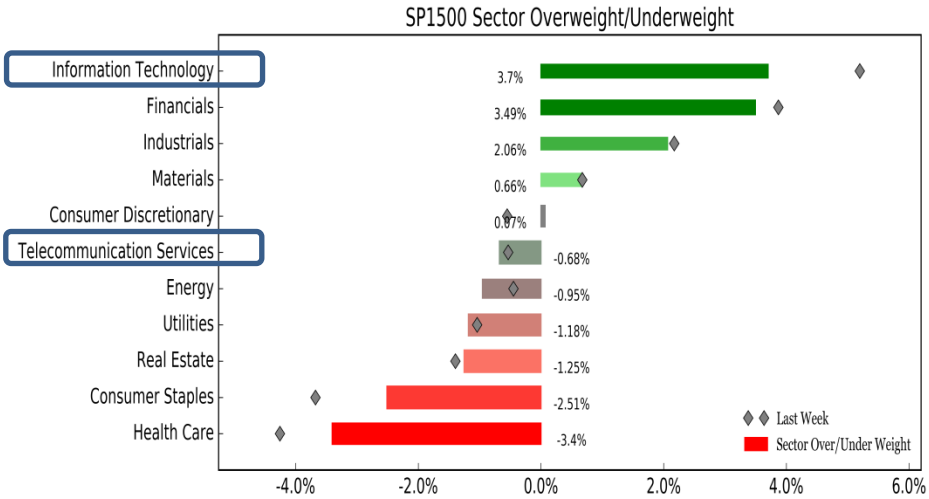
TMT Deep Dive

Technology continues its surge as absolute and relative prices reach new highs on a cap, equal weight, and global basis. Tech remains our top ranked sector however, our sector rankings have seen some compression in the past few weeks . The compression in our rankings is also playing out within Tech. As the sector climbs higher internal momentum has begun to diverge as issues above the 65 DMA and 20 day highs have been dropping. Seasonally, Tech tends to underperform in February and March. While we remain bullish on Tech, the combination of diverging momentum, weak seasonality, and an external overbought condition are the recipe for consolidation or a digestion of gains.



We remain bullish on Media as the group makes new highs and is still in a favorable position on our SERM. Laggards within Media are starting to strengthen and breakout such as the Global Media index and the Publishing industry. In the report we highlight our favorite longs within Publishing.

Lastly, Telecom has been under some stress with the weakness in the two bellwethers T and VZ as they have been volatile and news-driven. The weakness has created an oversold condition and a surge in 20 day lows which should lead to some near-term relief for the sector.

AAPL is up 12% this month and is overbought. A good example of a stock that is due for some consolidation. We would use that consolidation as a buying opportunity.

Jeffrey deGraaf, CMT, CFA technical@renmac.com
Rob Ginsberg rginsberg@renmac.com
Alex Meintel, CMT ameintel@renmac.com
Patrick Nipper, CMT, CFA pnipper@renmac.com
Michail Adzhiashvili madz@renmac.com
Kevin Dempter, CMT kdempter@renmac.com
Sales@renmac.com
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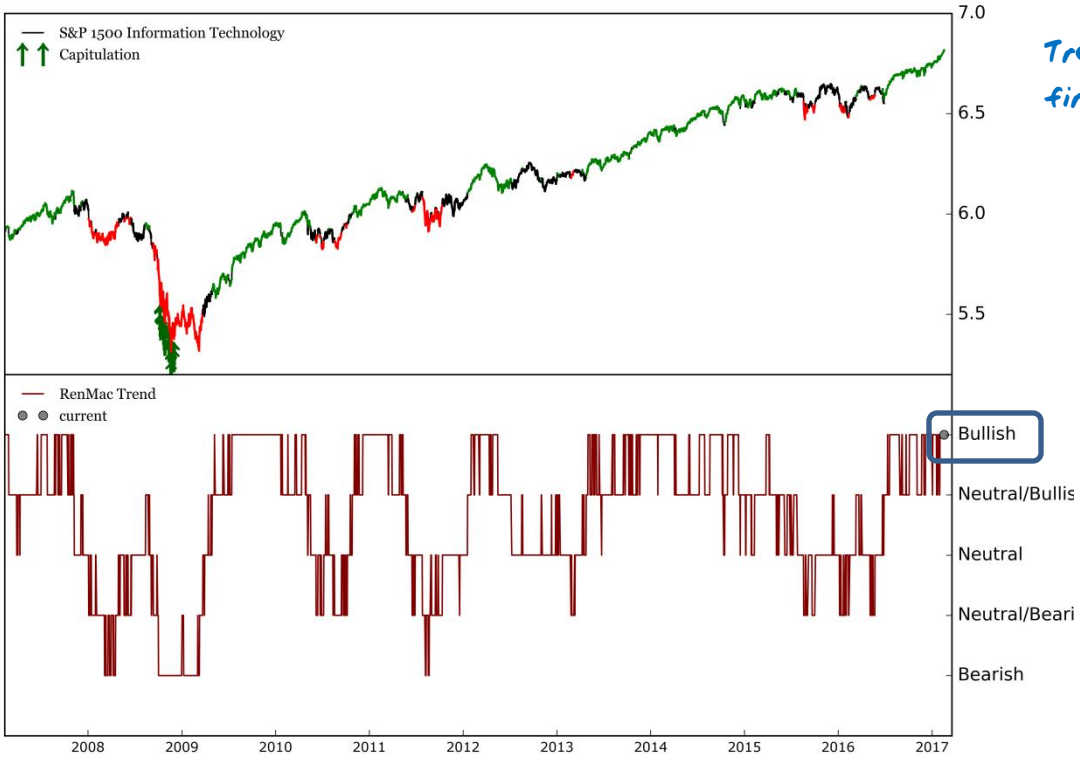
Technology

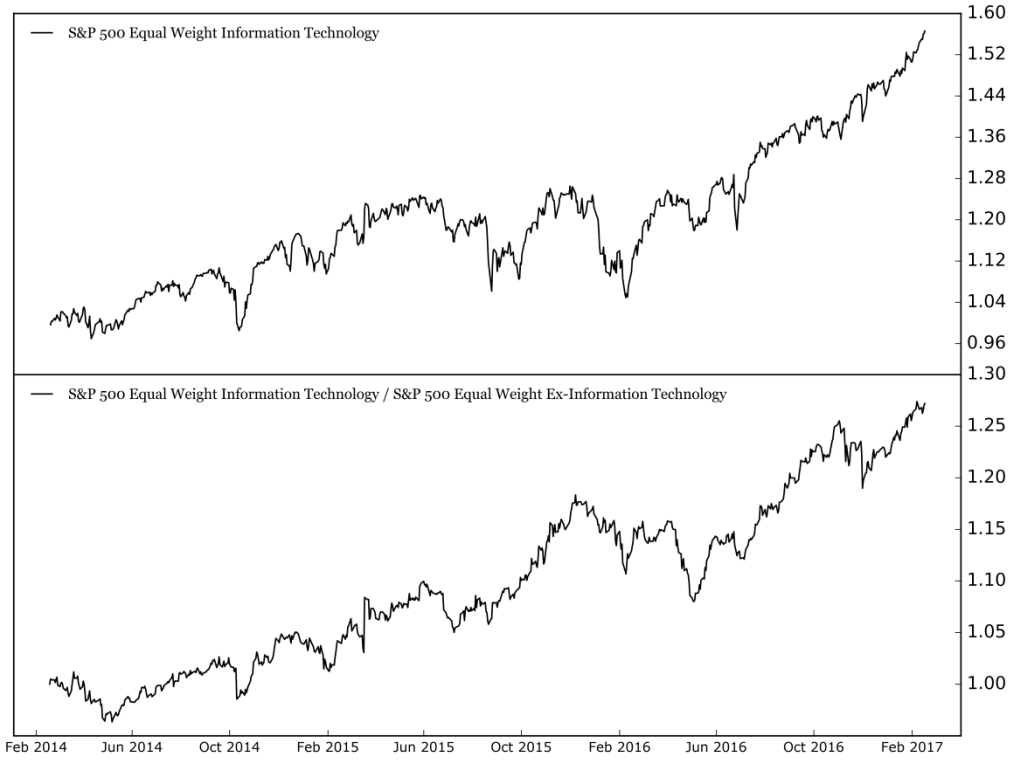
Trend



Trend model is firmly bullish

Strong trends – absolute and relative prices are at the highs, however the sector is externally overbought

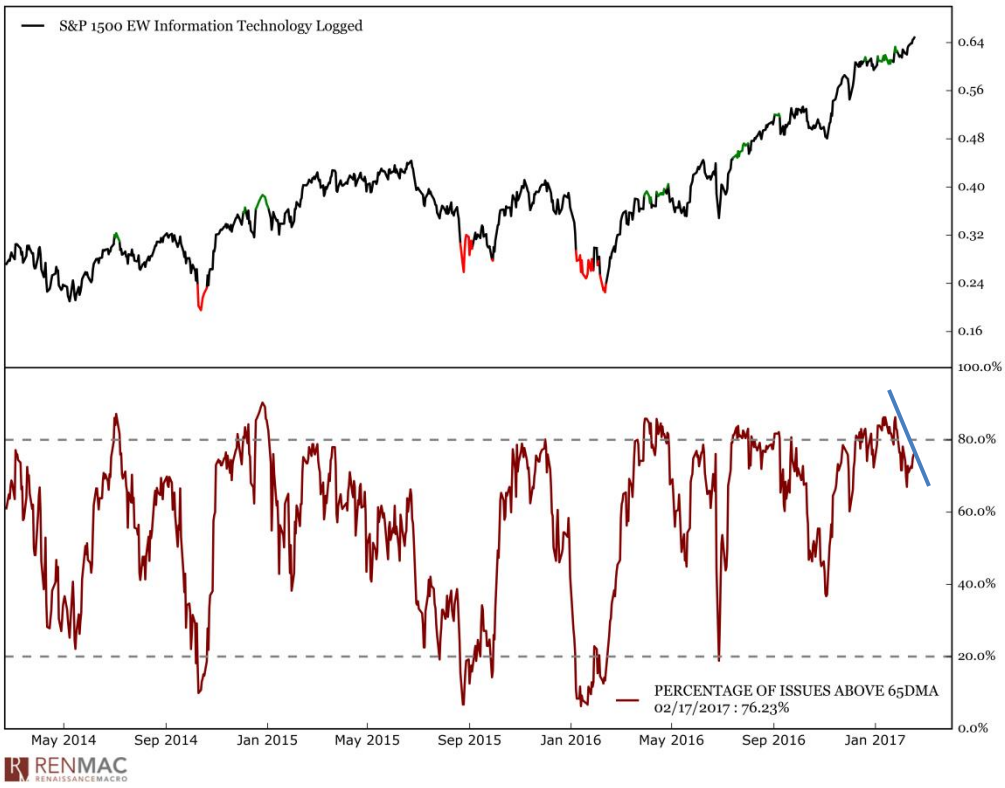
Trend

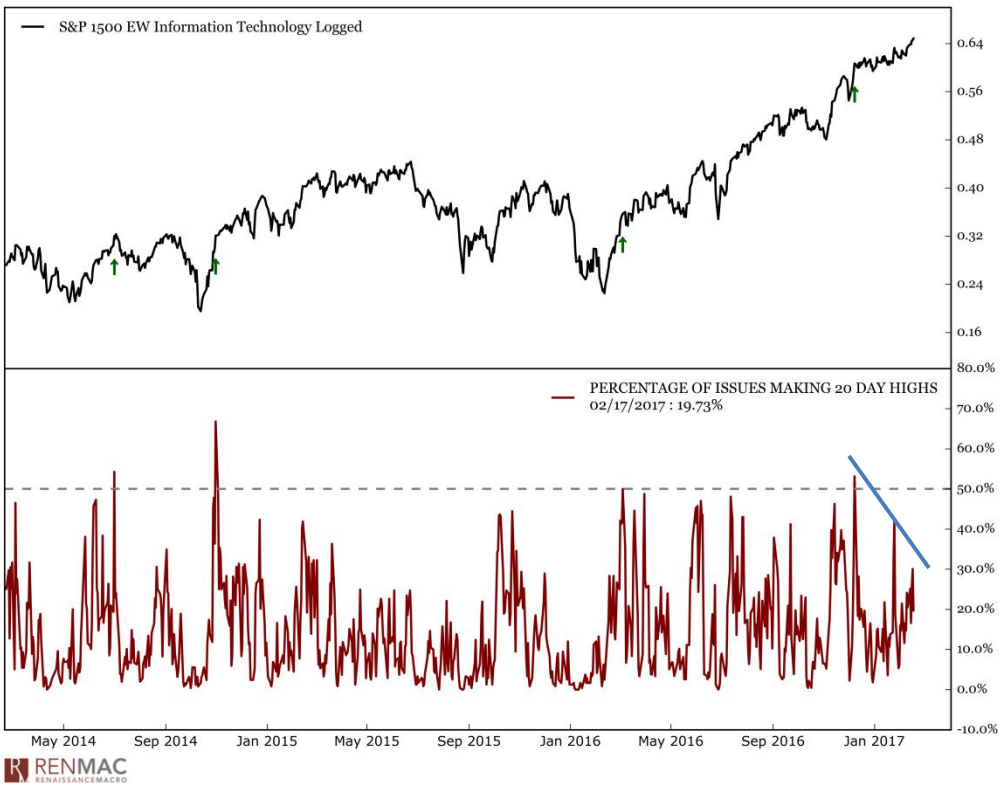


Strength across the cap space as equal weight index makes new absolute and relative highs

Strong global trends

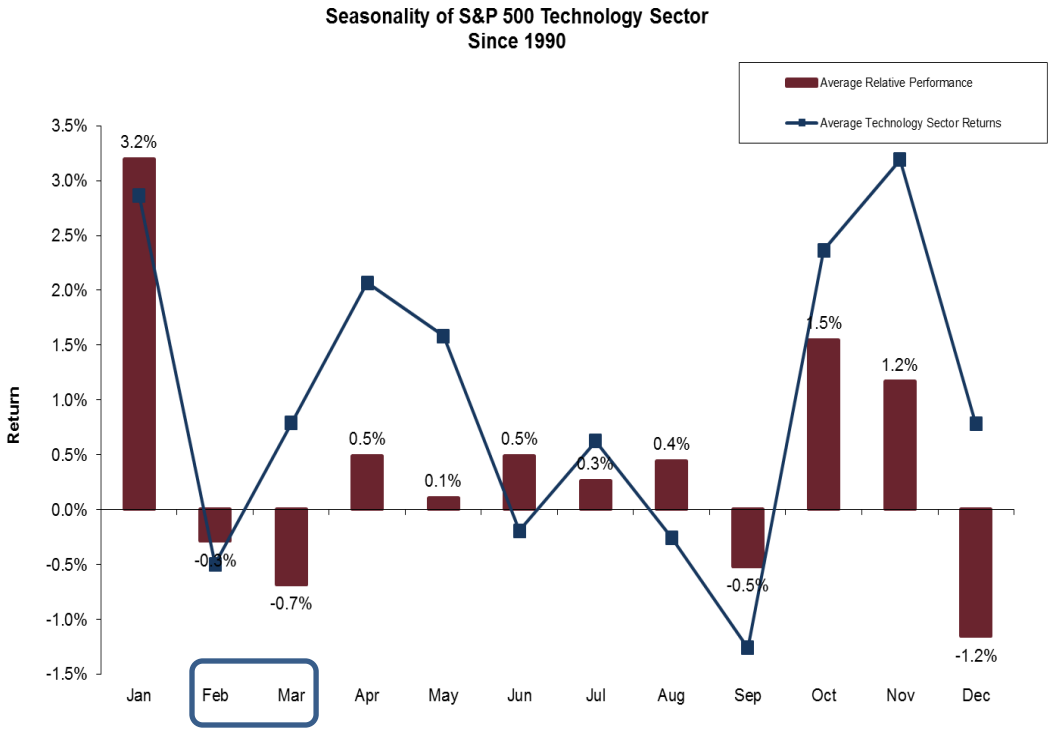
Internals





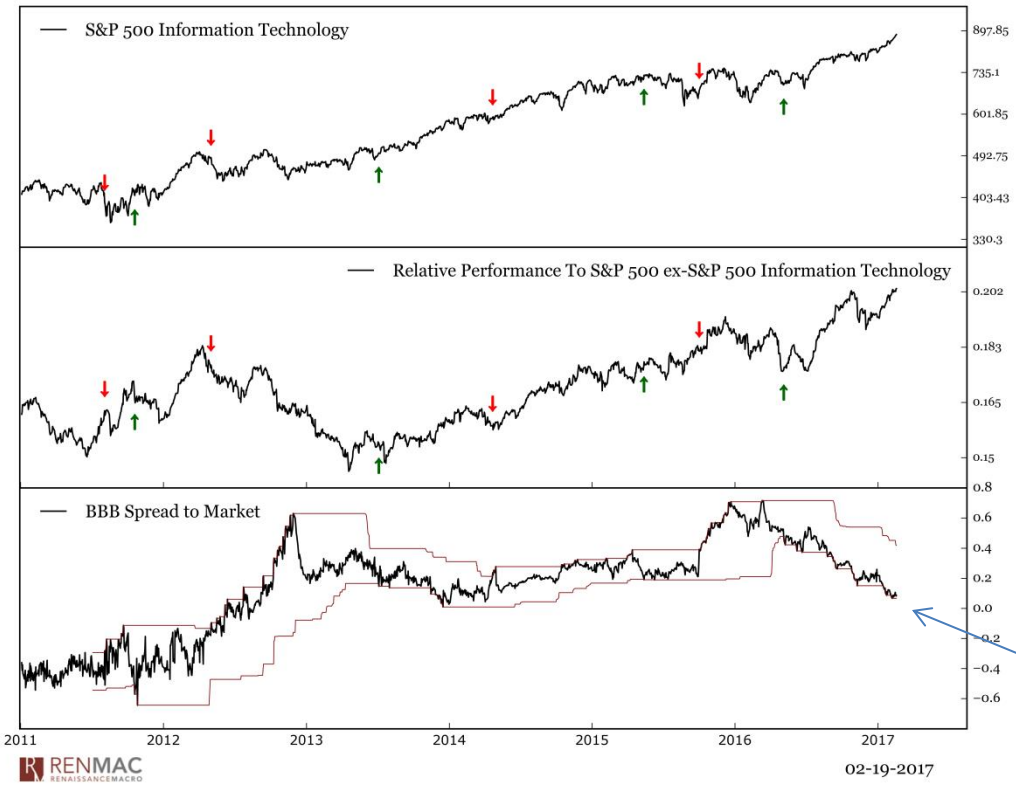
Minor divergences internally as the issues above the 65 DMA and 20 day new highs are dropping as the sector makes new highs....momentum is compressing

Seasonality

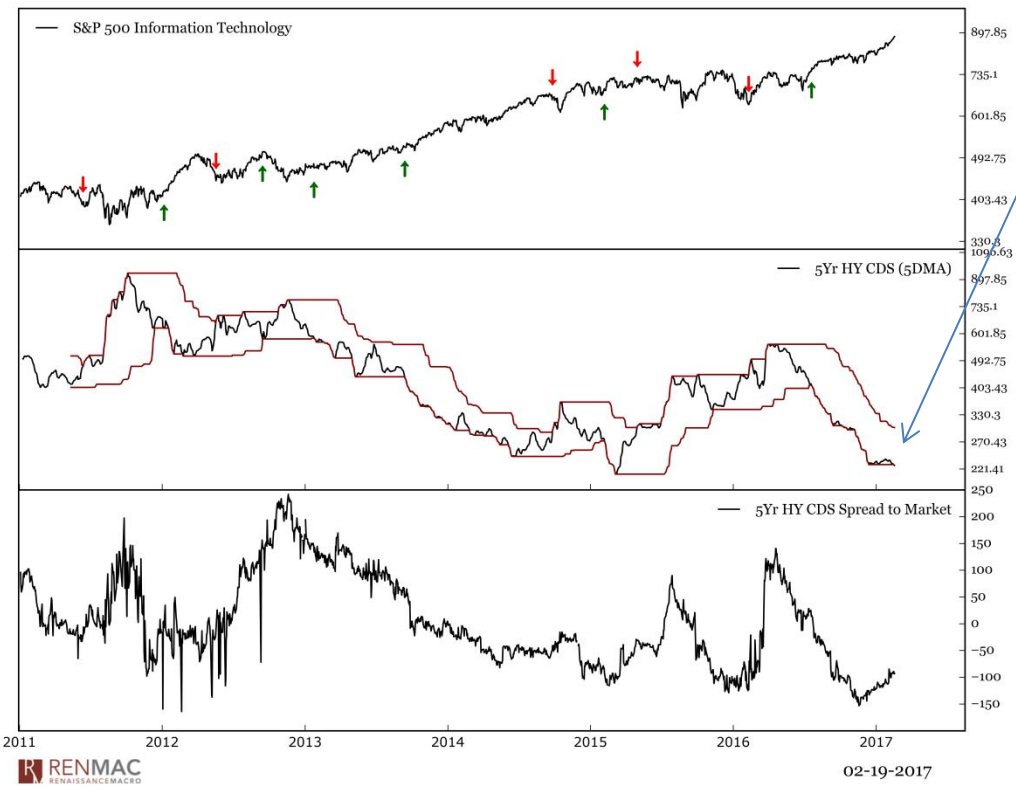


Seasonality suggests some digestion of gains as Feb and Mar historically underperform.

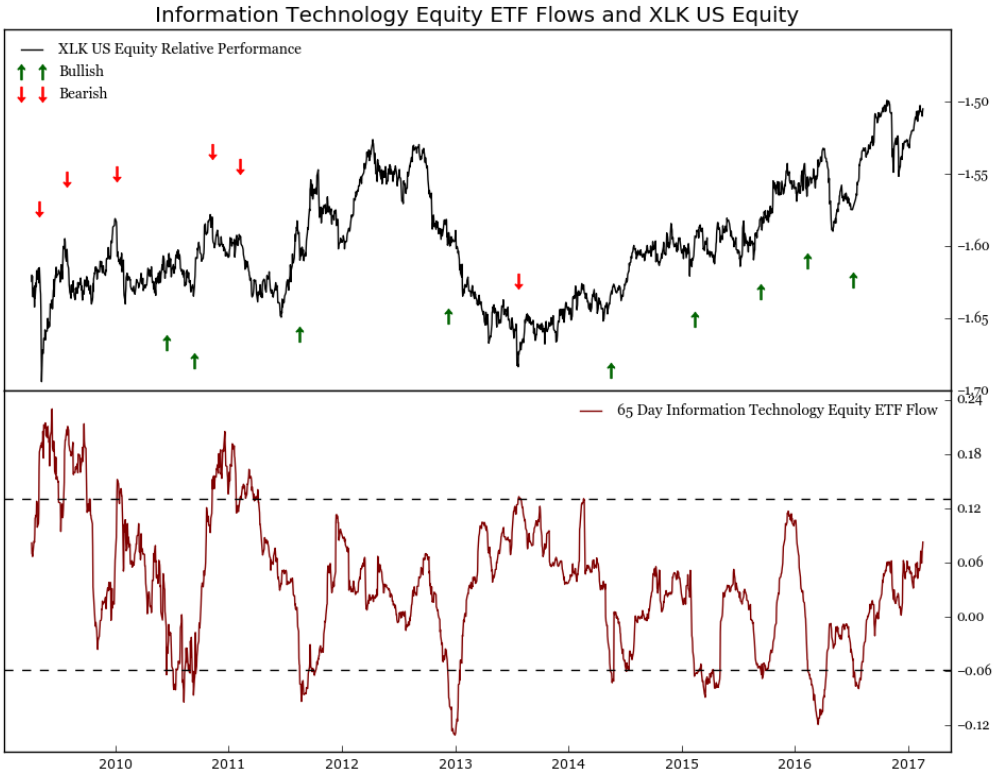
Credit



As has been the case for quite some time, credit acting very well. Breaking to new lows

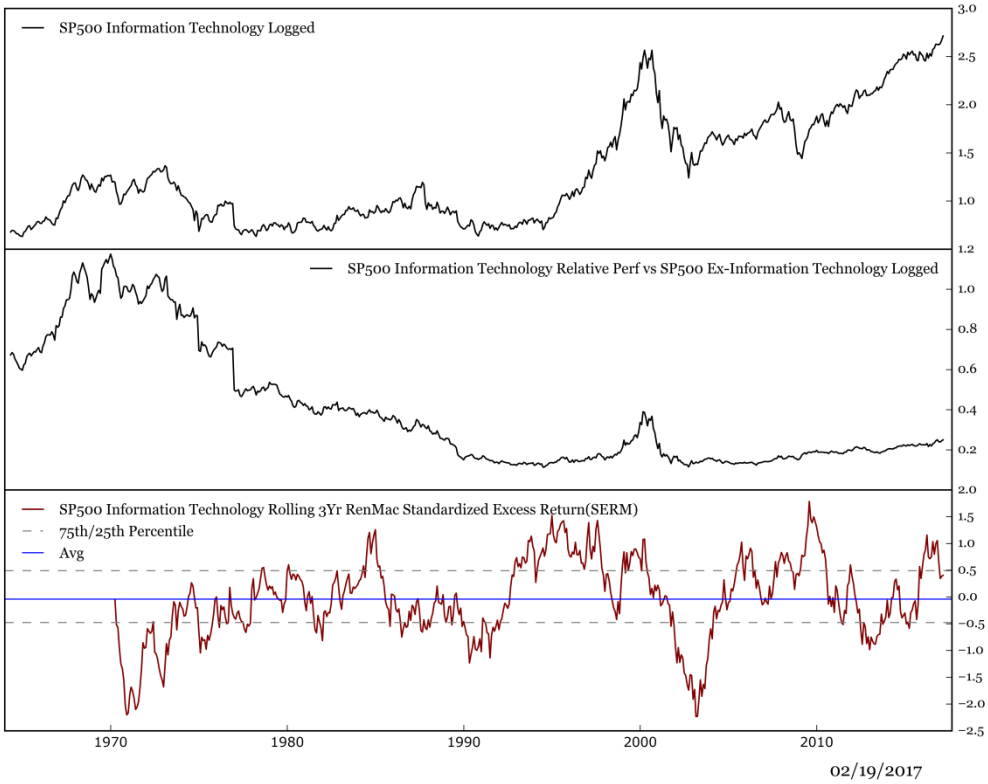


Sentiment

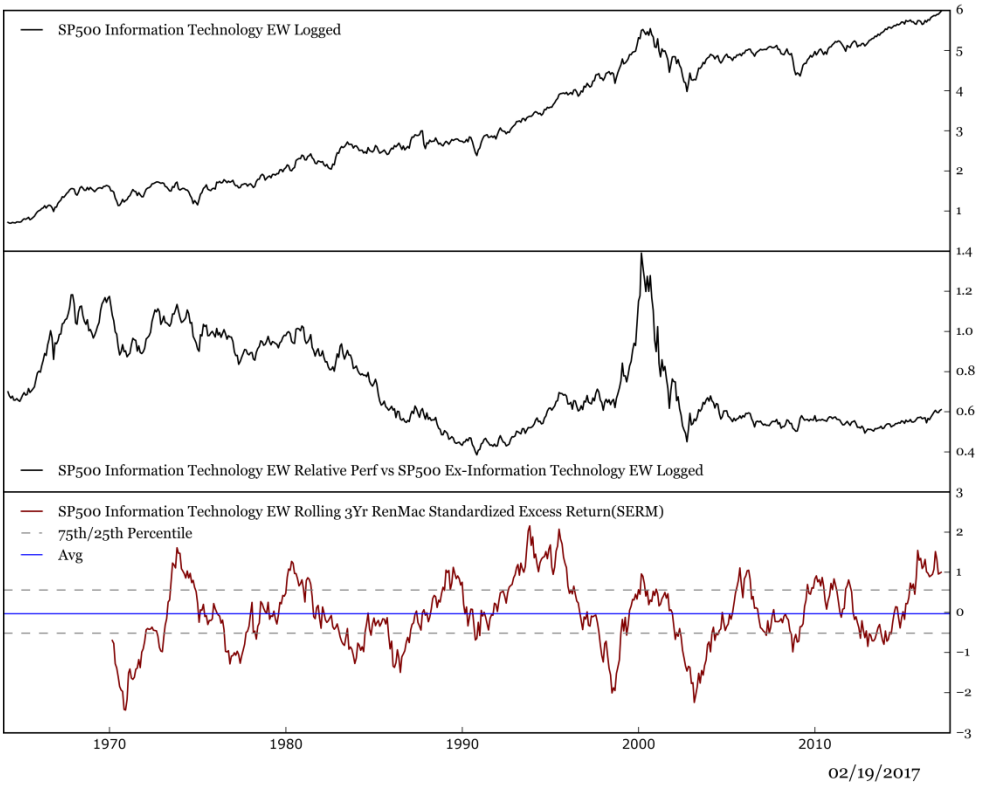


ETF inflows are not yet extreme

SERM

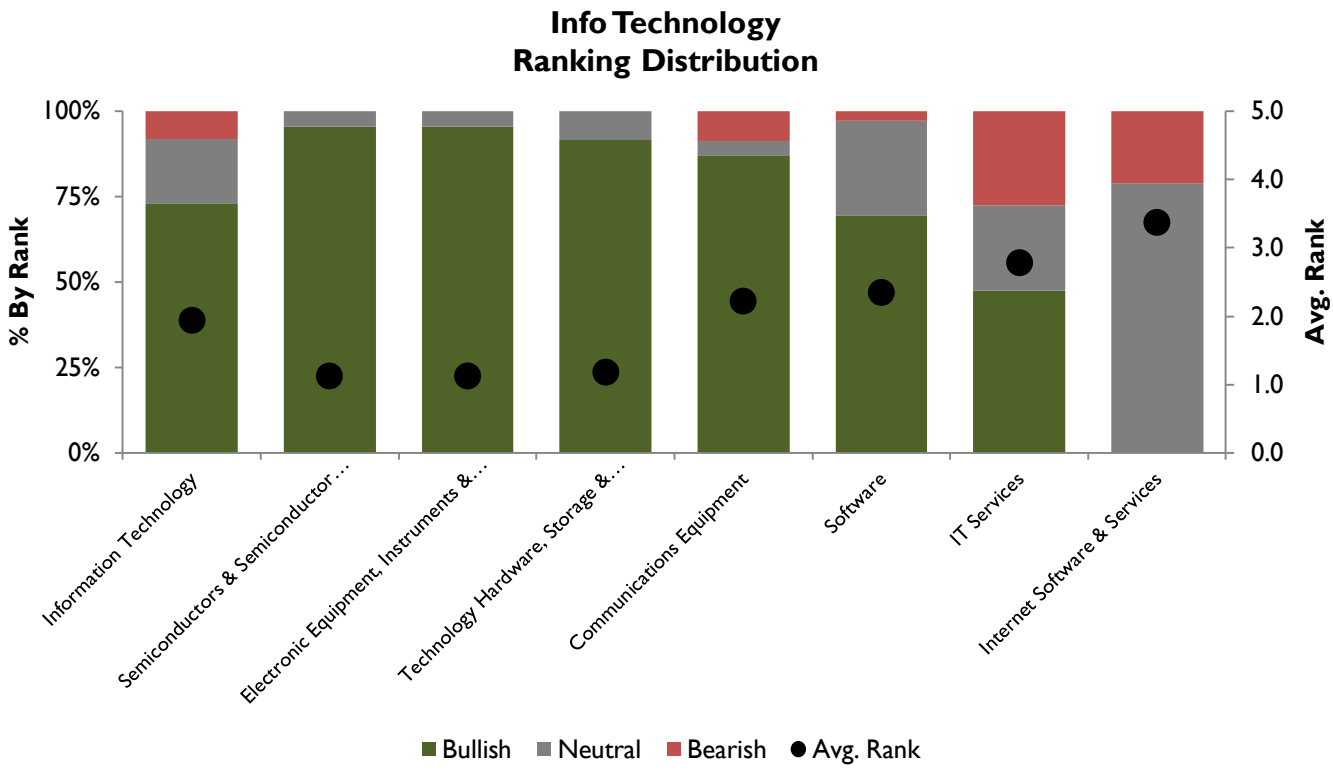


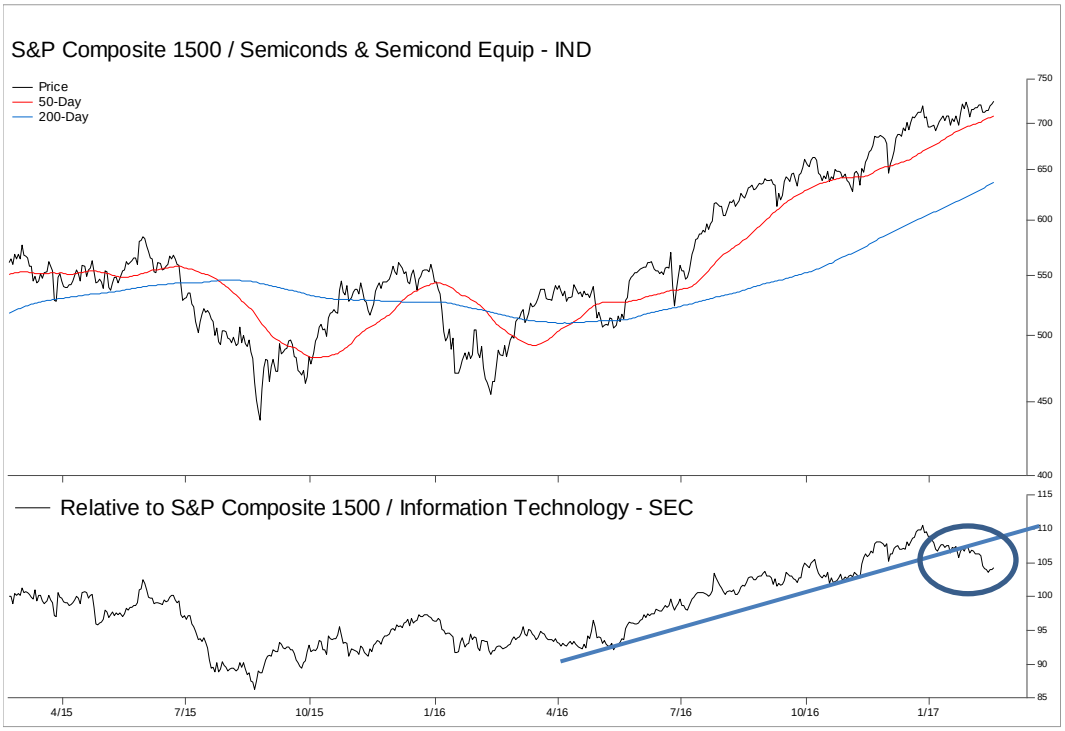
Cap weighted SERM beginning to normalize...



...while equal weight remains elevated. This sets the risk, but less of a near-term factor until we lose trend, momentum, semis, etc.

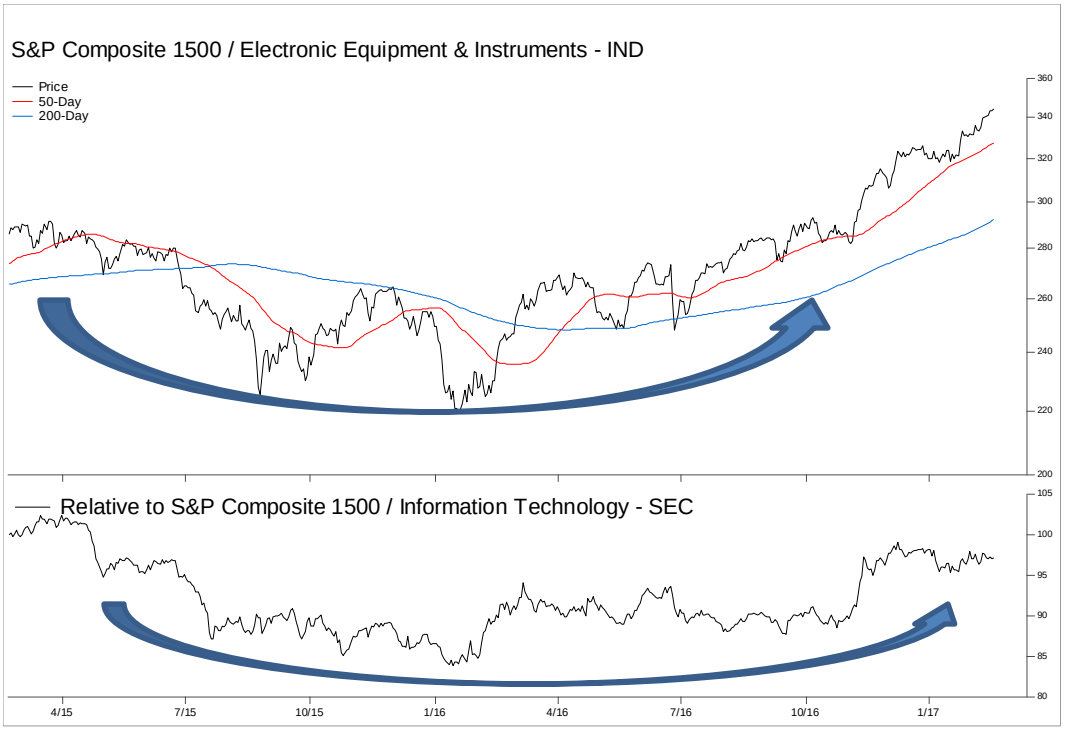
Industries



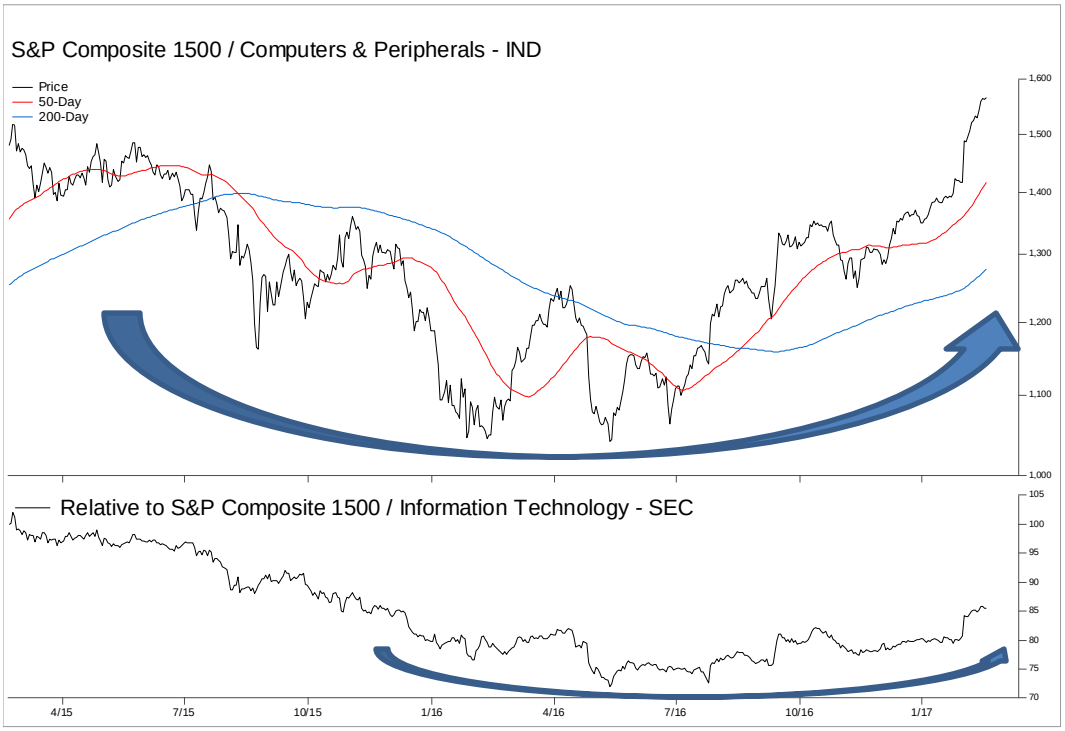


Semi's starting to underperform against the sector as the rest of Tech starts to gain ground, however absolute trends continue to make new highs

Industries

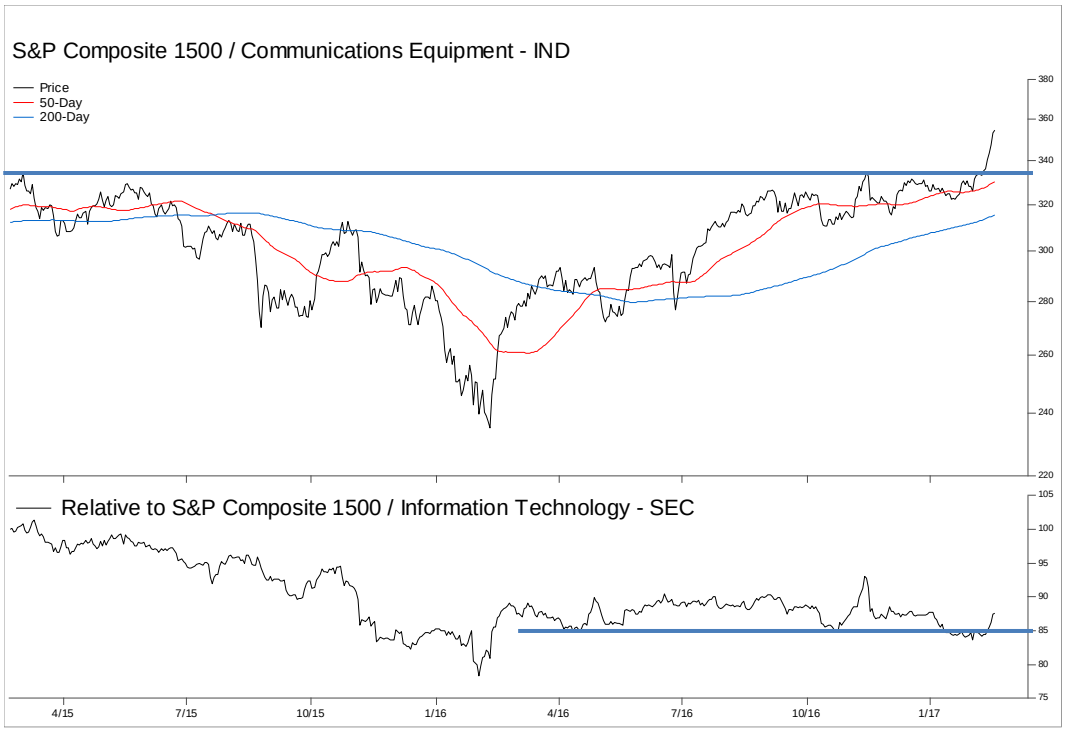


Strong trends

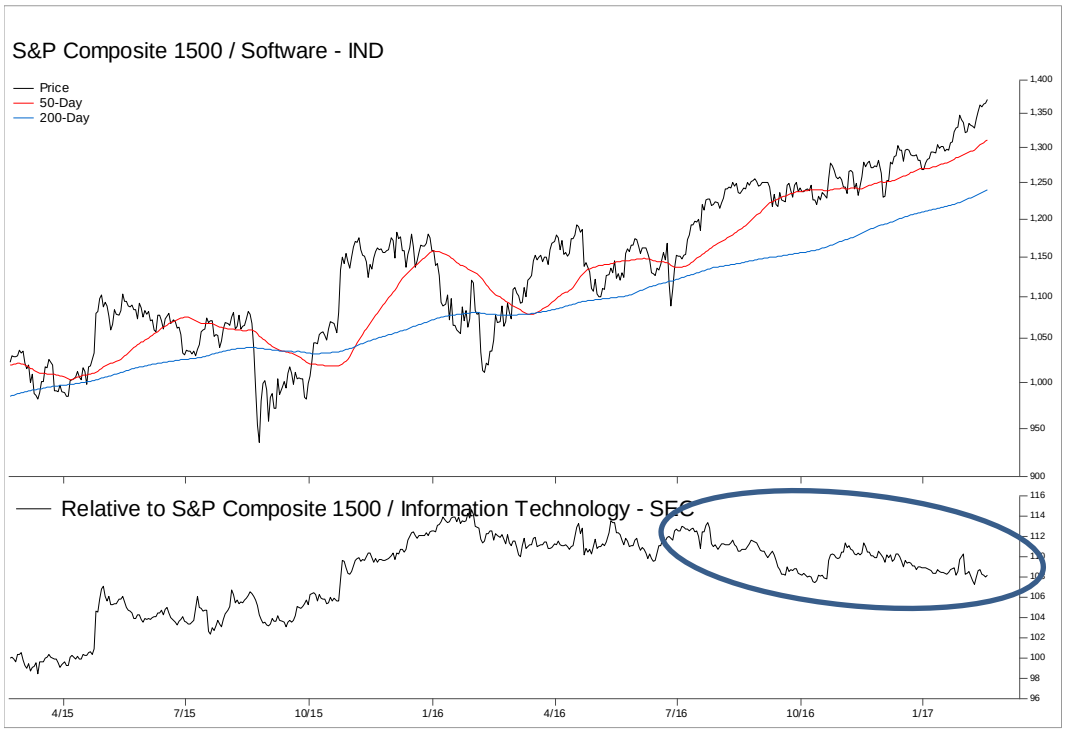


Strength in AAPL carrying the industry to new highs

Industries

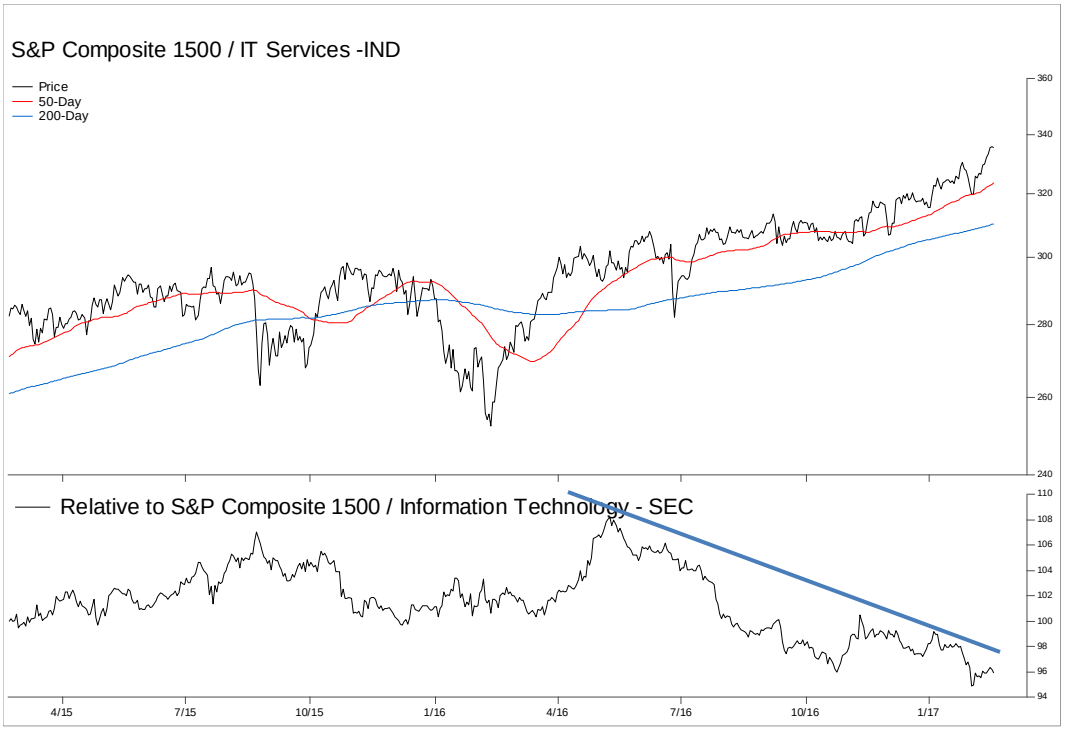


Breaking out to new highs, a nice victory for the bulls

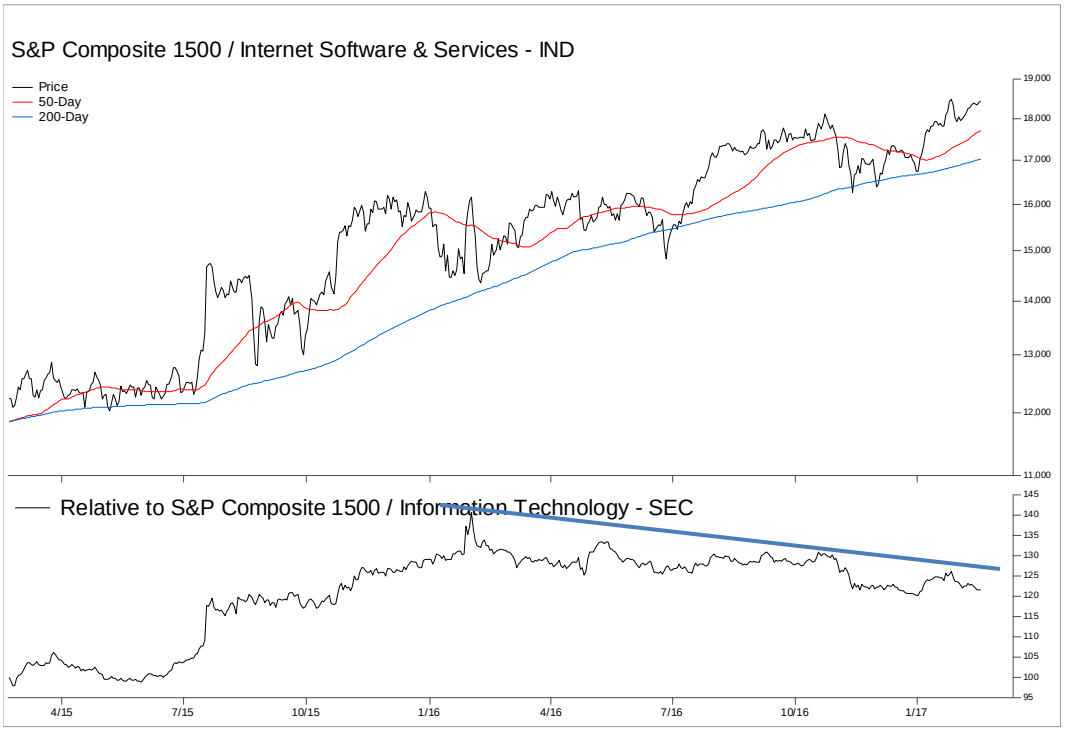


Absolute trend intact, but software continues to act tired versus the broader tech sector

Industries

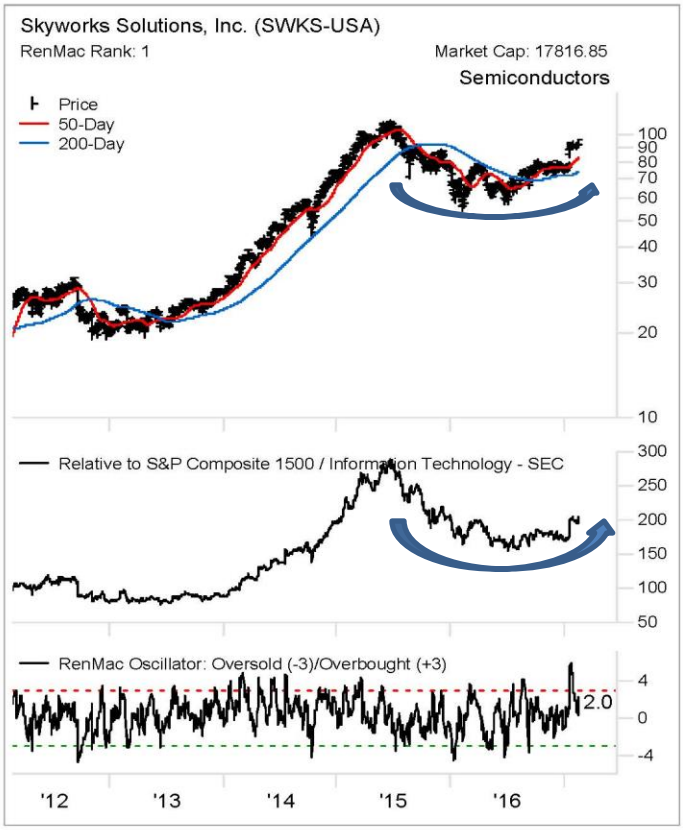


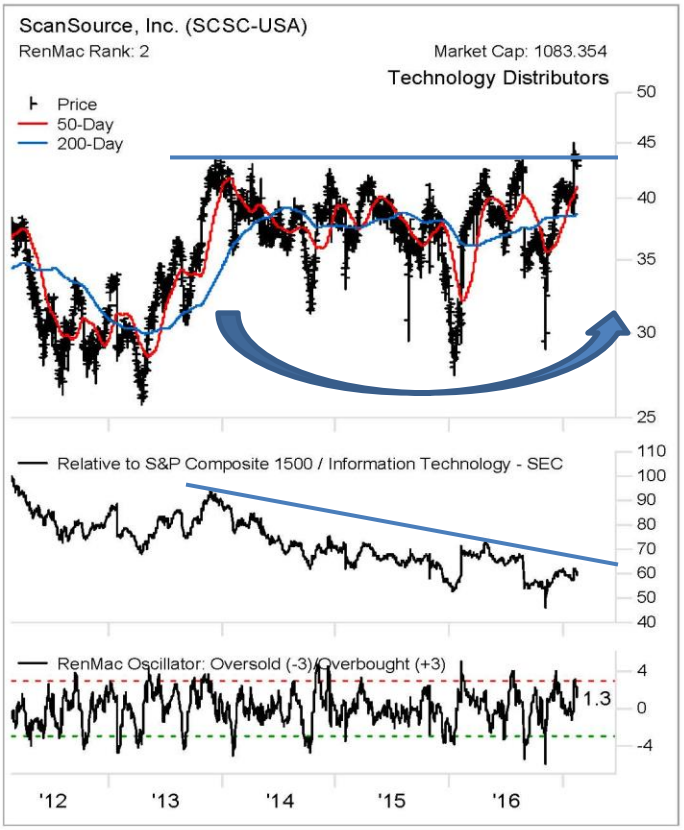
Great looking absolute trend, unfortunately remains a relative underperformer



Another relative underperformer with strong absolute trends

Basing Patterns





Basing Patterns

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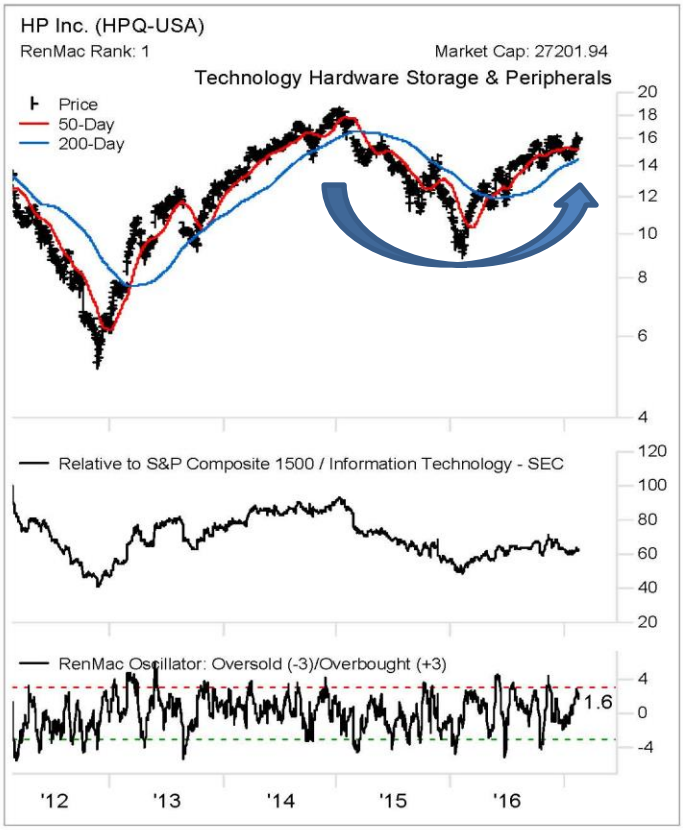
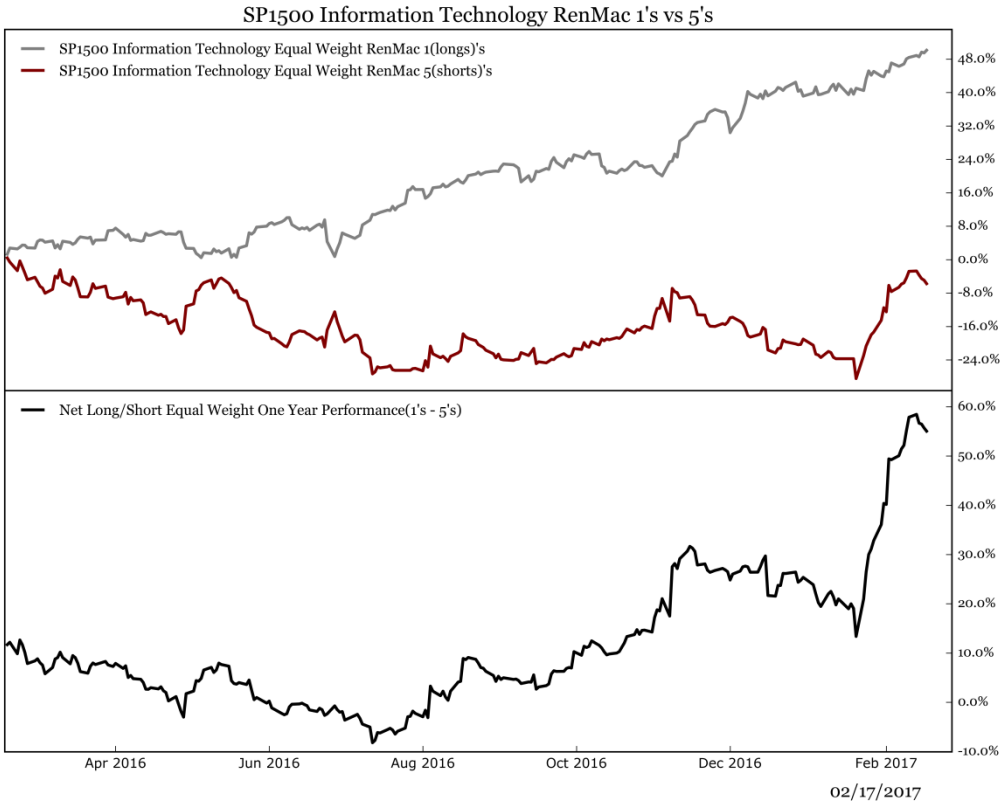
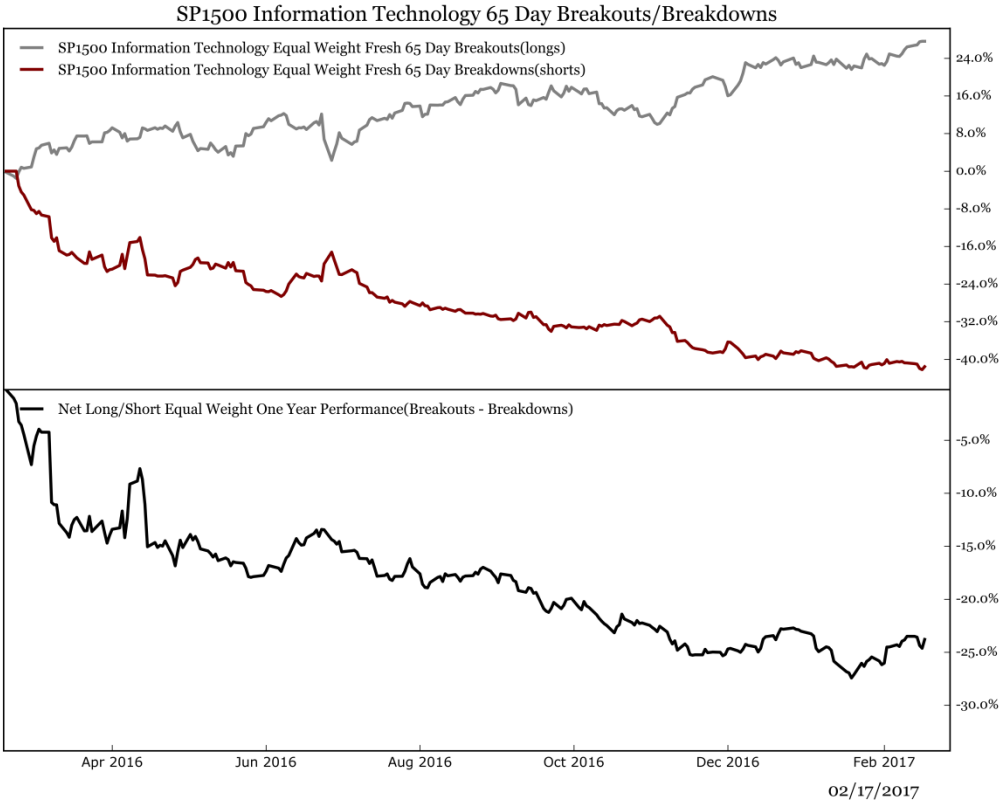


Strategy

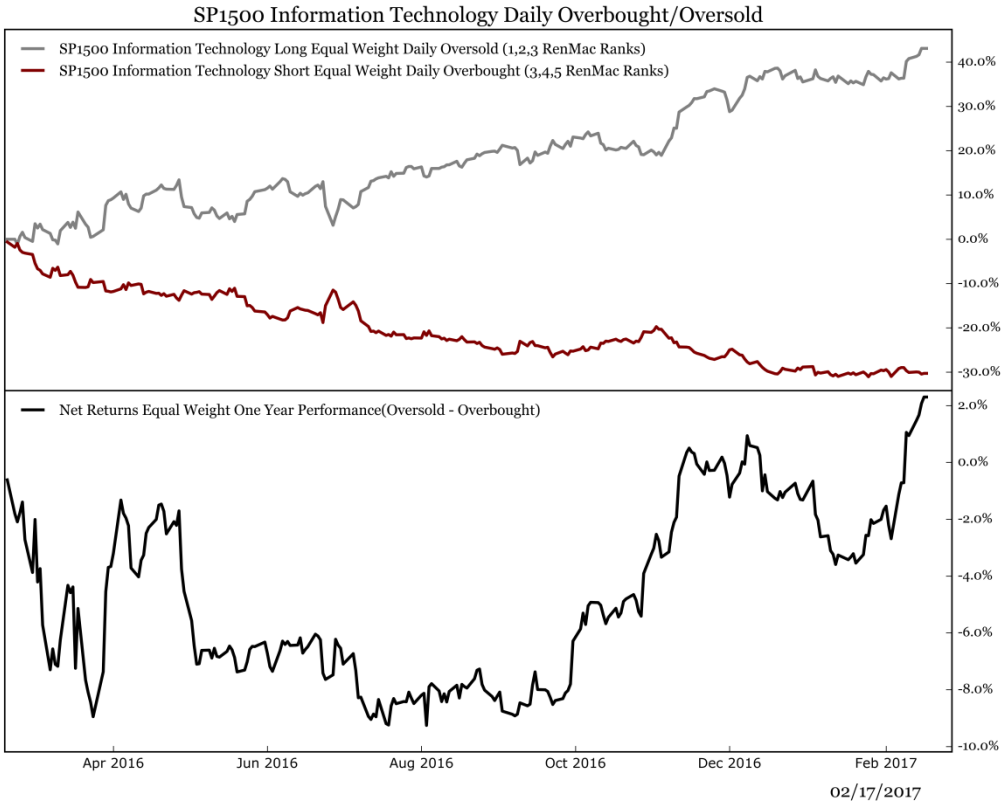


Buying 1's and shorting 5's are both working, however there are only a handful of 5 ranked stocks w/in Tech



Shorting breakdowns continues to be a losing strategy

Strategy



Buying oversold uptrends remains a winning strategy

RenMac Sector Rankings

S&P 1500 TMT Rankings			
Symbol	**Company Name**	**Rank**	**Oversold (-3) Overbought(+3)**
Technology			
Communications Equipment			
BBOX	Black Box Corp	2	-2
BRCD	Brocade Communications Systems Inc	2	-1
BELFB	Bel Fuse Inc	2	-1
MSI	Motorola Solutions Inc	2	-1
PLT	Plantronics Inc	2	0
ADTN	ADTRAN Inc	2	0
NTGR	NETGEAR Inc	2	0
DGII	Digi International Inc	2	0
CAMP	CalAmp Corp	2	1
XXIA	Ixia	2	1
ARRS	ARRIS International PLC	2	1
HLIT	Harmonic Inc	2	1
CIEN	Ciena Corp	2	2
FFIV	F5 Networks Inc	2	2
JNPR	Juniper Networks Inc	2	2
IDCC	InterDigital Inc/PA	2	2
VIAV	Viavi Solutions Inc	2	3
NTCT	NetScout Systems Inc	2	3
HRS	Harris Corp	2	3
LITE	Lumentum Holdings Inc	2	4
CSCO	Cisco Systems Inc	2	5
VSAT	ViaSat Inc	4	1
CMTL	Comtech Telecommunications Corp	4	2
Electronic Equipment, Instruments & Components			
BMI	Badger Meter Inc	1	-2
BDC	Belden Inc	1	-1
MTSC	MTS Systems Corp	1	-1
ROG	Rogers Corp	1	-1
VSH	Vishay Intertechnology Inc	1	-1
SNX	SYNNEX Corp	1	0
AVT	Avnet Inc	1	0
DAKT	Daktronics Inc	1	0
ARW	Arrow Electronics Inc	1	0
MEI	Methode Electronics Inc	1	0
TEL	TE Connectivity Ltd	1	0
ESIO	Electro Scientific Industries Inc	1	1
PKE	Park Electrochemical Corp	1	1
AXE	Anixter International Inc	1	1
TECD	Tech Data Corp	1	1
NATI	National Instruments Corp	1	1
KEYS	Keysight Technologies Inc	1	1
LFUS	Littelfuse Inc	1	1
OSIS	OSI Systems Inc	1	1
FARO	FARO Technologies Inc	1	1
ZBRA	Zebra Technologies Corp	1	1
FLIR	FLIR Systems Inc	1	1
TRMB	Trimble Inc	1	1
ITRI	Itron Inc	1	1
IIVI	II-VI Inc	1	1
SANM	Sanmina Corp	1	1

RenMac Sector Rankings

S&P 1500 TMT Rankings			
Symbol	Company Name	Rank	Oversold (-3) Overbought(+3)
SCSC	ScanSource Inc	1	1
APH	Amphenol Corp	1	2
PLUS	ePlus Inc	1	2
CTS	CTS Corp	1	2
TTMI	TTM Technologies Inc	1	2
BHE	Benchmark Electronics Inc	1	2
IPGP	IPG Photonics Corp	1	2
KN	Knowles Corp	1	2
GLW	Corning Inc	1	2
PLXS	Plexus Corp	1	2
FN	Fabrinet	1	3
JBL	Jabil Circuit Inc	1	3
COHR	Coherent Inc	1	3
NSIT	Insight Enterprises Inc	1	4
CGNX	Cognex Corp	1	5
AGYS	Agilysys Inc	3	0
PAY	VeriFone Systems Inc	3	2
Internet Software & Services			
SPSC	SPS Commerce Inc	3	-3
AKAM	Akamai Technologies Inc	3	-3
LQDT	Liquidity Services Inc	3	-2
EGOV	NIC Inc	3	-2
LOGM	LogMeIn Inc	3	-2
JCOM	j2 Global Inc	3	-1
QNST	QuinStreet Inc	3	0
XOXO	XO Group Inc	3	0
FB	Facebook Inc	3	1
YHOO	Yahoo! Inc	3	1
GOOGL	Alphabet Inc	3	1
GOOG	Alphabet Inc	3	1
BCOR	Blucora Inc	3	2
EBAY	eBay Inc	3	2
STMP	Stamps.com Inc	3	2
LPSN	LivePerson Inc	4	0
SSTK	Shutterstock Inc	4	1
DHX	DHI Group Inc	5	0
VRSN	VeriSign Inc	5	0
WBMD	WebMD Health Corp	5	1
IT Services			
CATM	Cardtronics PLC	2	-4
CSGS	CSG Systems International Inc	2	-2
CSRA	CSRA Inc	2	-2
WEX	WEX Inc	2	-1
FORR	Forrester Research Inc	2	-1
PAYX	Paychex Inc	2	0
GPN	Global Payments Inc	2	0
WU	Western Union Co/The	2	0
ADP	Automatic Data Processing Inc	2	0
TTEC	TeleTech Holdings Inc	2	0
CACI	CACI International Inc	2	0
NSR	NeuStar Inc	2	1
MA	Mastercard Inc	2	1

RenMac Sector Rankings

S&P 1500 TMT Rankings			
Symbol	Company Name	Rank	Oversold (-3) Overbought(+3)
MANT	ManTech International Corp/VA	2	1
IT	Gartner Inc	2	1
IBM	International Business Machines Corp	2	2
PYPL	PayPal Holdings Inc	2	2
ADS	Alliance Data Systems Corp	2	2
JKHY	Jack Henry & Associates Inc	2	2
FIS	Fidelity National Information Services Inc	2	2
TSS	Total System Services Inc	2	2
ACXM	Acxiom Corp	2	2
V	Visa Inc	2	2
LDOS	Leidos Holdings Inc	2	2
FISV	Fiserv Inc	2	3
SAIC	Science Applications International Corp	2	3
CSC	Computer Sciences Corp	2	3
BR	Broadridge Financial Solutions Inc	3	1
TDC	Teradata Corp	3	1
ACN	Accenture PLC	3	3
CVG	Convergys Corp	4	-1
DST	DST Systems Inc	4	0
SYKE	Sykes Enterprises Inc	4	1
PRFT	Perficient Inc	4	1
EXLS	ExlService Holdings Inc	4	1
VRTU	Virtusa Corp	4	2
CTSH	Cognizant Technology Solutions Corp	4	2
MMS	MAXIMUS Inc	4	2
CLGX	CoreLogic Inc/United States	4	4
Semiconductors & Semiconductor Equipment			
RTEC	Rudolph Technologies Inc	1	-1
NVDA	NVIDIA Corp	1	-1
RMBS	Rambus Inc	1	-1
POWI	Power Integrations Inc	1	-1
ISIL	Intersil Corp	1	-1
IDTI	Integrated Device Technology Inc	1	-1
CRUS	Cirrus Logic Inc	1	-1
CREE	Cree Inc	1	-1
MPWR	Monolithic Power Systems Inc	1	-1
TSRA	Tessera Holding Corp	1	-1
MU	Micron Technology Inc	1	-1
LRCX	Lam Research Corp	1	-1
INTC	Intel Corp	1	0
CEVA	CEVA Inc	1	0
MSCC	Microsemi Corp	1	0
TXN	Texas Instruments Inc	1	0
DSPG	DSP Group Inc	1	0
MKSI	MKS Instruments Inc	1	1
AEIS	Advanced Energy Industries Inc	1	1
DIOD	Diodes Inc	1	1
CCMP	Cabot Microelectronics Corp	1	1
SLAB	Silicon Laboratories Inc	1	1
AMAT	Applied Materials Inc	1	1
VECO	Veeco Instruments Inc	1	1
MCHP	Microchip Technology Inc	1	1

RenMac Sector Rankings

S&P 1500 TMT Rankings			
Symbol	Company Name	Rank	Oversold (-3) Overbought(+3)
XLNX	Xilinx Inc	1	1
TER	Teradyne Inc	1	1
KOPN	Kopin Corp	1	1
CY	Cypress Semiconductor Corp	1	1
SMTC	Semtech Corp	1	1
QCOM	QUALCOMM Inc	1	2
QRVO	Qorvo Inc	1	2
AMD	Advanced Micro Devices Inc	1	2
KLAC	KLA-Tencor Corp	1	2
NANO	Nanometrics Inc	1	2
EXAR	Exar Corp	1	2
AVGO	Broadcom Ltd	1	2
SWKS	Skyworks Solutions Inc	1	2
KLIC	Kulicke & Soffa Industries Inc	1	2
UTEK	Ultratech Inc	1	2
BRKS	Brooks Automation Inc	1	3
LLTC	Linear Technology Corp	1	4
ADI	Analog Devices Inc	1	4
COHU	Cohu Inc	1	5
SYNA	Synaptics Inc	3	1
FSLR	First Solar Inc	3	2
VSM	Versum Materials Inc	#NA	3
Software			
EGHT	8x8 Inc	2	-1
MSTR	MicroStrategy Inc	2	0
MENT	Mentor Graphics Corp	2	0
CVLT	CommVault Systems Inc	2	0
MSFT	Microsoft Corp	2	1
PTC	PTC Inc	2	1
INTU	Intuit Inc	2	1
SYMC	Symantec Corp	2	1
CDK	CDK Global Inc	2	2
ADSK	Autodesk Inc	2	2
FICO	Fair Isaac Corp	2	2
EBIX	Ebix Inc	2	2
CTXS	Citrix Systems Inc	2	2
BLKB	Blackbaud Inc	2	2
EA	Electronic Arts Inc	2	2
ADBE	Adobe Systems Inc	2	3
TTWO	Take-Two Interactive Software Inc	2	3
CDNS	Cadence Design Systems Inc	2	3
ANSS	ANSYS Inc	2	4
SNPS	Synopsys Inc	2	5
EPAY	Bottomline Technologies de Inc	3	-1
QLYS	Qualys Inc	3	0
TIVO	TiVo Corp	3	1
PRGS	Progress Software Corp	3	2
RHT	Red Hat Inc	3	3
TNGO	Tangoe Inc	4	-4
SNCR	Synchronoss Technologies Inc	4	-3
VDSI	VASCO Data Security International Inc	4	-3
TYPE	Monotype Imaging Holdings Inc	4	-1

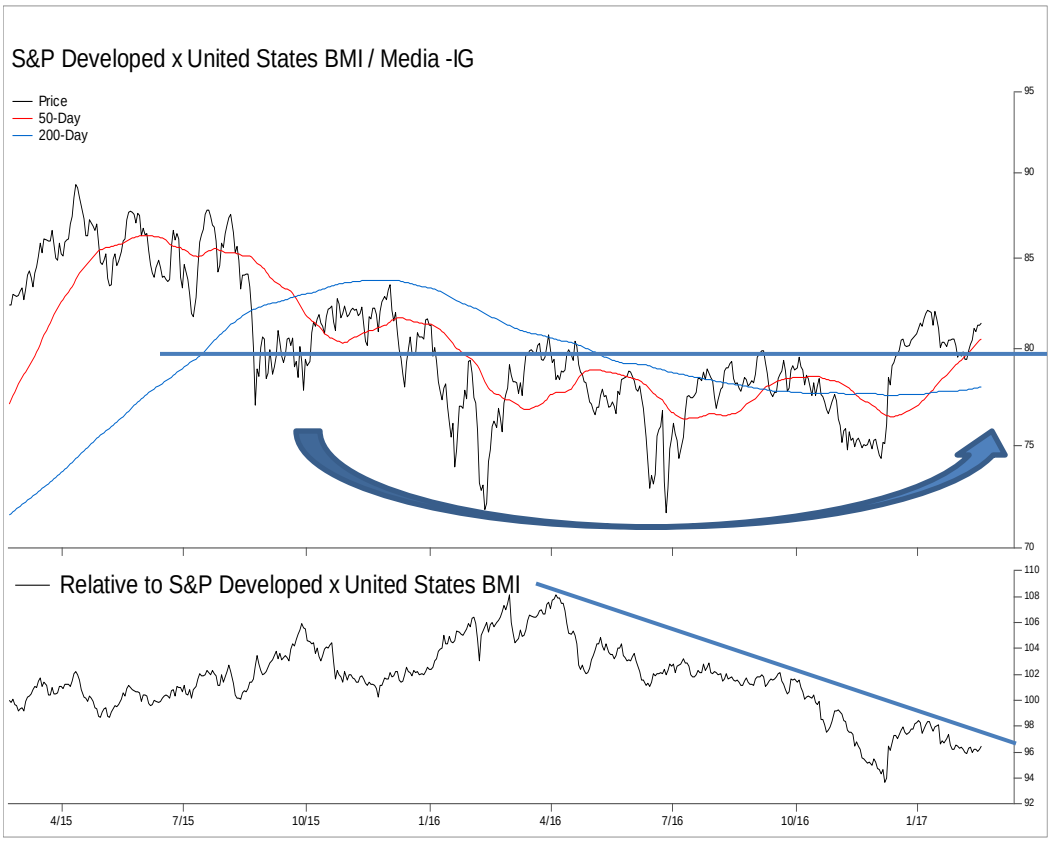
RenMac Sector Rankings

S&P 1500 TMT Rankings			
Symbol	Company Name	Rank	Oversold (-3) Overbought(+3)
ULTI	Ultimate Software Group Inc/The	4	0
CA	CA Inc	4	1
ACIW	ACI Worldwide Inc	4	1
TYL	Tyler Technologies Inc	4	1
CRM	salesforce.com Inc	4	1
FTNT	Fortinet Inc	4	2
ATVI	Activision Blizzard Inc	4	3
ORCL	Oracle Corp	4	4
MANH	Manhattan Associates Inc	5	0
Technology Hardware, Storage & Peripherals			
WDC	Western Digital Corp	1	-1
SMCI	Super Micro Computer Inc	1	0
DDD	3D Systems Corp	1	0
STX	Seagate Technology PLC	1	1
XRX	Xerox Corp	1	2
NTAP	NetApp Inc	1	2
HPQ	HP Inc	1	2
HPE	Hewlett Packard Enterprise Co	1	2
NCR	NCR Corp	1	3
AAPL	Apple Inc	1	4
EFII	Electronics For Imaging Inc	2	1
DBD	Diebold Nixdorf Inc	2	3
CRAY	Cray Inc	3	3

Media

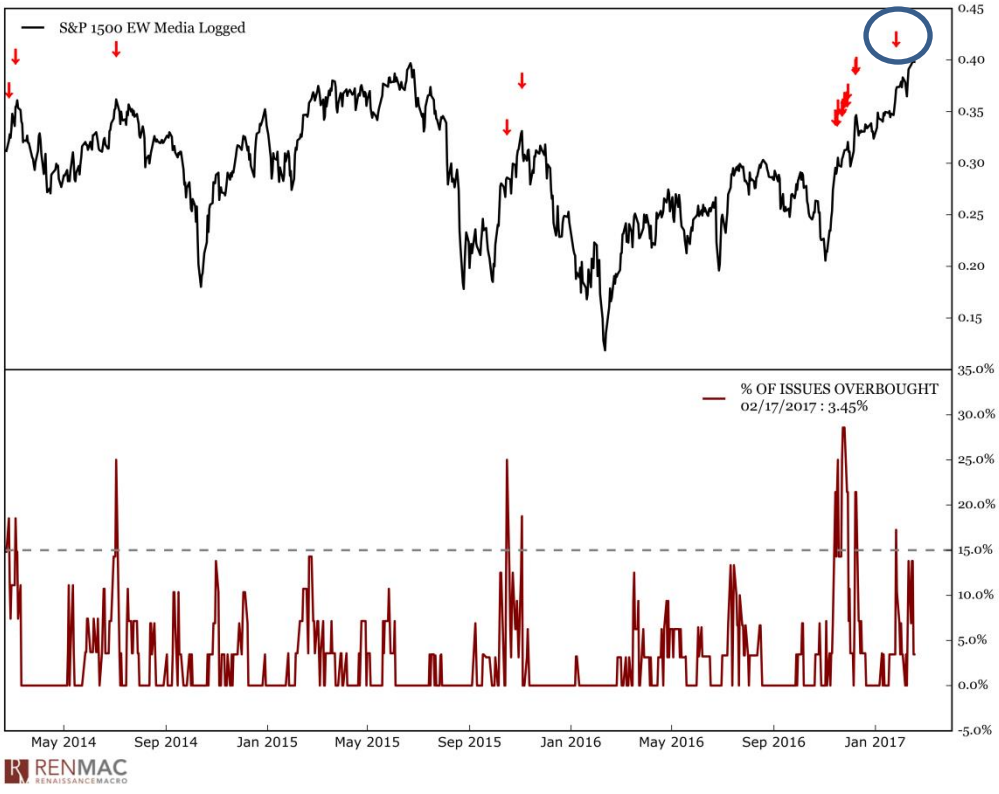
Trend

Continues to climb higher after breaking out of large basing pattern

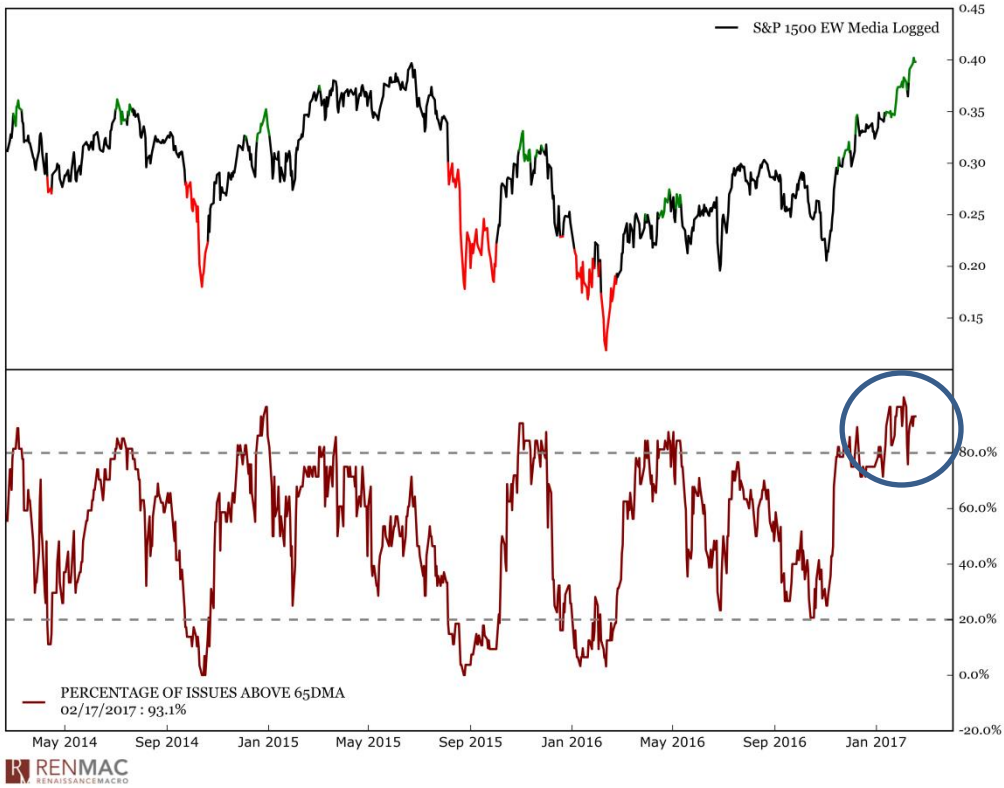


Globally, Media is breaking out but relative has yet to confirm

Internals



Internally overbought



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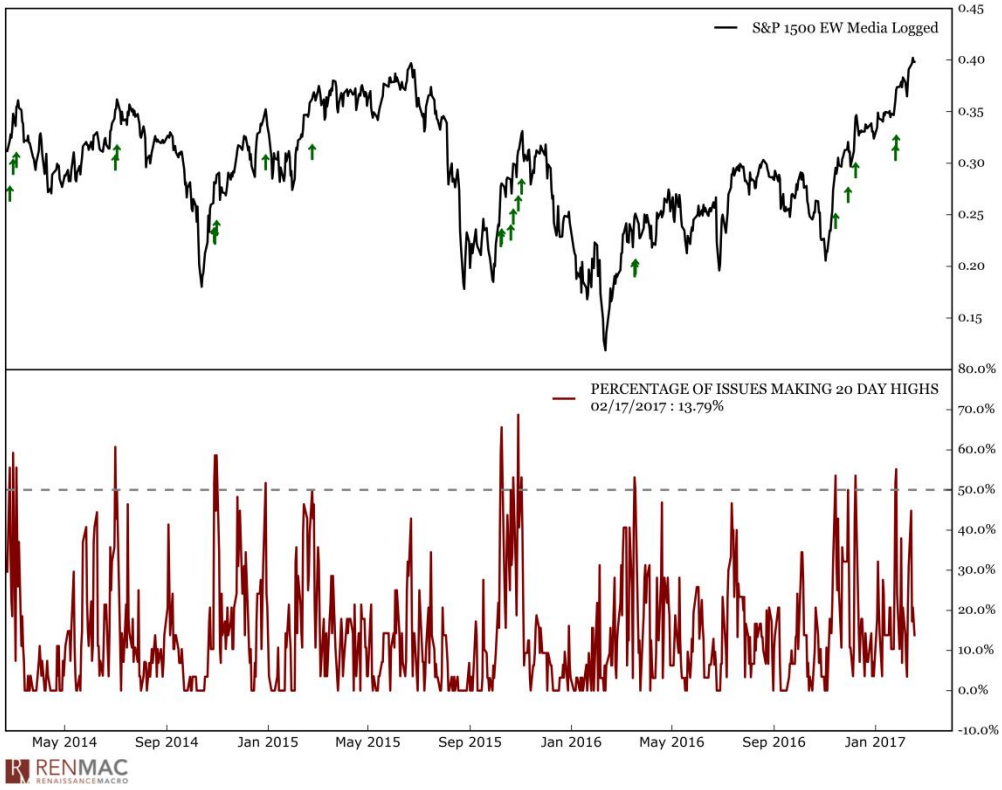
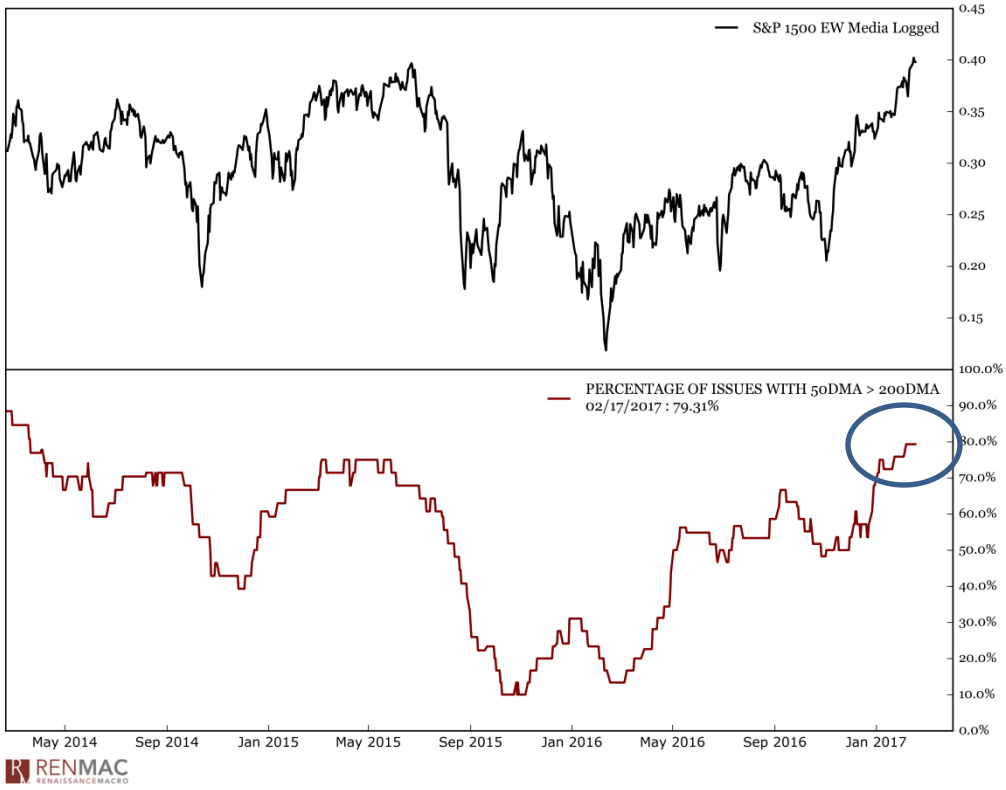
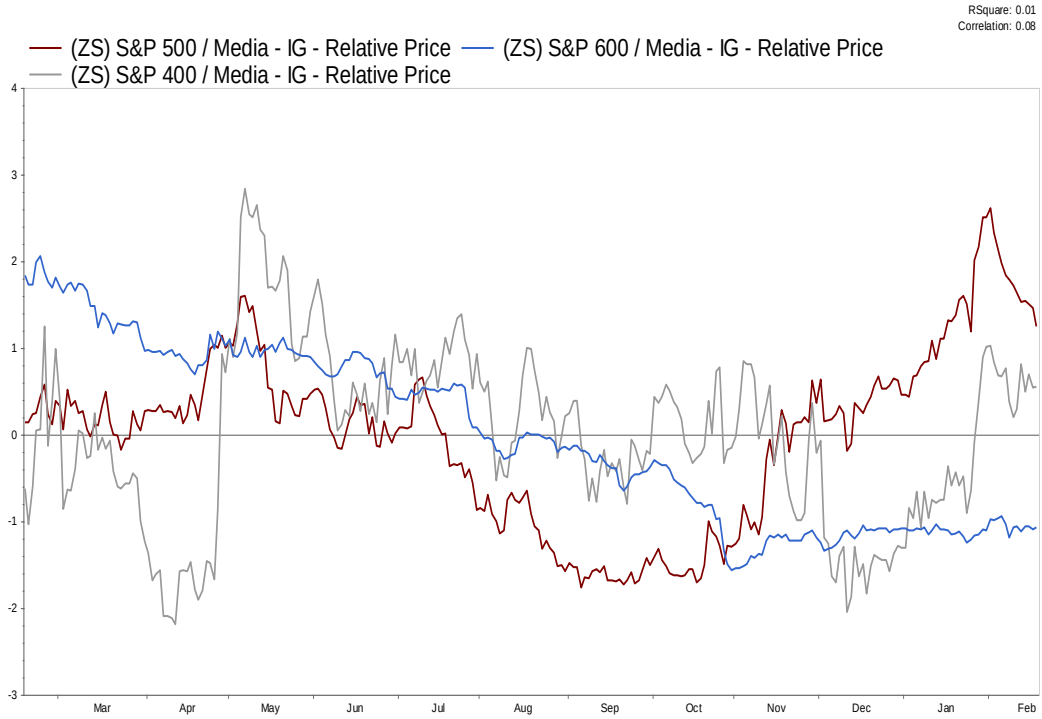


Momentum is impressive as 20 day highs are keeping pace

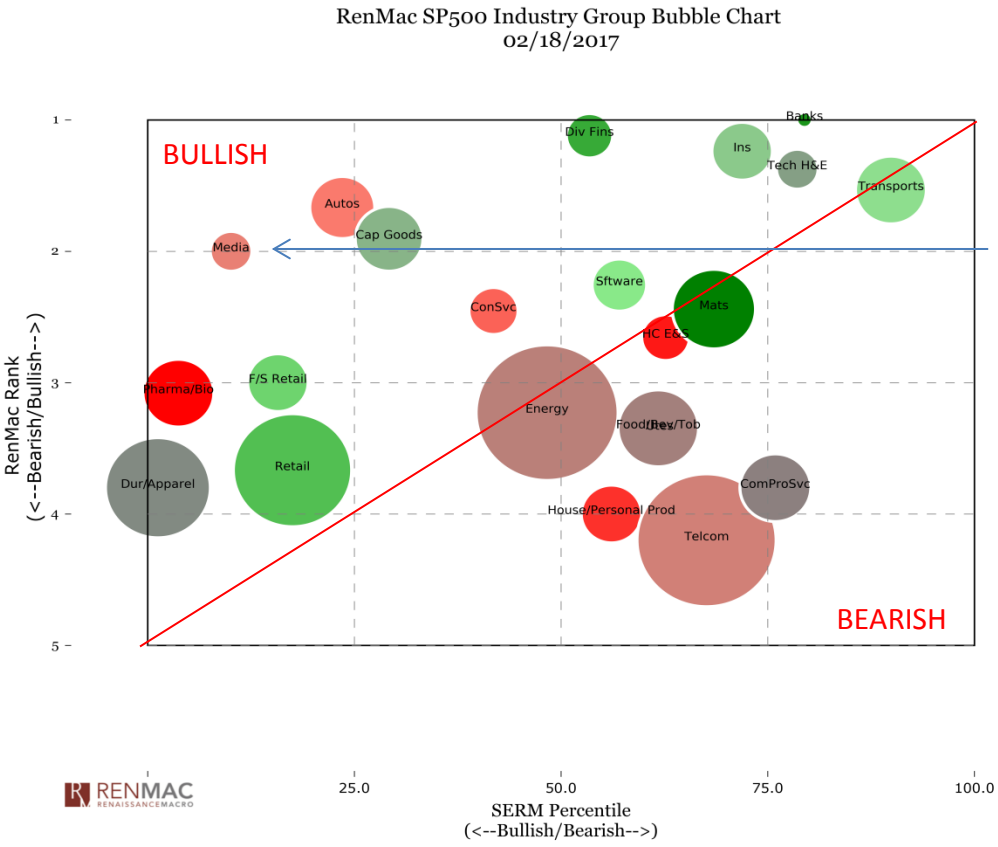


Long term trends are strongest since early 2014...really speaks to the improvement within Media

Conditionals



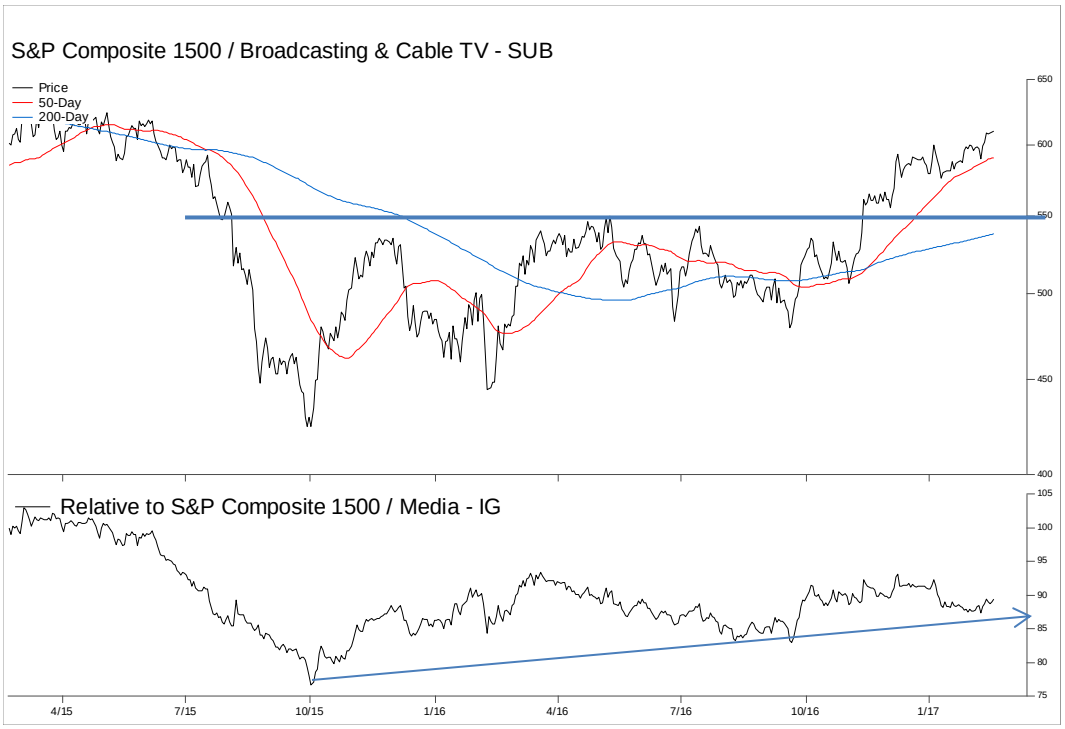
Relative consolidation in large and mid caps after a big run



Media remains favorably positioned

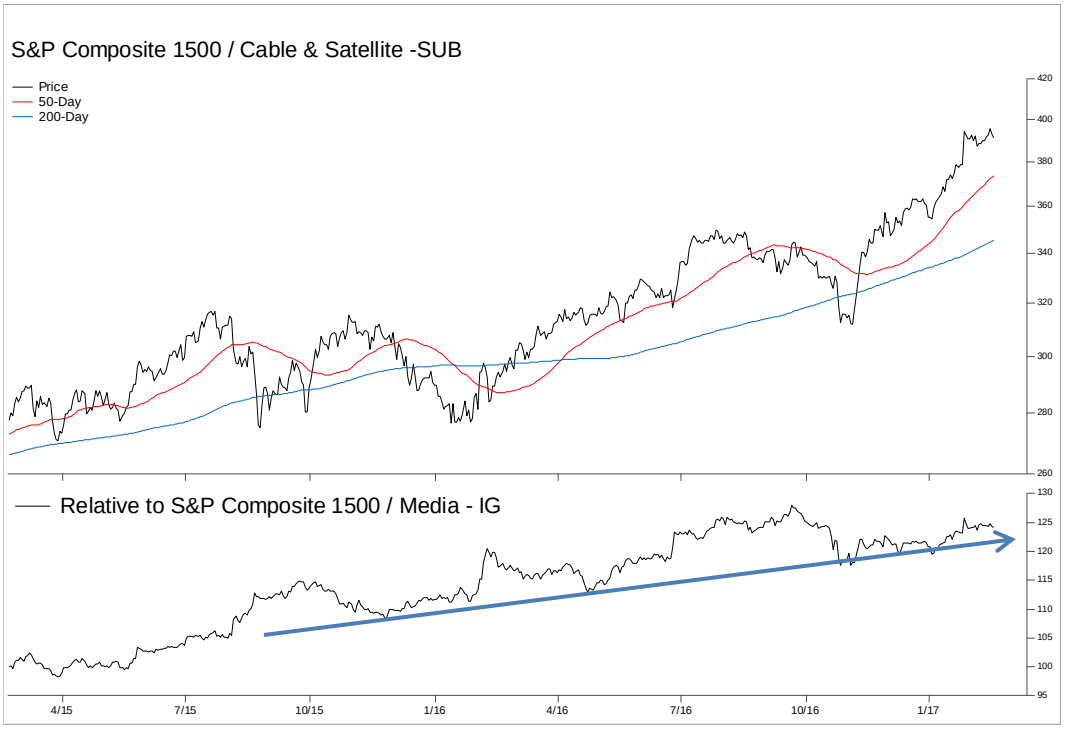
Industries

Advertising continues to underperform in Media as the absolute price consolidates around the 200 DMA

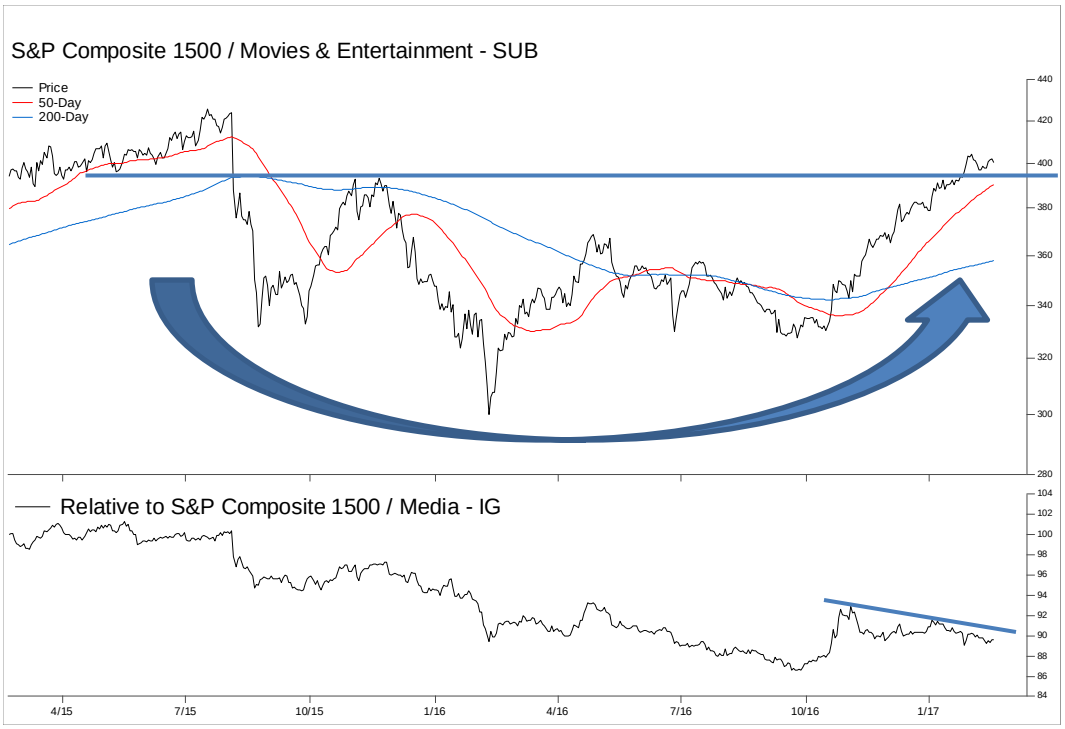


New absolute highs

Industries



Persistent leadership



Closing in on the 2014 highs, would like to see relative improvement

Industries

Showing signs of life as absolute breaks out above resistance while the 50 DMA crosses above the 200 DMA. Would like to see further relative improvement.

Publishing Longs

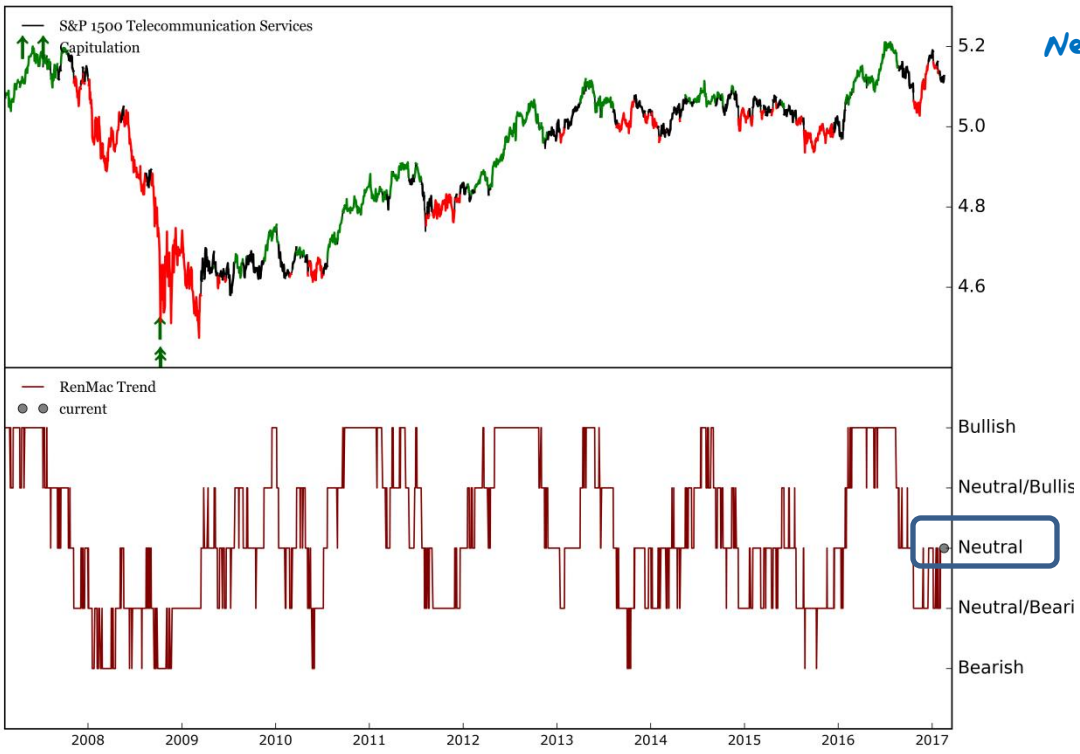
Publishing Longs

RenMac Sector Rankings

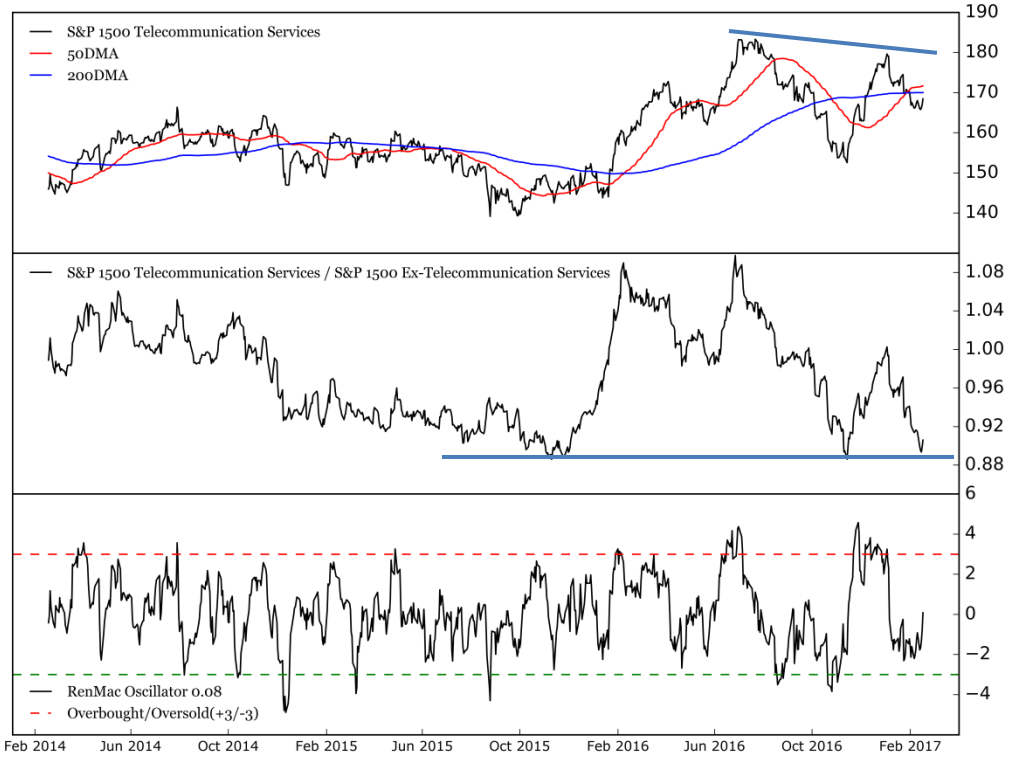
S&P 1500 TMT Rankings			
Symbol	**Company Name**	**Rank**	**Oversold (-3) Overbought(+3)**
Media			
Advertising			
OMC	Omnicom Group Inc	1	0
IPG	Interpublic Group of Cos Inc/The	1	1
Broadcasting			
SNI	Scripps Networks Interactive Inc	1	0
CBS	CBS Corp	1	1
DISCA	Discovery Communications Inc	1	1
DISCK	Discovery Communications Inc	1	1
SSP	EW Scripps Co/The	1	2
TGNA	TEGNA Inc	2	3
Cable & Satellite			
CMCSA	Comcast Corp	1	0
CABO	Cable One Inc	1	0
CHTR	Charter Communications Inc	1	1
AMCX	AMC Networks Inc	3	0
Movies & Entertainment			
FOX	Twenty-First Century Fox Inc	1	-1
FOXA	Twenty-First Century Fox Inc	1	-1
CNK	Cinemark Holdings Inc	1	0
TWX	Time Warner Inc	1	0
DIS	Walt Disney Co/The	1	0
LYV	Live Nation Entertainment Inc	1	3
WWE	World Wrestling Entertainment Inc	1	3
VIAB	Viacom Inc	3	2
Publishing			
TIME	Time Inc	1	0
SCHL	Scholastic Corp	1	1
MDP	Meredith Corp	1	1
JW/A	John Wiley & Sons Inc	1	2
NYT	New York Times Co/The	1	2
GCI	Gannett Co Inc	3	-1
NEWM	New Media Investment Group Inc	3	1
NWSA	News Corp	3	2
NWS	News Corp	3	2

Telecom

Trend

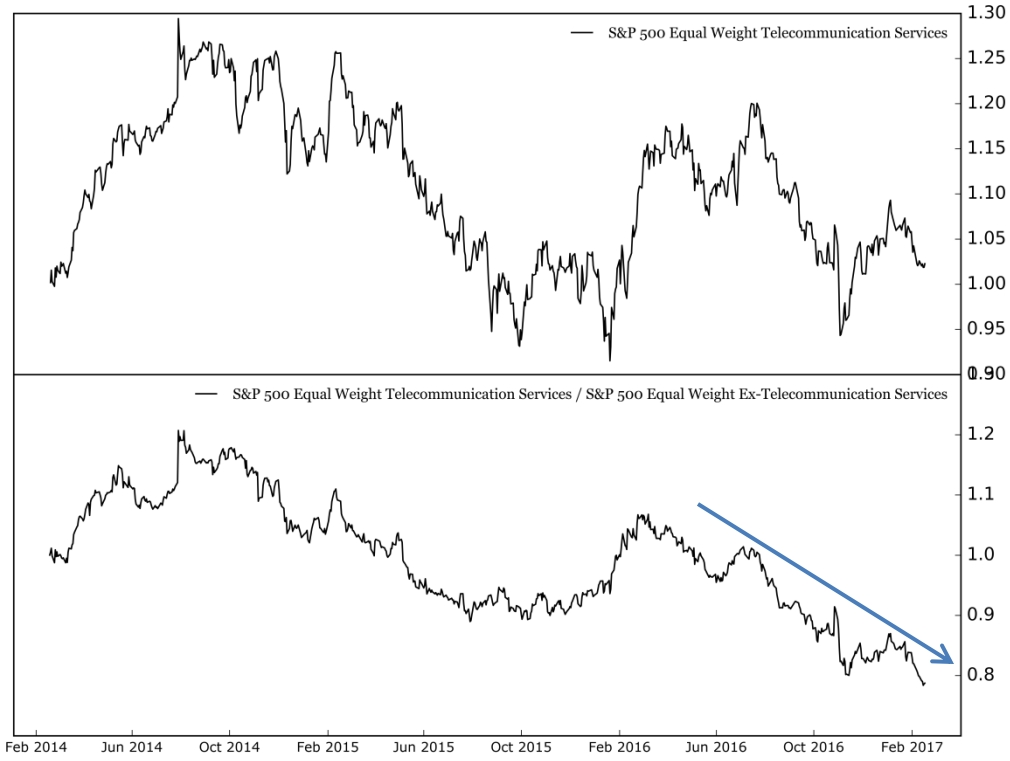


Neutral trend



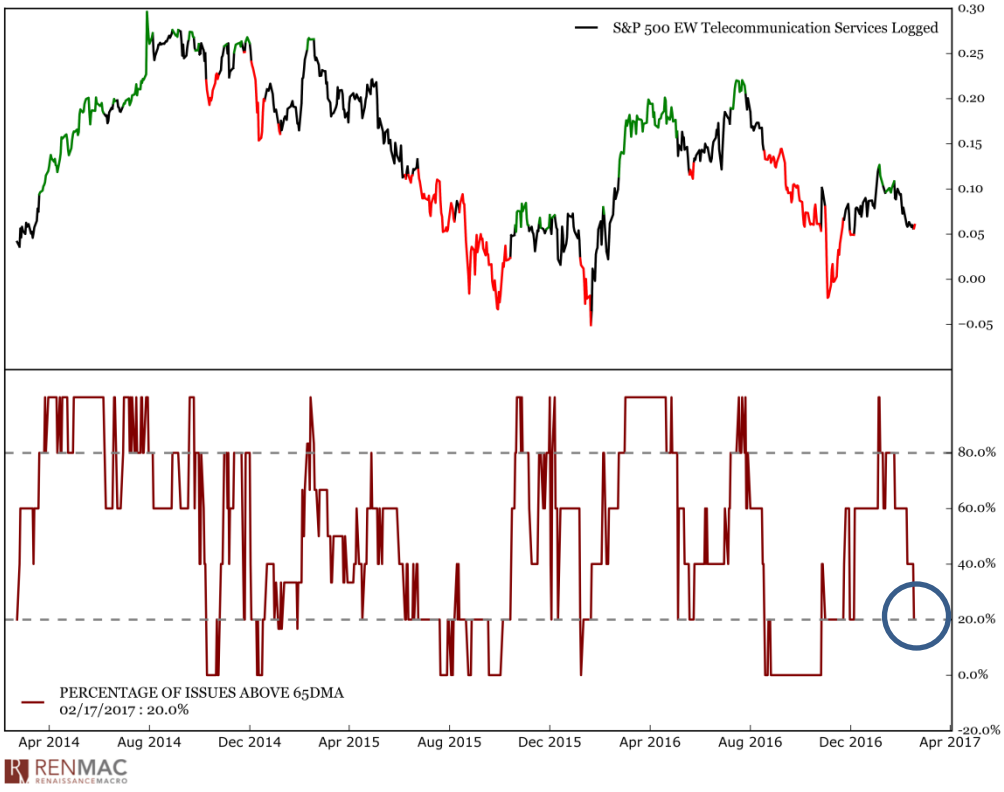
Relative price is back at the lows after a lower absolute high

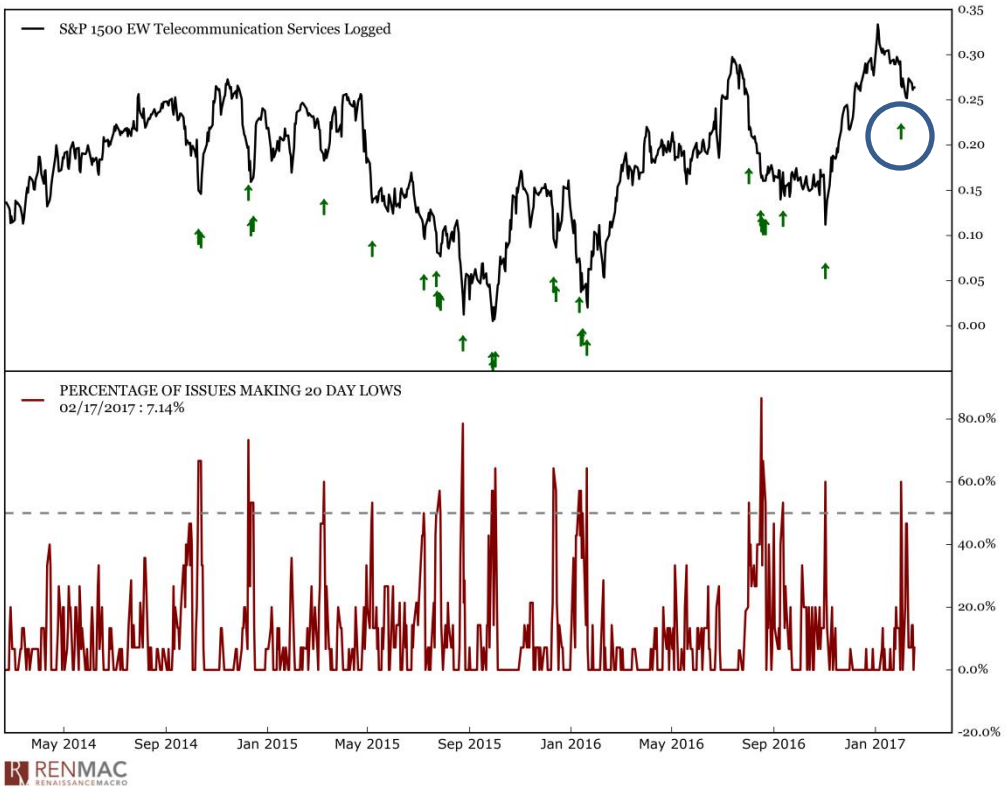
Trend



Equal weight and global Telecom both seeing multi-year relative lows

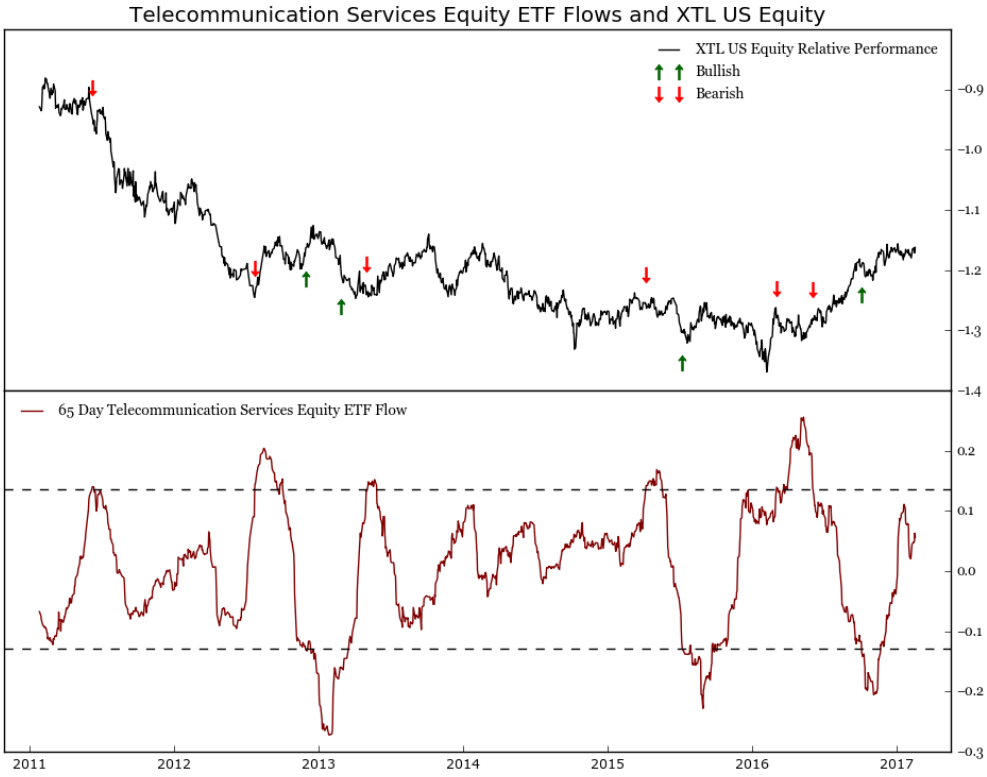
Internals





Internal oversold condition and a surge in 20 day lows suggests relief

Sentiment



Despite the challenging trends, outflows far from extreme

Top US Cell Providers

RenMac Sector Rankings

S&P 1500 TMT Rankings			
Symbol	**Company Name**	**Rank**	**Oversold (-3) Overbought(+3)**
Telecom			
Diversified Telecommunication Services			
CBB	Cincinnati Bell Inc	›ation Services	2
LVLT	Level 3 Communications Inc	›ation Services	2
IRDM	Iridium Communications Inc	›ation Services	2
LMOS	Lumos Networks Corp	›ation Services	2
CNSL	Consolidated Communications Holdings Inc	›ation Services	2
T	AT&T Inc	›ation Services	2
GNCMA	General Communication Inc	›ation Services	2
CCOI	Cogent Communications Holdings Inc	›ation Services	2
ATNI	ATN International Inc	›ation Services	2
CTL	CenturyLink Inc	›ation Services	4
FTR	Frontier Communications Corp	›ation Services	4
VZ	Verizon Communications Inc	›ation Services	4
Wireless Telecommunication Services			
SPOK	Spok Holdings Inc	›ation Services	1
TDS	Telephone & Data Systems Inc	›ation Services	1

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