



Selective Navigation Through Risks and Opportunities

Global stock markets recorded a plunge of more than 10% in a week and the economic impact of the Coronavirus will severely damage a number of sectors.

However once again tracking the performance dispersion across stocks will provide a way to navigate in the middle of the storm.

There will be sectors experiencing huge damages and other sectors that may hold relatively well.

Trendrating supports a timely and objective comparison of trends across sectors via a proven rating methodology.

Investors may consider limiting portfolio exposure only to sectors where the majority of stocks are strong (sector rating at “B” or above) and avoid sectors with a weak overall rating (sector rating at “B-” or below). Rating B or higher identifies sectors where 60% or more of the stocks are trending up, our suggested threshold.

Trendrating – delivering alpha. Measurable. Actionable. Repeatable.

March 3rd, 2020

Developed Markets – Americas

In the US market, Utilities show a rating of **B+** with 81% of stocks in a bull trend. Other four sectors are rated **B**, having above 60% of stocks trending up (Financials, Industrials, Information Technology and Real Estate).

Name	TCR	AB%	CD%
Utilities	B+	81.46%	18.55%
Financials	B	68.13%	31.87%
Industrials	B	60.62%	39.37%
Information Technology	B	63.36%	36.63%
Real Estate	B	61.60%	38.40%
Communication Services	B-	53.08%	46.92%
Consumer Discretionary	B-	51.16%	48.85%
Consumer Staples	B-	58.79%	41.22%
Health Care	B-	55.04%	44.96%
Materials	C+	46.43%	53.57%
Energy	C	34.41%	65.58%

Developed Markets - Europe & Middle East

In the EMEA market, Utilities have the highest rating with an **A-** recording 90% of stocks in a bull trend. Two sectors are rated **B+** (Financials and Real Estate), having above 77% of stocks trending up. While three other sectors (Health Care, Industrials and Information Technology) have a **B** rating with 60% or more of stocks moving up.

Name	TCR	AB%	CD%
Utilities	A-	90.54%	9.46%
Financials	B+	77.56%	22.45%
Real Estate	B+	80.00%	20.00%
Health Care	B	68.62%	31.38%
Industrials	B	65.85%	34.14%
Information Technology	B	69.58%	30.42%
Communication Services	B-	52.05%	47.95%
Consumer Discretionary	B-	53.77%	46.23%
Consumer Staples	B-	55.62%	44.37%
Materials	B-	56.60%	43.41%
Energy	C	33.01%	66.99%

Developed Markets – Asia Pacific

In the Asia Pacific market there is only one sector rated **B** (Real Estate), while all the others display a poor rating, confirming the overall weakness of the region.

Name	TCR	AB%	CD%
Real Estate	B	60.26%	39.75%
Health Care	B-	50.00%	50.00%
Industrials	B-	50.12%	49.88%
Information Technology	B-	56.18%	43.82%
Communication Services	C+	45.85%	54.15%
Consumer Discretionary	C+	46.49%	53.51%
Consumer Staples	C+	47.33%	52.66%
Energy	C+	40.91%	59.09%
Financials	C+	48.02%	51.98%
Materials	C+	43.65%	56.35%
Utilities	C+	42.85%	57.14%

Investors can use Trendrating to select the best stocks (rated **A**) in the strongest sectors, (rated **B** and above) to capture opportunities. At the same time, exposure to weak sectors should be avoided or at least limited.

Trendrating

Trendrating is the leader in “**trend capture**” models, analytics and technology, serving 100+ institutions worldwide and premier partners including Euronext.

Trendrating provides an innovative, well proven set on analytics to assess and rate the quality of price trends. **The ability to capture trends, profiting from bull markets and avoiding bear phases is the key to superior performance on a consistent basis.** Trendrating makes possible to quickly analyze trends using a rating system where **A** and **B** identify bull trends and **C** and **D** point to bear trends. This rating approach captures in a systematic and unbiased way medium term price trends that can impact yearly portfolio returns. The rating of trends is additional market intelligence designed to enrich the investment decision process and maximize returns while improving risk control.

Trendrating offers a well validated rating methodology to measure trends (**A, B, C, D**) easy to integrate into most strategies and models.

A = strong bull trend

B = beginning of a bull trend

C = inception of a bear trend

D = strong bear trend

With Trendrating you can evaluate the direction and the quality of medium to long-term price trends for stocks, ETFs, indices, sectors and countries.

The evaluations, rankings and information provided by Trendrating (the "Services") are provided solely for the use of finance professionals (the "Users") who have been issued a license to use the Services by Trendrating and who, by nature of their status as investment professions understand, or are expected to understand, the complexity of finance products, the functioning of the markets and the risks inherent in them. The Services are not offered for use by persons not employed or actively working as professionals in the finance and investment industry. The Services are to be used entirely at the risk of the Users. Included in the Services are forward-looking statements that are based on observations, assumptions and calculations that reflect Trendrating's expectations. Forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to materially differ from those expectations. The Services are not intended to constitute a recommendation of any specific security or financial product and are to be implemented solely in conjunction with or as part of a complete investment evaluation conducted by the Users. Under no circumstances shall Trendrating, its officers, directors, employees or agents be liable for any damages, lost profits or investment losses that result in any way from use of the Services or any interruptions, errors or delays in the Services.