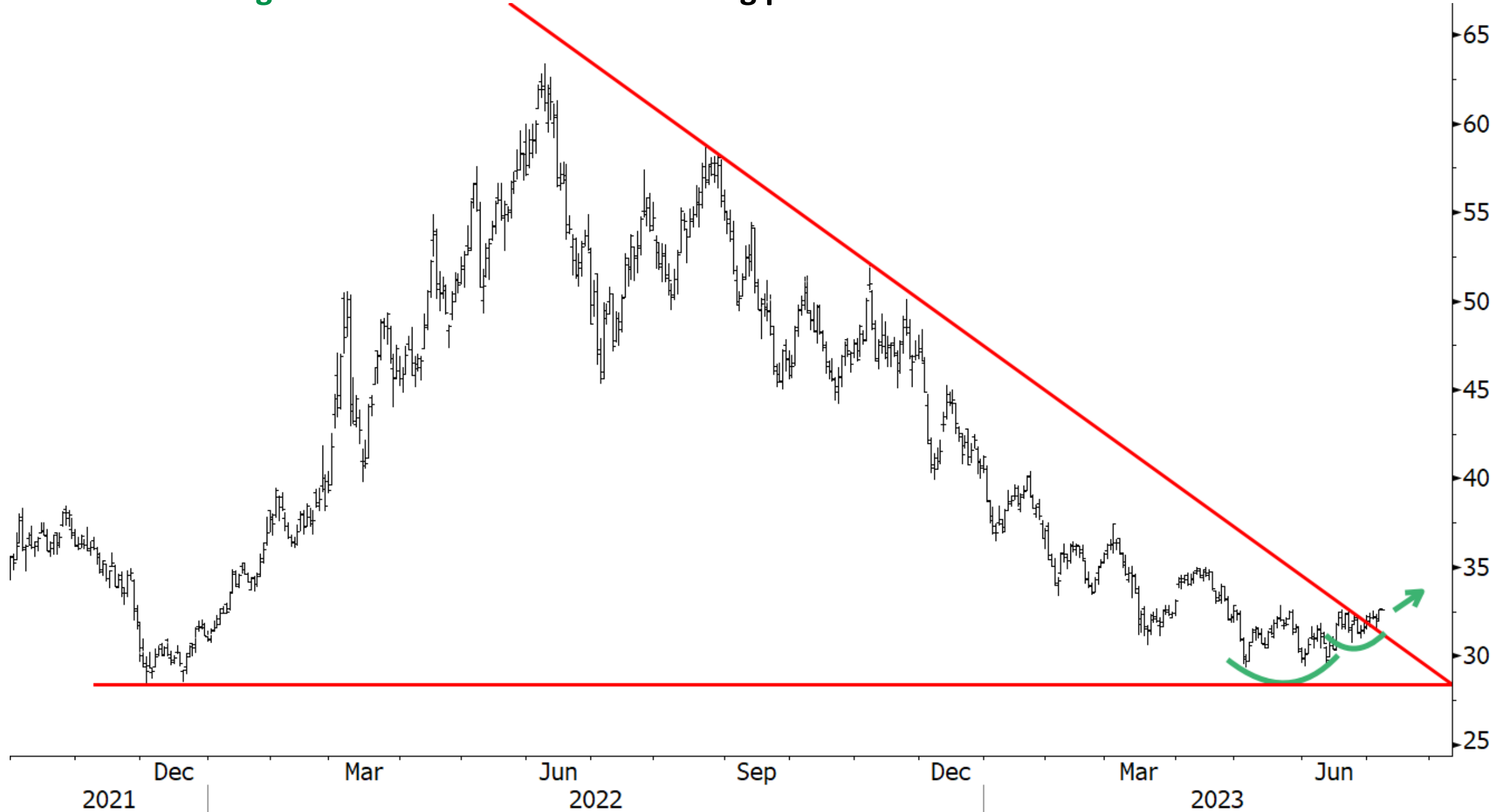
A minor bottoming-out formation... and a **breach of the 12-month downtrend line**



Bloomberg Energy Subindex

Identical Chart 4 of 5:

A minor bottoming-out formation... that's taking place **above the lows of December 2021**



Bloomberg Energy Subindex

Identical Chart 5 of 5:

Important **day-to-day strength** representing a **breach** of the **well-defined, 12-month downtrend line**



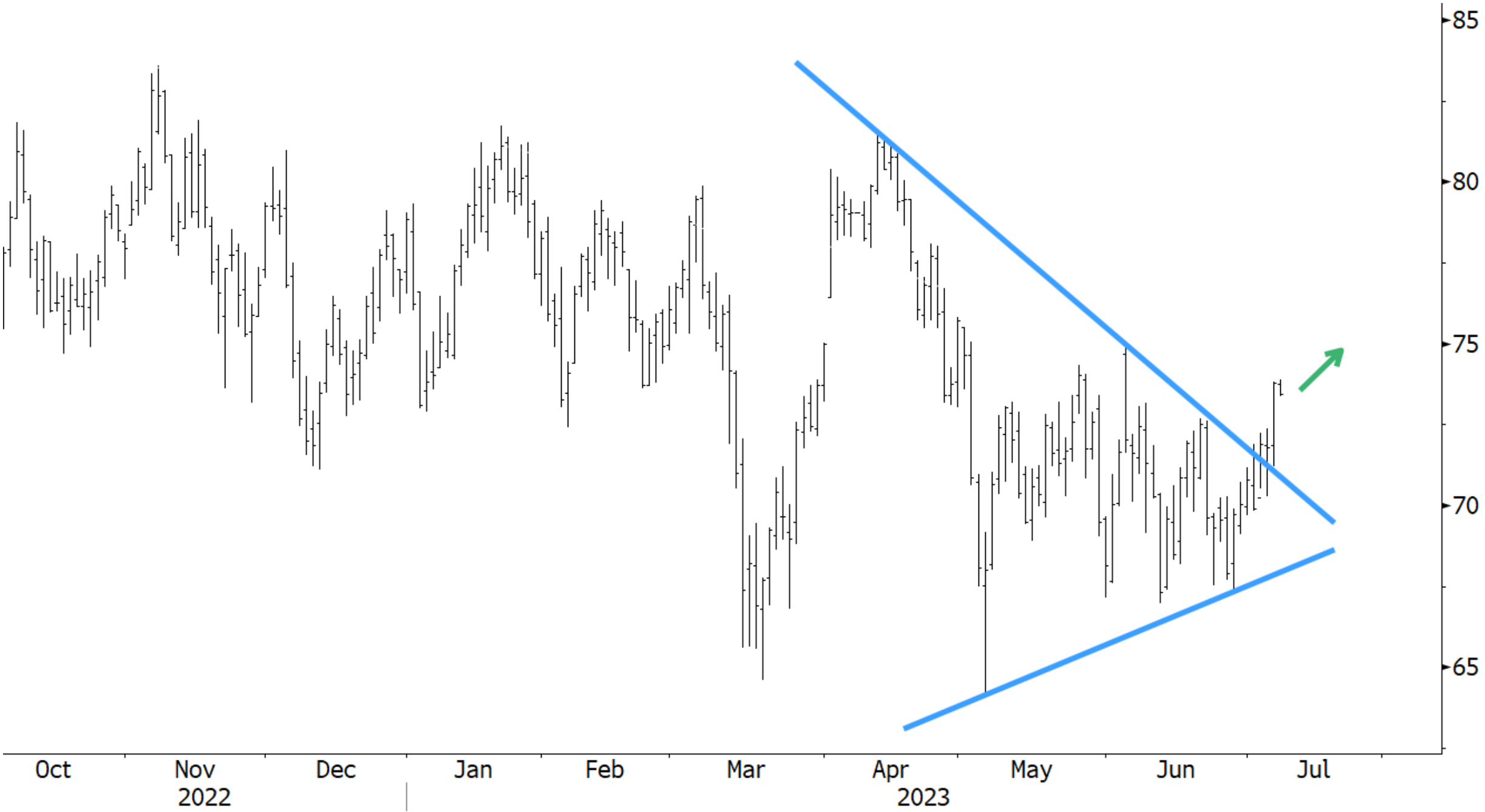
The Constituents...

Bloomberg Energy Subindex

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NYMEX Light Sweet Crude Oil	Sep 23	New York Mercantile Exchange	28.04%
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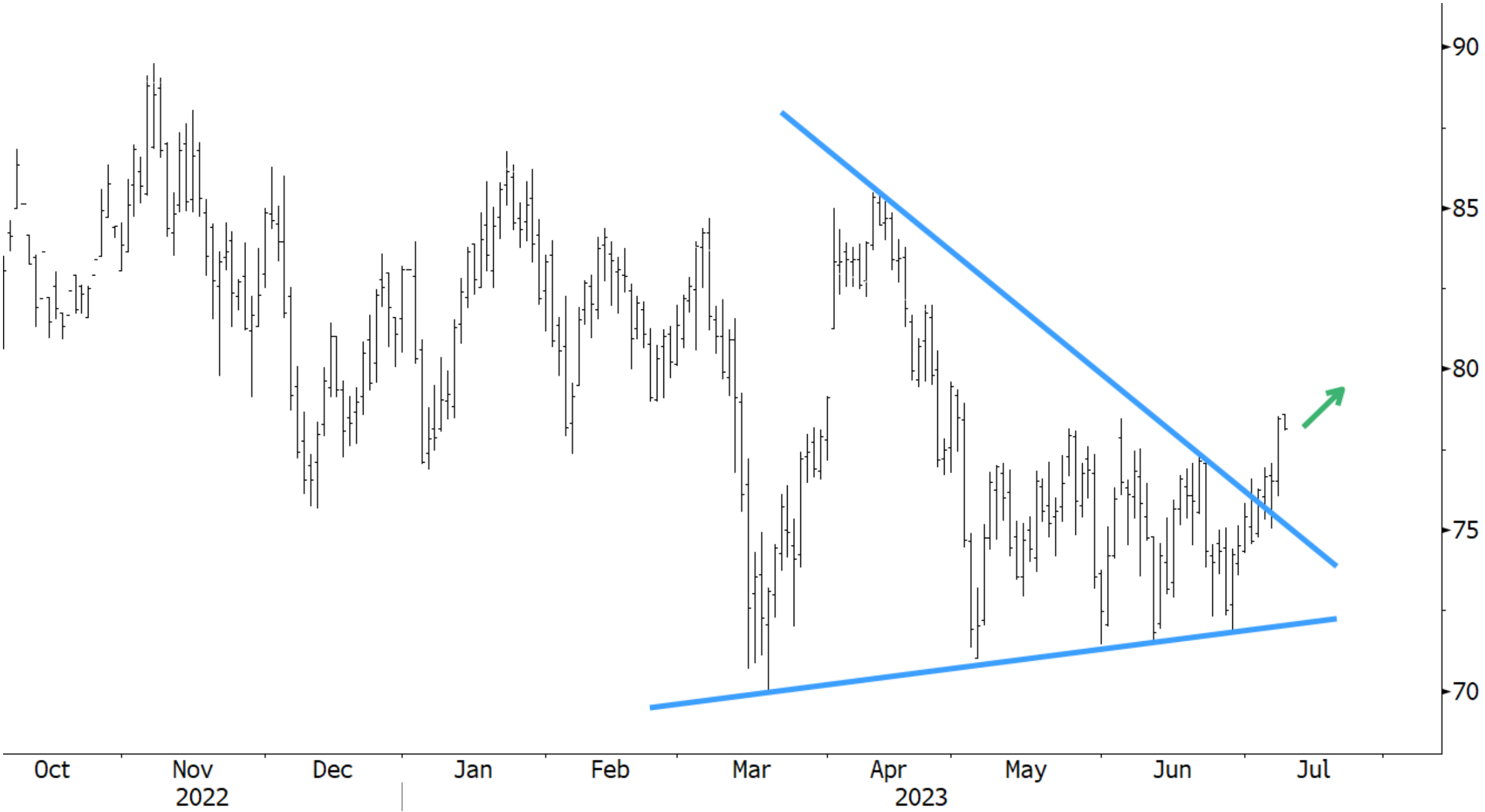
NYMEX Light Sweet Crude Oil Futures

Here's what our eye sees...



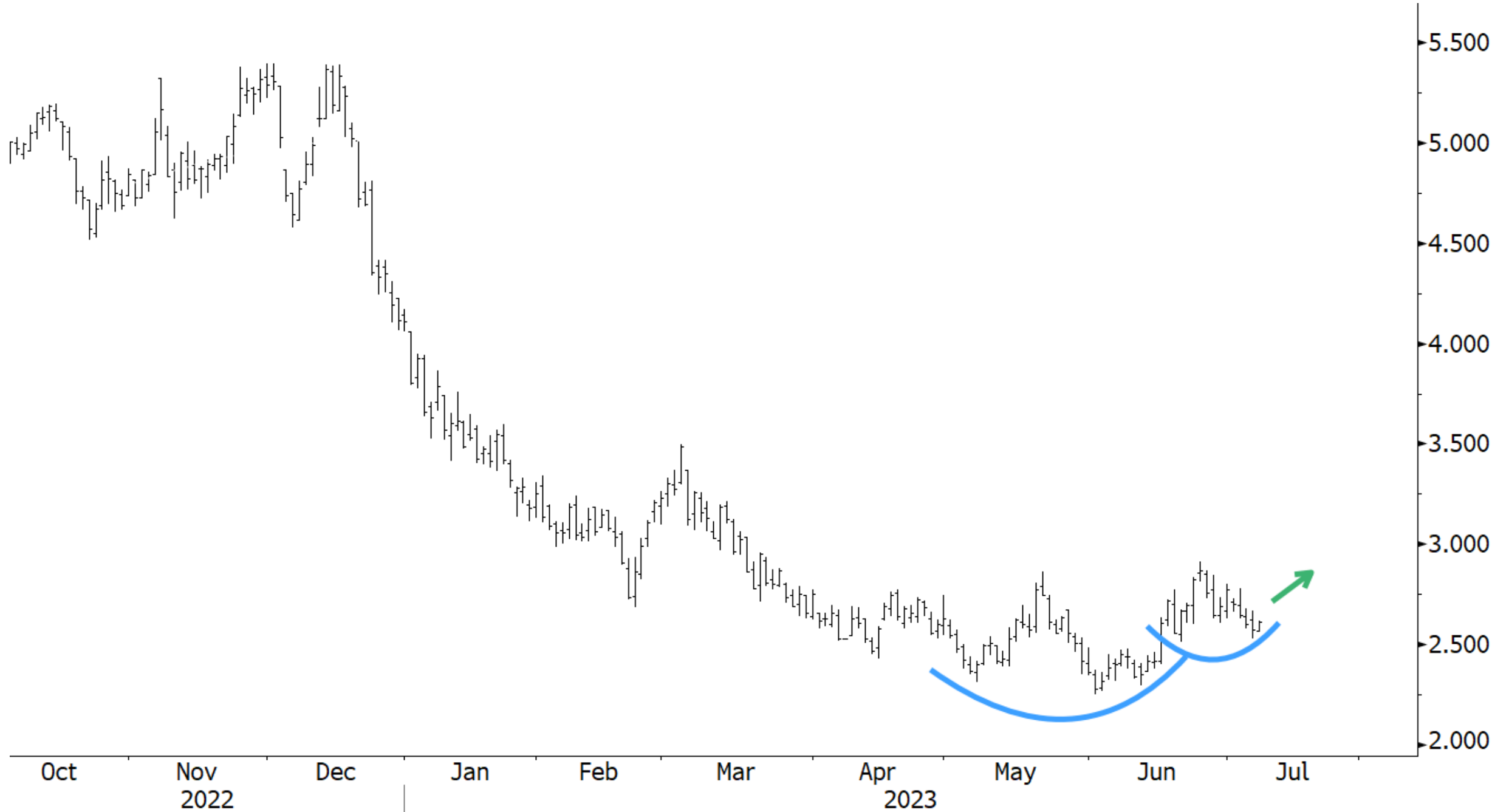
ICE Brent Crude Oil Futures

Here's what our eye sees...



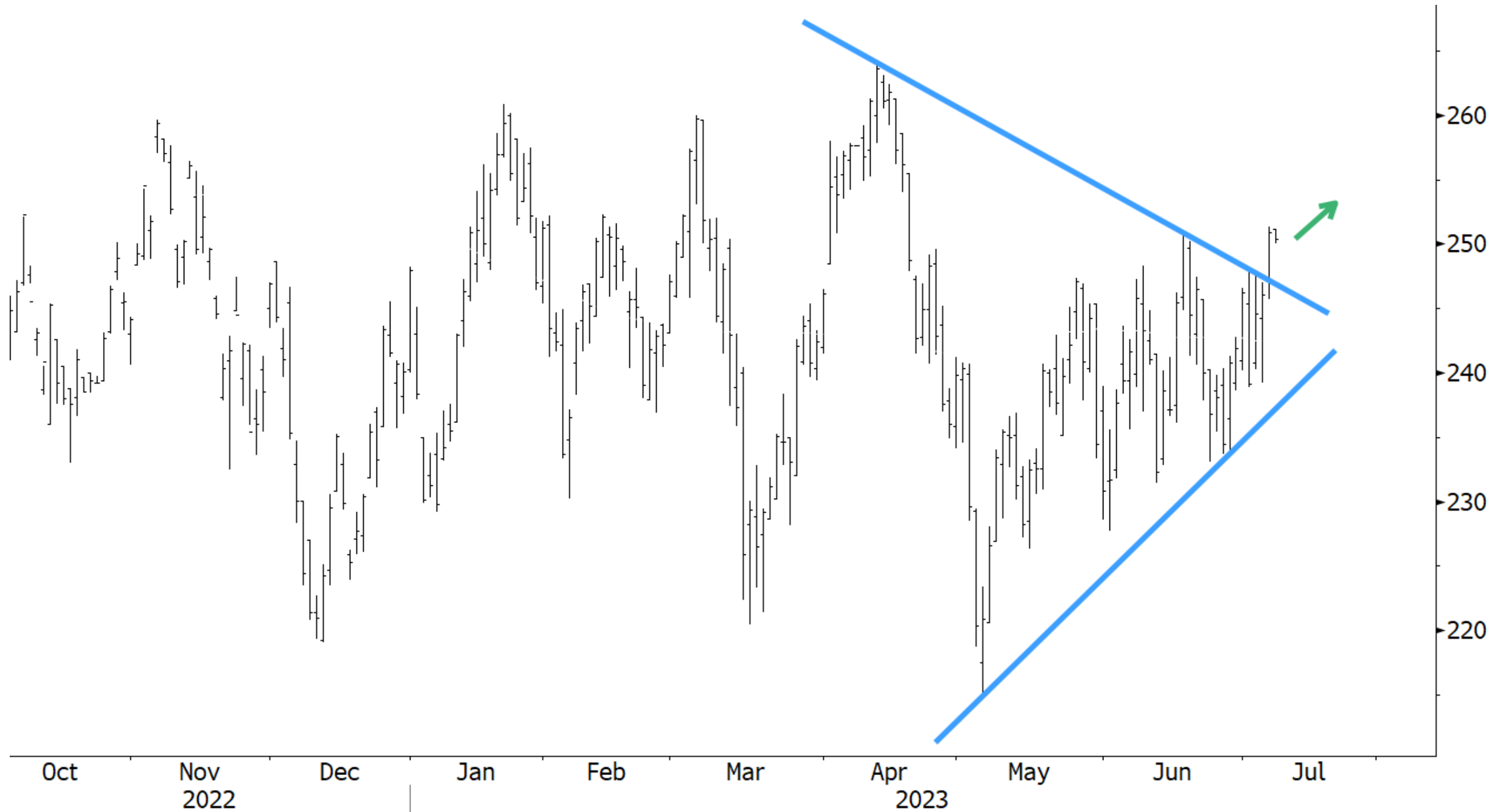
NYMEX Henry Hub Natural Gas Futures

Here's what our eye sees...



NYMEX Reformulated Gasoline RBOB Futures

Here's what our eye sees...



ICE Gas Oil Futures

Here's what our eye sees...



NYMEX NY Harbor ULSD Futures

Here's what our eye sees...



Part 2:

Energy Equity Indices

Ratio Chart: S&P 500 Energy Sector/S&P 500 Index

Depicting the Energy Sector's relative performance to the market... since the 2008 all-time relative peak



Ratio Chart: S&P 500 Energy Sector/S&P 500 Index

Depicting the Energy Sector's relative performance to the market... since the 2008 all-time relative peak
A well-defined, 15-year downtrend line...



Ratio Chart: S&P 500 Energy Sector/S&P 500 Index

Depicting the Energy Sector's relative performance to the market... since the 2008 all-time relative peak
A well-defined, 15-year downtrend line... with the 2020-2022 rally stopping "to the penny" at said line



Ratio Chart: S&P 500 Energy Sector/S&P 500 Index

Depicting the Energy Sector's relative performance to the market... **ALL DATA** chart back to 1989
A well-defined, 15-year downtrend line... with the 2020-2022 rally stopping "to the penny" at said line



Ratio Chart: S&P 500 Energy Sector/S&P 500 Index

Depicting the Energy Sector's relative performance to the market... **ALL DATA chart** back to 1989

The relative weakness of the past eight months leaves the RS line at the **Dot.com relative lows of 1999-2000**



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Depicting the Energy Sector's relative performance to the market... **ALL DATA chart** back to 1989
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[Play for a relative bounce... our thinking here](#)



Ratio Chart: S&P 500 Energy Sector/S&P 500 Index

Depicting the Energy Sector's relative performance to the market... **ALL DATA** chart back to 1989

The relative weakness of the past eight months leaves the RS line at the **Dot.com relative lows of 1999-2000**

Play for a relative bounce... our thinking here



S&P 500 Energy Sector itself

No lines or arrows drawn



S&P 500 Energy Sector itself

A well-defined 2-year uptrend line



S&P 500 Energy Sector itself

Repeated “to the penny” bounces at the 2-year uptrend line



S&P 500 Energy Sector itself

Converging Trendlines... an important juncture, by all accounts.
We're thinking up and out...



Ratio Chart: Oil Svcs stocks/all Energy stocks

Relative performance of the VanEck Oil Services ETF (OIH) to the SPDR Energy Sector ETF (XLE)

No lines or arrows drawn



Ratio Chart: Oil Svcs stocks/all Energy stocks

Relative performance of the VanEck Oil Services ETF (OIH) to the SPDR Energy Sector ETF (XLE)

No new relative lows for 3-years...



Ratio Chart: Oil Svcs stocks/all Energy stocks

Relative performance of the VanEck Oil Services ETF (OIH) to the SPDR Energy Sector ETF (XLE)

No new lows relative for 3-years... and a breach of the 10-year downtrend line



Ratio Chart: Oil Svcs stocks/E&P Energy stocks

Relative performance of the VanEck Oil Services ETF (OIH) to the SPDR Oil & Gas Exploration & Production ETF (XOP)

No lines or arrows drawn



Ratio Chart: Oil Svcs stocks/E&P Energy stocks

Relative performance of the VanEck Oil Services ETF (OIH) to the SPDR Oil & Gas Exploration & Production ETF (XOP)

A well-defined bottoming-out formation...



Ratio Chart: Oil Svcs stocks/E&P Energy stocks

Relative performance of the VanEck Oil Services ETF (OIH) to the SPDR Oil & Gas Exploration & Production ETF (XOP)

A well-defined bottoming-out formation... and a definitive move through and above the 7-year downtrend line



Part 3:

Favorites on the Long Side

There are 156 companies in the Russell 3000 Index designated as being in the 'Energy' Sector.

We have examined the chart pattern of each and have singled out 42 stocks judged to be the most interesting on the long side.

Buy List

Page 1 of 2

Ticker	Company	Price	Sub Industry	Sector	Market Cap (billions)
ACA	Arcosa, Inc.	75.46	Construction & Engineering	Energy	3.66
ACDC	ProFrac Holding Corp. Class A	12.23	Oilfield Services/Equipment	Energy	1.94
AM	Antero Midstream Corp.	11.5	Oil Gas & Consumable Fuels	Energy	5.52
BKR	Baker Hughes Company Class A	33.11	Energy Equipment & Services	Energy	33.52
CEIX	CONSOL Energy Inc	67.84	Oil Gas & Consumable Fuels	Energy	2.30
CHRD	Chord Energy Corporation	155.44	Oil Gas & Consumable Fuels	Energy	6.46
CHX	ChampionX Corporation	32.53	Energy Equipment & Services	Energy	6.44
CLB	Core Laboratories Inc.	24.24	Energy Equipment & Services	Energy	1.13
DO	Diamond Offshore Drilling Inc	15.68	Contract Drilling	Energy	1.59
FLNC	Fluence Energy, Inc. Class A	24.38	Electrical Products	Energy	4.28
FSLR	First Solar, Inc.	189.14	Semiconductors & Semiconductor Equipment	Energy	20.21
FTCI	FTC Solar, Inc.	3.13	Packaged Software	Energy	0.35
FTI	TechnipFMC plc	17.14	Oilfield Services/Equipment	Energy	7.57
GPOR	Gulfport Energy Corp	104.05	Oil & Gas Production	Energy	1.93
HCC	Warrior Met Coal, Inc.	39.75	Metals & Mining	Energy	2.07
HLX	Helix Energy Solutions Group	7.93	Energy Equipment & Services	Energy	1.20
HNRG	Hallador Energy Co	8.81	Coal	Energy	0.29
KLXE	KLX Energy Services Holdings	10.24	Oil & Gas Production	Energy	0.17
MAXN	Maxeon Solar Technologies	25.72	Alternative Power Generation	Energy	1.35
METC	Ramaco Resources, Inc. Class A	8.98	Coal	Energy	0.51
NE	Noble Corporation PLC Class A	46.19	Contract Drilling	Energy	6.40

Buy List

Page 2 of 2

Ticker	Company	Price	Sub Industry	Sector	Market Cap (billions)
NEXT	NextDecade Corp.	8.55	Oil & Gas Production	Energy	1.29
NEX	NexTier Oilfield Solutions, Inc.	9.8	Energy Equipment & Services	Energy	2.24
NOG	Northern Oil and Gas, Inc.	34.38	Oil Gas & Consumable Fuels	Energy	2.94
NR	Newpark Resources, Inc.	5.29	Contract Drilling	Energy	0.45
OII	Oceaneering International	21.53	Energy Equipment & Services	Energy	2.17
PBF	PBF Energy, Inc. Class A	41.47	Oil Gas & Consumable Fuels	Energy	5.23
PLUG	Plug Power Inc.	10.61	Electronic Production Equipment	Energy	6.37
PR	Permian Resources Corp	10.93	Integrated Oil	Energy	6.12
PUMP	ProPetro Holding Corp.	9.09	Energy Equipment & Services	Energy	1.05
REX	REX American Resources Corp	35.09	Oil Gas & Consumable Fuels	Energy	0.61
SBOW	SilverBow Resources Inc	29.06	Oil & Gas Production	Energy	0.66
SDRL	Seadrill Limited	41.7	Contract Drilling	Energy	3.19
SLB	Schlumberger N.V.	53.35	Energy Equipment & Services	Energy	76.04
SLDP	Solid Power, Inc. Class A	2.79	Electrical Products	Energy	0.50
SMHI	SEACOR Marine Holdings Inc	11.63	Other Transportation	Energy	0.32
SM	SM Energy Company	32.18	Oil Gas & Consumable Fuels	Energy	3.88
TDW	Tidewater Inc	58.61	Marine Shipping	Energy	2.98
TRGP	Targa Resources Corp.	77.3	Oil Gas & Consumable Fuels	Energy	17.47
TTI	TETRA Technologies, Inc.	3.66	Chemicals: Specialty	Energy	0.47
WFRD	Weatherford International plc	69.62	Oilfield Services/Equipment	Energy	5.02
WMB	Williams Companies, Inc.	32.73	Oil Gas & Consumable Fuels	Energy	39.87

Buy List, plotted as a single security

A basket of the 42 stocks on today's Energy stocks **Buy List**, plotted equal weight as a single security



Ratio Chart: Buy List Basket/XLE

Relative performance of the Buy List Basket to the SPDR Energy Sector ETF (XLE)

Identical relative chart 1 of 3:



Ratio Chart: Buy List Basket/XLE

Relative performance of the Buy List Basket to the SPDR Energy Sector ETF (XLE)

Identical relative chart 2 of 3:



Ratio Chart: Buy List Basket/XLE

Relative performance of the Buy List Basket to the SPDR Energy Sector ETF (XLE)

Identical relative chart 3 of 3:





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