

# DOW THEORY FORECASTS®

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## Portfolio review

### Beware of shiny objects

Gold has been a flashy performer over the last 12 months, rising more than 61% and trouncing the 36% return of the S&P 500. The last couple of months, however, have seen some tarnish form on what is often perceived as a favorite “chaos” investment.

Indeed, many investors likely expected gold to shine, given the war in the Middle East and skyrocketing oil prices. That has not been the case. Since peaking at the end of January, gold has slumped 10%, including an 11% decline in March.

With any asset that attracts widespread attention and capital, it is worth stepping back to examine whether the fundamental backdrop remains supportive. Several factors suggest we should view gold cautiously.

► To begin with, gold appears to have become a crowded trade. A record \$89 billion flowed into physically backed gold exchange-traded funds in 2025. Momentum can drive returns in the short term. But when positioning becomes heavily skewed in one direction,

*Continued on page 2*

Every good portfolio manager is learning on the job, and your editor has learned a lot since taking charge of this newsletter in 1992. Among the most valuable lessons is this: Don’t worry about trying to look smart. Just do what you think is best.

Why are we bringing this up now? Because **Dell Technologies** (\$185; *DELL*) and **EMCOR** (\$790; *EME*) are being added to the Focus List again this week, even though both were

dropped from the list at prices below current levels.

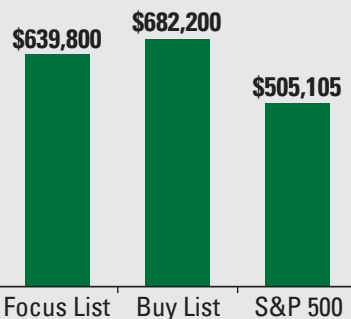
Why are we upgrading these stocks now? Because both rank among our favorite 15 names for 12- to 18-month gains. That’s it.

As investment legend Warren Buffett likes to say, the stock does not know you own it. It does not know what you paid for it, or whether you

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### PERFORMANCE UPDATE

**Value of \$100,000 invested at year-end 2003.**



Year	Focus List	Buy List	S&P 500 Index
Since 1/1/04 * Annualized *	629.8%	672.2%	495.1%
2026 *	-1.8	-4.2	-3.3
2025	17.4	15.9	16.4
2024	36.6	26.2	23.3
2023	13.1	23.5	24.2
2022	-24.1	-23.6	-19.4
2021	30.1	30.9	26.9
2020	19.9	17.8	16.3
2019	24.7	30.1	28.9

\* Through April 7.

Excluding dividends and transaction costs, our Focus List has outperformed since its December 1994 inception relative to the S&P 500 Index. Both the Focus List and our broader Buy List have outperformed since the Buy List’s inception in January 2000.

We are especially proud of our returns since year-end 2003, as keeping pace with the capitalization-weighted S&P 500 Index has been tough for equal-weighted portfolios over the past two decades.

Excluding this year, our fully invested Focus List and Buy List delivered positive returns in 16 of the 22 calendar years since 2003, compared to 17 of 22 for the S&P 500. Both the Focus list and Buy List outperformed the S&P 500 in 13 of the 22 years.

# Beware of shiny objects

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the risk of a reversal increases. We saw some of this reverse momentum play out in March. If this momentum trade is truly unwinding, gold likely has further downside.

➤ Interest rates represent another important consideration. Gold, unlike dividend-paying equities or interest-bearing securities, generates no income. As a result, its relative attractiveness depends on the level of prevailing interest rates.

In a low-rate environment, investors face a modest opportunity cost to hold gold. However, if rates continue to rise and the “stay-higher-for-longer” perception persists, allocating capital to a non-yielding asset becomes more difficult to justify, particularly for income-oriented investors.

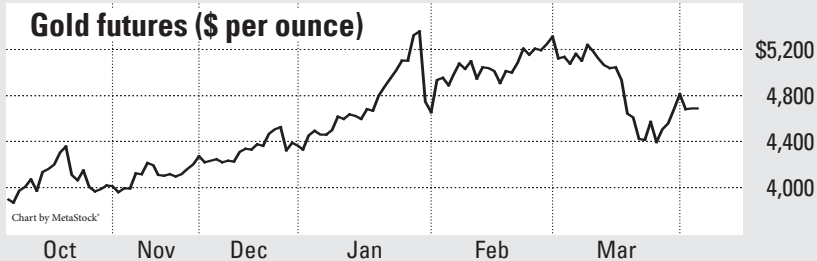
➤ Developments in the energy markets may have indirect implications on gold demand. Recent strength in oil prices — driven in part by ongoing war in the Middle East — has the potential to strain the finances of oil-importing nations.

Over the past several years, foreign central banks have consistently bought gold, providing a key source of demand. However, central banks facing increased import bills may choose to scale back gold purchases

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## GOLD PRICES



or, in some cases, liquidate a portion of their holdings to meet funding needs. A shift in central-bank activity, even at the margin, could have a meaningful impact on gold demand and gold prices.

➤ Another factor to consider is the role of gold as a source of liquidity. During periods of market stress, investors often sell assets not because they want to but because they need to.

Gold, given its deep and liquid market, makes for a ready source of cash. Some of the weakness in gold in recent weeks probably stems partly from investors selling gold due to margin calls, portfolio rebalancing, or efforts to offset losses in other asset classes.

➤ Finally, do not overlook the recent strength of the U.S. dollar. Global markets price gold in dollars, and a stronger dollar makes gold more expensive for non-U.S. buyers, which can dampen demand. Moreover, gold

tends to perform best in environments characterized by concerns over currency debasement or declining confidence in fiat currencies. A firm dollar suggests a degree of confidence in the U.S. financial system, which can reduce the perceived need for gold as a hedge.

**Bottom line** — The direction of interest rates, oil prices, the dollar, and the trend in the price of gold itself will have much to say about the attractiveness of gold going forward.

The *Forecasts* has never been a big gold booster. History shows that over extended periods of time, equities outperform gold, primarily because of the compounding feature of stocks.

Unlike companies that underly stocks, gold does not generate earnings, pay dividends, innovate, reinvest capital, or increase output. A bar

## SPECIAL REPORT

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defined as meeting one of the following criteria: 1) a market capitalization of less than \$300 million or 2) a three-month average daily trading volume of less than 200,000 shares, and a market capitalization of less than \$1 billion.

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### Managing Editor, Analyst

Robert A. Sweet, CFA

### Contributing Editors, Analysts

Charles B. Carlson, CFA David A. Wright, CFA

David B. Walle, CFA

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# MARKET COMMENTARY

## Quite a bounce

According to most broad indexes, the market's having a bad year. The S&P 500 Index has fallen 1.2% for the year, while the Dow Industrials have done slightly better, down 0.7%. But sometimes, you have to stop watching the forest to look closely at a few trees.

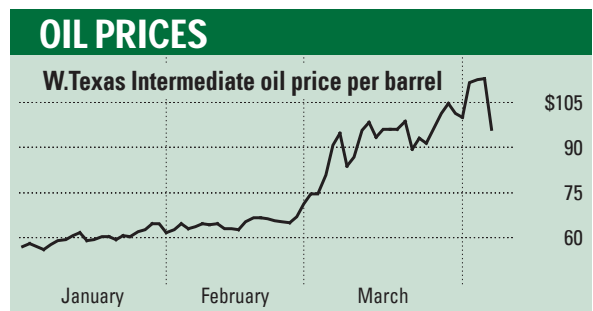
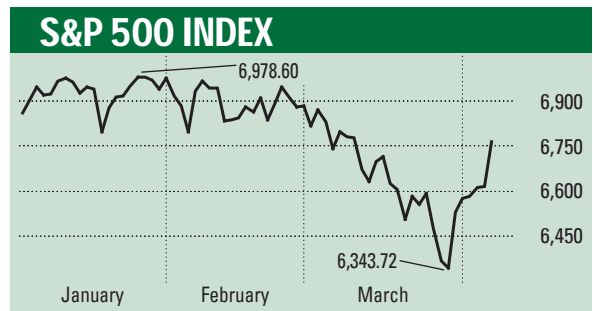
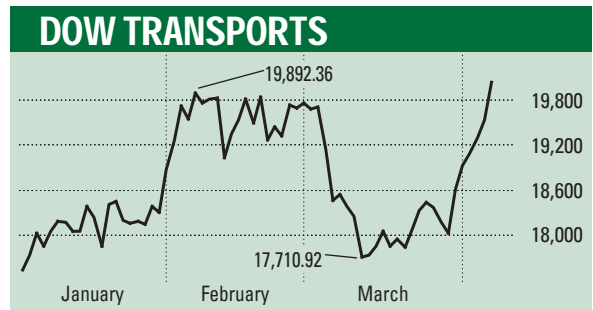
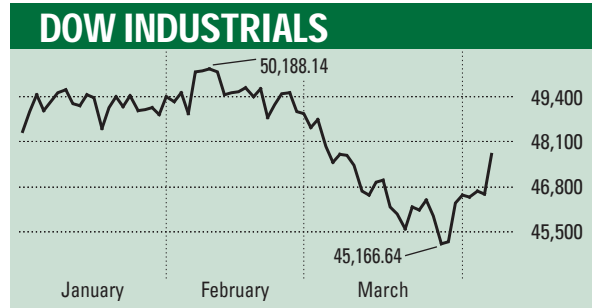
On April 7, President Trump declared a two-week ceasefire to the war with Iran. In response, the S&P 500 Index, Dow Industrials, and Dow Transports all rose more than 2% as of 2 p.m. Central on April 8. And that's not all.

➤ Oil prices have jumped 41% since the U.S. and Israel attacked Iran Feb. 28. However, per-barrel prices fell more than 16% before we went to press April 8.

➤ Further interest-rate hikes appear to be off the table for now. Futures markets imply an 89% chance the fed funds rate will hold firm until the July meeting, with a 10% chance of a cut, and a 65% chance of staying put until the end of the year, with a 34% chance of at least one cut. Just a few days earlier, futures markets implied a greater chance of a hike than a reduction.

Concerns about oil prices and interest rates had contributed to pressure on the market. Of course, while April 8 looks like a good day all around, it is still just one day. We do not know whether stocks will hold onto these gains. But even if the rally does not stick, the robust returns mean a lot to the Dow Theory.

As of 2 p.m. Central time, the Industrials had rallied 5.4% from their March 27 low, retracing 51% of their decline from Feb. 10 to March 27. The Transports looked even better, recouping all of their own February-to-March losses. When the newsletter went to press, the Industrials sat 5.1% below their February all-time high of 50,188.14, while the Transports had risen above their own record high of 19,892.36. Closes in both averages above their February highs would send a bullish signal, while dips below the March lows of 45,166.65 for the Industrials and 17,710.92 for the Transports would be bearish. For now, our Buy List has 94% in stocks.



## Beware of shiny objects

*Continued from page 2*

of gold today is economically identical to a bar of gold 100 years ago.

When you remove compounding from an investment program, you exclude one of the most powerful forces for building wealth.

Owning a small portfolio of gold primarily for risk-reduction/

portfolio-diversification purposes — say, 3% to 6% of a portfolio — makes some sense. Unfortunately, we have found that most gold enthusiasts seem to go all-in on the shiny stuff, oftentimes at exactly the wrong moment.

If you want an investment that

owns physical gold, consider the **SPDR Gold MiniShares** (\$93; *GLDM*) exchange-traded fund. The ETF, with an expense ratio of just 0.10%, offers a very low-cost way to gain exposure to gold. The *Forecasts* does not currently recommend any mining stocks.

# Checking out income alternatives

Our **Alternative Income Watch List** ([www.DowTheory.com/Go/Alt](http://www.DowTheory.com/Go/Alt)) is not a portfolio. Think of it as a reference list for real estate investment trusts (REITs) and master limited partnerships (MLPs) — kind of like our Monitored List, but for investments that specialize in high yields.

This week we added a few new names to the list, which has lost constituents over the years because of mergers and companies taken private. Not all of the new entries have investment appeal — and that's the point.

We added stocks larger than the norm for the groups, plus a few that boast superior fundamental strength, hoping to broaden our picture of the REIT and MLP landscape. After these changes, our Watch List features 49 REITs and 19 MLPs.

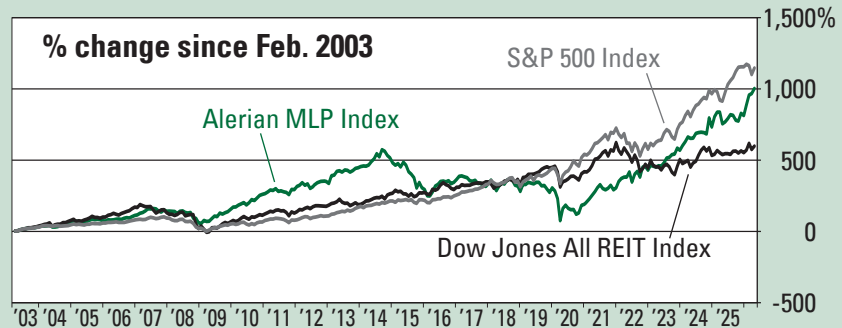
## How the list works

The Watch List ranks REITs and MLPs as A (above average), B (average), or C (below average). In part, those rankings reflect how the companies look relative to the average for the group. But because many of you parse this list in search of investment opportunities, we also consider the appeal of REITs and MLPs relative to the typical common stock.

For example: Of the 49 REITs, only nine earn A rankings. That paucity of As reflects a few hard truths about REITs. They average Quadrix® Overall scores of 32, Momentum scores of 39, Value scores of 35, and Quality scores of 43 — well below the market average in all of those metrics. These stocks tend to deliver weak growth, yet trade at unexciting valuations.

Since the end of 2003, the Dow Jones Composite All-REIT Index has delivered an annualized total return of 8.8%, versus 11.5% for the S&P 500 Index. Given the group's poor Quadrix scores, we do not anticipate market-

## REITS, MLPs UNDERPERFORM OVER LONG HAUL



Since February 2003, the Alerian MLP Index has returned 1,008%, or 11.0% annually, while the Dow Jones Composite All-REIT Index has returned 599% or 8.8% annually. Both of the income-oriented indexes underperformed the S&P 500 Index, which returned 1,149%, or 11.5% annually.

## What's in a REIT?

As the name implies, real estate investment trusts are trusts, not common stocks. They differ from stocks in several ways:

- ◆ If they pay out 90% or more of their income to investors, they pay no corporate income tax. This is what encourages them to pay such high dividends.
- ◆ Much of those dividends are not “qualified,” so investors pay tax on that portion at individual-income rates.
- ◆ REITs must hold at least 75% of their assets in real estate, cash, or government bonds.
- ◆ REITs must generate at least 75% of gross income from rents, mortgage interest, or property sales, with no more than 5% of income from service fees or non-real estate businesses.
- ◆ Instead of earnings, analysts use funds from operations (FFO) to measure a REIT's operating performance. There is no single acceptable FFO computation, but companies typically add depreciation and amortization back to net income and exclude gains or losses from property sales.

## What's in an MLP?

MLPs issue partnership units that combine the tax benefits of a partnership with the liquidity of a stock.

- ◆ If MLPs derive 90% of cash flows from qualifying sources — such as natural resources, real estate, commodities, chemicals, or a few specific financial operations — they pay no corporate income taxes. Most MLPs operate energy-related businesses.
- ◆ Because of that unusual tax treatment, a portion of MLP dividends is treated as a return of capital. To address this oddity, MLPs report their distributions in a Form K-1, which can complicate investors' tax filings.
- ◆ While MLPs are not required to pay out the bulk of their income to shareholders, most do in an effort to attract investors.
- ◆ Instead of earnings, analysts use distributable cash flow (DCF) to measure an MLP's operating performance. There is no single acceptable DCF computation, but companies typically add noncash costs back into net income, then subtract capital spending on maintenance and interest costs.

beating returns in the year ahead.

In contrast, the typical MLP on our list averages an Overall score of 51, with ranks of 58 for Momentum and 60 for Value. Six of our 19 covered MLPs earn A ratings.

### The caveat

While we believe in our A, B, and C ratings, there is a reason why not one of these companies has earned a place on our Buy List. In the past, we have occasionally given Buy ratings

to REITs or MLPs. These securities are known for paying rich dividends, but their unique characteristics lead to some unique challenges for investors. See the story on page 4 for details.

Some investors love REITs and MLPs because of their rich yields. The REITs on our Watch List pay out an average of 4.7%, while MLPs average 5.6%.

While we appreciate such payouts, investors should keep in mind that owning a large amount of REITs or MLPs will likely concentrate your portfolio in a tiny slice of the market, always a risky strategy.

We do not advise readers to load up on REITs or MLPs. But if these securities interest you, start with our A-rated names.



## TOP-RANKED REITs and MLPs

Below, we present the nine A-rated real estate investment trusts (REITs) in our Alternative Income Watch List. We used funds from operations (FFO) instead of operating profits to compute valuations and growth rates because FFO is considered a more accurate measure

of REIT performance than traditional earnings. The 12-Factor and Reranked Overall scores rank REITs relative to other REITs, not the broad market. The averages presented below reflect all 49 REITs in our Watch List, not just the A-rated names.

Company (Price; Ticker)	Dividend	Yield	Valuation			12-Month		Est. FFO		Quadrix Scores		
			Price/FFO Ratio	Vs. 3-Yr. Avg.	Versus Ind. Avg.	- Growth - Sales	- Growth - FFO	Curr. Year	Next Year	Overall	Sector	Reranked Overall
Equinix (\$1,017; EQIX)	\$20.64	2.0%	36	2.8	2.1	6%	29%	16%	7%	65	75	88
Essential Properties (\$32; EPRT)	1.24	3.9	15	1.2	0.9	25	21	6	6	36	66	39
Gaming & Leis. Prop. (\$46; GLPI)	3.12	6.8	11	NA	0.6	4	5	2	5	62	83	95
Host Hotels & Resorts (\$20; HST)	0.95	4.8	8	0.7	0.5	8	2	3	3	79	95	96
Kimco Realty (\$23; KIM)	1.04	4.6	12	0.9	0.7	5	7	3	4	51	90	91
NNN REIT (\$44; NNN)	2.40	5.5	12	1.0	0.7	7	5	3	3	60	94	94
Omega Healthcare (\$45; OHI)	2.68	5.9	14	1.0	0.8	13	22	9	3	46	96	92
Regency Centers (\$78; REG)	3.02	3.9	16	1.7	0.9	7	8	3	5	53	82	69
Simon Property (\$194; SPG)	8.80	4.5	12	NA	0.7	7	-4	-7	3	44	67	38
<b>REIT average</b>	<b>4.6</b>	<b>4.6</b>	<b>16</b>	<b>1.1</b>	<b>1.0</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>6</b>	<b>32</b>	<b>54</b>	<b>45</b>

Below, we present the six A-rated master limited partnerships (MLPs) in our Alternative Income Watch List. We used distributable cash flow (DCF) instead of operating profits to compute valuations and growth rates because DCF is considered a more accurate measure

of MLP performance than traditional earnings. The 12-Factor and Reranked Overall scores rank MLPs relative to other MLPs, not the broad market. The averages presented below reflect all 19 MLPs in our Watch List, not just the A-rated names.

Company (Price; Ticker)	Dividend	Yield	Valuation			12-Month		Est. DCF		Quadrix Scores		
			Price/DCF Ratio	Vs. 3-Yr. Avg.	Versus Ind. Avg.	- Growth - Sales	- Growth - DCF	Curr. Year	Next Year	Overall	Sector	Reranked Overall
Alliance Resource (\$27; ARLP)	\$2.40	8.9%	9.3	NA	1.1	-10%	NA	NA	8%	61	69	87
Enterprise Products (\$38; EPD)	2.20	5.8	10.0	28.2	1.2	-6	2%	3%	9	68	59	69
Hess Midstream (\$39; HESM)	3.06	7.8	5.2	NA	0.6	8	NA	NA	0	77	87	95
Plains All American (\$22; PAA)	1.67	7.7	8.1	1.4	1.0	-9	5	6	1	62	90	79
Star Group (\$13; SGU)	0.74	5.9	NA	NA	NA	6	NA	NA	NA	91	100	100
Sunoco (\$65; SUN)	3.73	5.8	4.7	NA	0.6	11	NA	87	16	69	77	67
<b>MLP average</b>	<b>5.6</b>	<b>5.6</b>	<b>8.2</b>	<b>6.1</b>	<b>1.0</b>	<b>3</b>	<b>7</b>	<b>18</b>	<b>8</b>	<b>51</b>	<b>65</b>	<b>60</b>

Note: Quadrix scores are percentile ranks, with 100 the best. NA not available.

# Portfolio review

Continued from page 1

sold it previously at a lower price. If you fixate on such extraneous anchors, you will make a difficult task even tougher.

Picking winning stocks is not easy. Research suggests the vast majority of U.S. stocks have underperformed the S&P 500 Index, and most have underperformed Treasury bills over their lifetimes. A small number of huge winners have driven an outsized portion of the market's return. Some view that as a reason to stick with index funds. We see it as a reason to focus on our very best ideas, and our track record suggests this effort is worthwhile.

The paragraphs below discuss this week's two upgrades, a downgrade, and some other notable recommendations. The table on page 7 segments our Buy List into four tiers, with our current favorites at the top and the stocks most at risk of downgrade at the bottom.

## Rank changes

■ **Dell Technologies** (\$185; *DELL*) is being upgraded to the Focus List. Earning a Quadrix® Overall rank of 95, Dell grew per-share profits 27% in fiscal 2026 on 19% higher sales, while operating cash flow more than doubled. The stock has surged 21% in the past month yet trades at 17 times trailing earnings, below its three-year norm of 21.

Dell is best known for its personal computers, a market expected to suffer a decline in shipments this year. But Dell also makes servers used for artificial intelligence, which are seeing surging demand. Analyst estimates are marching higher, with the consensus projecting 24% higher earnings per share and 25% higher

## RANK CHANGES

**Dell Technologies** (\$185; *DELL*) and **EMCOR** (\$790; *EME*) are being added to the Focus List. **TE Connectivity** (\$224; *TEL*) is being dropped from the Focus List but remains a Buy.

\* \* \* \* \*

Check for rank changes and market updates on our twice-weekly hotlines, updated Wednesdays after the market's close and Fridays around noon Central time. Go to [www.DowTheory.com](http://www.DowTheory.com) or call (800) 931-2295. For April, the passcode for the telephone hotline is 409.

sales in fiscal 2027.

■ **EMCOR** (\$790; *EME*), a construction and engineering company, joins the Focus List. The stock looks timely given its robust operating momentum, rising profit estimates, and surging share price. EMCOR's relatively modest Quadrix Overall rank of 78 is dragged down by a Value score of just 20. But the stock's trailing P/E ratio of 29 remains in line with its S&P 1500 Index industry median.

Per-share profits climbed 20% last year on 17% sales growth. Analyst estimates for the March quarter have risen over the past 60 days, with the consensus projecting 9% growth for both per-share profits and revenue. Full-year consensus estimates for profits (implying 9% growth) and revenue (7% growth) are up over the past 90 days and hover near the midpoints of management's guidance, leaving room for upside.

■ We are dropping **TE Connectivity** (\$224; *TEL*) from the Focus List, though the stock remains a Buy. The stock has fallen 7% in the past three months, partly on concerns that rising metal prices could squeeze profit margins if TE is unable to pass along those higher costs to customers.

Still, analyst estimates for the March quarter — 28% profit growth on 14.5% higher sales — have risen above management's guidance. And TE shares look reasonably valued at 22 times trailing earnings, below their five-year norm of 23.

## Company updates

◆ **American Express** (\$315; *AXP*) and **Visa** (\$309; *V*) shares have bounced recently but remain down more than 12% over the past three months. Elevated gasoline prices and fuel surcharges imposed on various services are stoking inflation and hurting consumer sentiment.

Still, analysts are increasingly bullish on the profit-growth prospects for AmEx and Visa. Consensus profit estimates for both companies have steadily risen over the past 90 days for 2026 and 2027. With the recent sell-off, Visa shares trade at 25 times trailing earnings, a 20% discount to their 10-year norm of 32. AmEx's trailing P/E ratio is 20, in line with its 10-year norm but its lowest level since April 2025. *Both AmEx and Visa are rated Buy.*

◆ **Eli Lilly** (\$954; *LLY*) won U.S. approval for a new obesity drug called Foundayo. A daily pill, Foundayo is less effective than Zepbound, Lilly's alternative weight-loss drug that requires a weekly shot. But Foundayo's convenience could be more attractive to patients, especially in overseas markets.

Lilly's annual sales growth has accelerated in each of the past three years, largely due to the launch of Zepbound in 2023 and Mounjaro (diabetes and obesity) in 2022. Zepbound and Mounjaro accounted for 56% of Lilly's total revenue last year, versus 37% in 2024, and 16% in 2023.

Lilly faces increasing competition in the obesity-treatment space. Novo Nordisk said previously published

studies have found that its Wegovy pill for treating obesity is more effective for weight loss than Lilly's Foundayo, while also exhibiting fewer side effects. Still, Foundayo has the benefit of no food restrictions, unlike Wegovy. Since its U.S. launch in January, Wegovy has been prescribed to more than 600,000 patients, though growth appears to be slowing after the drug's strong start. In April, Novo introduced a higher-dose version of Wegovy that involves a weekly injection. *Lilly is a Focus List Buy.*

◆ **Expedia** (\$238; *EXPE*) shares have plunged 25% in the past three months, while **Booking Holdings** (\$182; *BKNG*) shares are down 20%. Both companies are delivering robust operating momentum, with 2025 earnings per share rising more than 20% on double-digit growth for cash from operations. But their shares are weighed down by uncertainty over violence in the Middle East and volatility in oil prices. Some investors also worry about the long-term risks artificial intelligence may pose for online-travel companies.

Still, HotelPlanner, an online platform for hotel bookings, said travelers are shifting vacation plans toward North America and Europe and away from the Middle East and Africa. With its March-quarter report, **Delta Air Lines** (\$69; *DAL*) announced plans to "meaningfully" cut capacity growth but gave upbeat guidance and insisted travel demand remains strong, especially for first-class tickets.

Consensus profit estimates for both Expedia and Booking have steadily risen over the past 90 days, with both companies expected to deliver growth above 15% for 2026. Expedia trades at just 12 times estimated 2026 earnings, while Booking has a forward P/E ratio of 16. *Expedia is a Focus List Buy. Booking is a Buy. Delta is rated A (above average).*

## OUR RECOMMENDED BUYS

The Buy List represents our top choices for 18-month gains. Focus List stocks, listed in **bold**, represent the best picks among that group.

If you want your equity portfolio to track the Buy List, purchase each of the stocks below in the proportion suggested by the target weight. As a partial hedge, we're keeping 6% of the Buy List spread around three fixed-income funds: **Vanguard Short-Term Corporate Bond** (\$79; *VCSH*) and **Fidelity Total Bond** (\$46; *FBND*) exchange-traded funds, and the **Dodge & Cox Global Bond Fund** (\$11; *DODLX*).

If you are mimicking the Focus List, hold the same fund positions as our Buy List while putting the rest into equal-dollar positions in Focus List stocks.

Company (Price; Ticker)	Buy List		Quadrix Scores				52-Week Range
	Target Weight	Div. Yield	Momentum	Value	Quality	Overall	
<b>TIER ONE — OUR FAVORITES</b>							
<b>Alphabet</b> (\$318; <i>GOOGL</i> )	3.4%	0.3%	97	19	96	75	\$349 - \$143
<b>Globus Med.</b> (\$92; <i>GMED</i> )	3.4	0.0	93	51	88	95	101 - 52
<b>Jabil</b> (\$289; <i>JBL</i> )	3.4	0.1	96	31	85	85	289 - 118
<b>KLA</b> (\$1,654; <i>KLAC</i> )	3.4	0.5	99	8	100	85	1,693 - 587
<b>Micron Tech.</b> (\$404; <i>MU</i> )	3.4	0.1	99	50	97	96	471 - 64
<b>Nvidia</b> (\$182; <i>NVDA</i> )	3.4	0.0	98	33	98	87	212 - 94
<b>TechnipFMC</b> (\$72; <i>FTI</i> )	3.4	0.3	97	26	97	85	73 - 22
<b>TIER TWO</b>							
<b>Chubb</b> (\$331; <i>CB</i> )	3.4	1.2	95	68	85	96	346 - 264
<b>Dell Tech.</b> (\$185; <i>DELL</i> ) †	3.4	1.1	100	57	88	95	186 - 71
<b>Eli Lilly</b> (\$954; <i>LLY</i> )	3.4	0.7	99	29	100	77	1,134 - 624
<b>EMCOR</b> (\$790; <i>EME</i> ) †	3.4	0.2	84	20	99	78	835 - 348
<b>Expedia</b> (\$238; <i>EXPE</i> )	3.4	0.8	98	69	100	97	304 - 134
<b>Hartford Insur.</b> (\$138; <i>HIG</i> )	3.4	1.7	86	86	89	96	145 - 108
<b>Lam Research</b> (\$244; <i>LRCX</i> )	2.9	0.4	98	7	92	77	257 - 59
<b>TIER THREE</b>							
<b>AMETEK</b> (\$231; <i>AME</i> )	2.9	0.6	86	21	81	72	242 - 148
<b>Amphenol</b> (\$134; <i>APH</i> )	2.9	0.7	96	19	93	67	167 - 59
<b>Broadcom</b> (\$351; <i>AVGO</i> )	2.9	0.7	98	12	90	71	415 - 153
<b>Charl. Schwab</b> (\$96; <i>SCHW</i> )	2.9	1.3	92	58	79	85	108 - 68
<b>Meta Plat.</b> (\$614; <i>META</i> )	3.4	0.3	96	47	100	79	796 - 480
<b>Microsoft</b> (\$373; <i>MSFT</i> )	2.9	1.0	94	45	99	84	555 - 350
<b>Northern Trust</b> (\$151; <i>NTRS</i> )	2.9	2.1	94	56	72	87	158 - 83
<b>TE Connectivity</b> (\$224; <i>TEL</i> ) †	2.9	1.4	87	33	92	82	251 - 120
<b>TIER FOUR</b>							
<b>Amazon.com</b> (\$221; <i>AMZN</i> )	2.9	0.0	53	37	87	54	259 - 165
<b>Amer. Electric</b> (\$135; <i>AEP</i> )	2.9	2.8	80	33	54	67	135 - 97
<b>Amer. Express</b> (\$315; <i>AXP</i> )	2.9	1.2	85	52	96	80	387 - 226
<b>AppLovin</b> (\$395; <i>APP</i> )	2.9	0.0	100	25	100	74	746 - 218
<b>Booking</b> (\$182; <i>BKNG</i> )	2.9	0.9	81	57	100	86	234 - 151
<b>Progressive</b> (\$198; <i>PGR</i> )	2.9	0.2	80	90	95	91	290 - 192
<b>ResMed</b> (\$230; <i>RMD</i> )	2.9	1.0	94	48	98	88	294 - 202
<b>Visa</b> (\$309; <i>V</i> )	2.9	0.9	92	34	99	81	376 - 294

Fund (Price; Ticker)	Target Weight	Div. Yield	Total Return			Fund Score	52-Week Range
			3 Months	6 Months	12 Months		
<b>Dodge &amp; Cox Global</b> (\$11; <i>DODLX</i> )	2.0%	4.8%	-0.2%	1.0%	8.6%	100	\$12-\$11
<b>Fidelity Total Bond</b> (\$46; <i>FBND</i> )	1.0	4.6	0.2	1.1	6.5	90	47- 44
<b>Vang. Short-Term Corp.</b> (\$79; <i>VCSH</i> )	3.0	4.5	0.3	1.4	5.8	98	80- 78

Notes: Quadrix scores are percentile ranks, with 100 the best.

† Recent rank changes.



# ANALYSTS' CHOICE

Recent Price	Dividend Yield	P/E Ratio	Shares (Millions)	Long-Term Debt as % of Capital	52-Week Price Range
\$96	\$1.28 1.3%	20	1,809	18%	\$107.50 - \$67.60

## Schwab stands out

The brokerage Charles Schwab (\$96; SCHW) does a lot of things well.

► It delivers impressive growth, with sales up 22% and per-share profits 50% in 2025. Over the last five years, the company managed annualized growth of 15% in both sales and profits, supported by the addition of new clients (6% growth to 46.5 million in 2025) and increased commitments from existing clients. In 2025, managed investing net inflows jumped 36% and trading revenue increased 20%.

► Profitability continues to rise. Operating margin reached 57.4% in the December quarter, up from 53.2% a year ago and 44.3% two years ago. Credit aggressive cost controls, as well as a rise in net interest margins. For the full year, return on equity topped 18.1% for the first time since the 12 months ended June 2019.

► Over the last five years, Schwab paid out nearly \$20 billion in dividends and spent more than \$13 billion on its own shares, reducing the share count 4.4%. The stock yields 1.3%, and the payout has risen at a 12% annual rate over the last five years. In January, Schwab raised its quarterly dividend 19%.

All of the above factors contribute to Schwab's Buy rating. But the company truly stands out for its asset gathering.

### Wealth management

Last year, the company added \$519 billion in core net new assets, up 42% from year-earlier additions. Total client assets rose 5% organically for the year to \$11.9 trillion. Much of that growth stems from the recruitment of new customers.

## CHARLES SCHWAB

Chart by MetaStock



96  
80  
64  
48

Quarter	Per-Share Earnings*	Sales Change	Quarterly Price Range	P/E Ratio Range
Dec '25	\$1.39 vs \$1.01	19%	\$102.28 - \$89.35	23 - 20
Sep '25	1.31 vs 0.77	27	99.59 - 89.95	25 - 23
Jun '25	1.14 vs 0.73	25	91.36 - 65.88	26 - 19
Mar '25	1.04 vs 0.74	18	84.50 - 69.46	26 - 21

Year (Dec.)	Sales (Bil.)	Per-Share Earnings*	Per-Share Dividend	52-Week Price Range	P/E Ratio Range
2025	\$23.9	\$4.87	\$1.08	\$102.28 - \$65.88	21 - 14
2024	19.6	3.25	1.00	83.35 - 59.67	26 - 18
2023	18.8	3.13	1.00	86.63 - 45.00	28 - 14
2022	20.8	3.90	0.84	96.24 - 59.35	25 - 15

\* Earnings exclude special items. † Quadrix scores are percentile ranks.

Quadrix Scores †
Overall
85
Momentum
92
Value
58
Quality
79
Fin'l Strength
75
Earnings Ests.
66
Performance
43
Reversion
28

The long-term outlook also looks firm, as Schwab has made solid inroads with a group likely to see a huge increase in wealth over the next several decades. Generation Z (people born between 1997 and 2012) accounts for about one-third of Schwab's new retail households. Merrill Lynch estimates that Generation Z will inherit \$15 trillion by 2048.

Analysts expect the growth to continue, projecting 11% higher revenue and 22% higher profits in 2026, followed by 9% and 16%, respectively, in 2027. We see Schwab's growth drivers as sustainable. Consensus targets are on the rise, suggesting Wall Street insiders share that confidence — even if investors seem worried.

### Taking a hit

Fear of AI-driven financial tools stealing business has pressured brokerage stocks. Schwab shares

have declined 5% over the last three months. However, robo-advisors have been around for more than a decade and still control less than 3% of the U.S. money-management market — including automated offerings from Schwab and other industry giants. We believe Schwab will remain competitive and keep grabbing market share.

Schwab shares trade at 14 times the 2026 profit target, roughly in line with the industry median, while the price/earnings-to-growth (PEG) ratio of 0.8 is 37% below the industry.

The Charles Schwab Corp., 3000 Schwab Way, Westlake, TX 76262, (817) 859-5000, www.aboutschwab.com.

For six pages of statistical reports on Charles Schwab, visit [www.DowTheory.com/Go/Page8](http://www.DowTheory.com/Go/Page8).

The *Forecasts'* Monitored List supplement, included with the second issue of each month, provides investment ratings and other key data on 188 monitored stocks. Below we explain some key issues:

- **Rating:** We divide monitored stocks into three categories: A (above average), B (average), and C (below average). Ratings reflect Quadrix scores, competitive positions, valuations, growth potential, and many other characteristics.
- **Recommended stocks:** Stocks in **bold** are recommended for purchase. For more information on these stocks, including target weightings for our two recommended portfolios — the Focus List and Buy List — see the table on page 7 of every issue of the *Forecasts*. All recommended stocks earn A ratings.
- **Quadrix® scores:** These are percentile ranks, with 100 the best. **Overall** scores are based on **Momentum** (recent operating performance), **Value** (price/earnings and other valuation ratios), **Quality** (long-term track record and returns), **Financial Strength** (debt levels and profit margins), **Earnings Estimates** (revision trends), **Performance** (short-term returns), and **Re-**

**version** (long-term returns). Reversion is a contrarian indicator that rewards laggards with a high score. **Overall** is the most important score. Quadrix scores are designed to rank stocks relative to all of the stocks in our universe of more than 3,200 companies.

► **Sector scores:** The 12-Factor Sector score considers 12 statistics that work particularly well within a given sector. The Reranked Overall score draws on the same numbers used to calculate the traditional Overall score, but the category scores (Momentum, Value, Quality, Financial Strength, Earnings Estimates, and Performance) are reweighted to emphasize the ones that work best within the sector.

► **List changes since March 9:** **Dell Technologies** was added to the Buy List, then upgraded to Focus List Buy. **EMCOR** was added to the Focus List. **AMETEK** was initiated as Buy. **TE Connectivity** was dropped from the Focus List. **Bank of America** was dropped from the Buy List. **Carnival** and **Mueller Industries** were dropped from coverage.

Sector	Market		Quadrix Scores *								- Sector Scores * -		YTD Total Return	Rating
	Div. Yield	Cap. (Billions)	Momen- tum	Value	Quality	Fin'l Str.	Earns Ests.	Perfor- mance	Reversion	Overall	12-Factor Sector	Reranked Overall		
<b>Communication services</b>														
<b>Alphabet (\$318; GOOGL)</b>	0.3%	\$3,686.8	97	19	96	97	59	57	7	75	58	36	-2.3%	A
AT&T (\$27; T)	4.1	195.8	53	72	51	65	62	75	44	73	47	78	14.2	A
Charter Commun. (\$221; CHTR)	0.0	28.1	75	100	77	49	39	43	87	95	96	89	7.2	A
Comcast (\$28; CMCSa)	4.8	100.0	23	98	73	71	8	31	77	71	35	71	1.6	B
Disney (\$99; DIS)	1.5	169.7	56	69	79	57	46	23	78	75	47	67	-15.8	B
<b>Meta Platforms (\$614; META)</b>	0.3	1,454.6	96	47	100	94	45	16	12	79	76	58	-12.8	A
Netflix (\$99; NFLX)	0.0	417.2	33	23	84	87	51	59	8	43	38	24	5.4	C
T-Mobile US (\$196; TMUS) ↗	2.1	221.0	37	62	93	65	7	47	25	59	25	29	-0.8	B
Verizon Communications (\$47; VZ)	6.0	203.2	77	75	40	64	92	81	55	87	69	85	21.4	A
<b>Consumer discretionary</b>														
<b>Airbnb (\$132; ABNB)</b>	0.0	74.9	84	34	96	65	65	43	72	82	93	77	-7.9	A
<b>Amazon.com (\$221; AMZN)</b>	0.0	2,294.8	53	37	87	78	35	48	17	54	59	53	-7.4	A
AutoZone (\$3,447; AZO)	0.0	55.8	58	27	79	68	55	26	24	44	26	40	-0.1	C
<b>Booking Holdings (\$182; BKNG)</b>	23.1	137.3	81	57	100	77	62	31	28	86	56	82	-18.9	A
Chipotle Mexican Grill (\$34; CMG)	0.0	43.1	17	40	78	51	23	15	51	29	2	10	-10.6	C
<b>Expedia (\$238; EXPE)</b>	0.8	27.5	98	69	100	64	62	53	35	97	80	98	-20.7	A
Ford Motor (\$12; F) ↘	4.9	46.2	24	80	23	6	53	25	63	32	71	32	-11.2	C
General Motors (\$76; GM)	0.9	65.8	88	81	71	34	62	56	28	88	89	91	-10.3	A
Hilton Worldwide (\$316; HLT)	0.2	69.1	59	20	94	34	41	79	9	52	84	64	5.2	B
Home Depot (\$335; HD)	2.8	317.5	37	36	75	50	40	22	45	36	18	27	-6.7	C
Lowe's (\$244; LOW)	2.0	129.7	31	41	63	35	33	31	38	30	8	19	-3.5	C
Lululemon Athletica (\$159; LULU)	0.0	17.8	32	87	95	81	15	19	72	78	39	54	-26.1	A
Marriott Int'l (\$348; MAR)	0.8	87.7	89	18	96	29	66	83	13	71	80	84	6.9	A
McDonald's (\$306; MCD)	2.4	216.7	39	23	82	82	47	43	43	44	17	34	0.3	B
Nike (\$43; NKE)	3.8	63.2	21	39	61	54	9	4	90	24	33	4	-32.5	C
O'Reilly Automotive (\$92; ORLY)	0.0	76.4	9	18	55	72	29	45	18	16	6	5	0.2	C
Starbucks (\$96; SBUX)	2.6	108.5	32	16	77	38	25	53	67	31	46	17	13.8	C
Tesla (\$342; TSLA)	0.0	1,300.8	31	3	64	63	14	33	12	14	26	4	-22.9	C
TJX (\$161; TJX)	1.2	174.4	67	15	99	69	36	81	13	60	41	67	2.9	B
<b>Consumer staples</b>														
<b>Altria (\$66; MO)</b>	6.4	110.7	55	41	60	84	83	65	36	63	10	62	16.8	B
Coca-Cola (\$77; KO)	2.8	326.7	55	21	77	66	65	64	45	54	6	19	9.3	B
Colgate-Palmolive (\$85; CL) ↘	2.5	66.7	87	31	81	72	85	40	62	77	25	75	5.8	B
Costco Wholesale (\$1,025; COST)	0.5	449.5	84	18	79	50	93	74	9	66	62	44	17.7	B
Estee Lauder (\$71; EL)	2.0	25.0	40	45	18	31	70	6	91	24	79	6	-33.7	C
Kraft Heinz (\$23; KHC)	7.0	27.5	11	78	13	24	34	27	86	26	44	8	-2.8	C
Kroger (\$70; KR)	2.0	44.5	47	61	57	27	57	81	38	61	61	40	16.9	B
Mondelez Int'l (\$58; MDLZ)	3.4	73.8	46	36	42	45	38	46	68	32	58	5	7.8	C
Monster Beverage (\$75; MNST)	0.0	70.8	56	22	76	91	56	39	36	47	40	32	-5.5	B
PepsiCo (\$153; PEP)	3.7	209.4	75	42	74	40	78	56	62	74	49	64	7.7	A
Philip Morris Int'l (\$160; PM)	3.7	245.5	74	27	72	77	81	26	27	53	60	56	-0.9	B
Procter & Gamble (\$144; PG)	2.9	328.4	42	37	73	74	54	31	57	48	19	35	-0.7	B
Target (\$122; TGT)	3.7	54.1	50	64	61	41	69	91	71	80	39	65	23.5	A

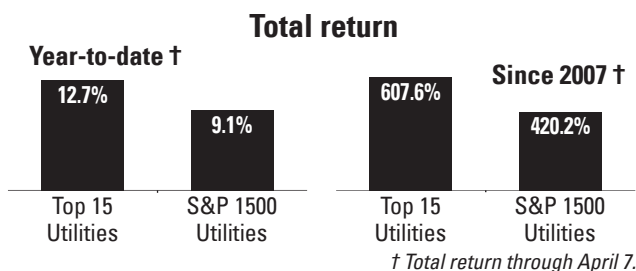
Sector Company (Price; Ticker)	Div. Yield	Market Cap. (Billions)	Quadrix Scores *									- Sector Scores * -		YTD Total Return	Rating
			Momen- tum	Value	Quality	Fin' Str.	Earns Ests.	Perfor- mance	Reversion	Overall	12-Factor Sector	Reranked Overall			
Walmart (\$127; WMT)	0.8%	\$976.5	31	13	63	58	20	80	8	24	48	1	10.2%	C	
<b>Energy</b>															
BP (\$46; BP)	4.4	86.5	73	89	55	36	62	95	33	90	41	88	37.8	A	
Chevron (\$191; CVX)	3.7	401.4	64	32	70	69	57	90	31	65	40	33	33.5	B	
ConocoPhillips (\$125; COP)	2.7	160.6	39	43	75	79	59	93	23	66	51	51	41.9	B	
Enbridge (\$54; ENB)	5.2	164.9	36	39	42	54	37	80	30	34	3	5	15.2	C	
Enterprise Products (\$38; EPD) ↗	5.8	83.0	60	47	65	47	75	86	24	68	26	49	21.8	B	
EOG Resources (\$138; EOG) ↗	3.0	77.3	52	55	76	93	62	92	35	82	75	64	38.7	A	
Exxon Mobil (\$154; XOM)	2.7	683.0	69	31	74	79	70	92	25	73	56	38	37.1	B	
Halliburton (\$37; HAL)	1.8	32.3	47	47	76	53	43	94	55	70	37	56	37.7	A	
Kinder Morgan (\$33; KMI)	3.6	74.1	57	23	51	74	48	80	19	40	7	4	22.3	C	
Marathon Petroleum (\$231; MPC)	1.7	72.3	85	51	93	29	67	95	8	89	84	85	51.7	A	
Phillips 66 (\$168; PSX) ↗	3.0	70.1	85	46	83	26	67	94	22	84	77	70	36.5	A	
SLB (\$52; SLB)	2.3	75.6	43	50	81	58	10	84	63	65	45	63	32.0	A	
TechnipFMC (\$72; FTI)	0.3	29.3	97	26	97	73	60	96	1	85	68	62	64.4	A	
Valero Energy (\$240; VLO)	2.0	75.2	86	44	82	39	73	97	12	85	70	66	55.4	A	
<b>Financials</b>															
American Express (\$315; AXP)	1.2	210.6	85	52	96	46	72	35	15	80	60	45	-16.6	A	
Bank of America (\$52; BAC) ↘	2.2	359.3	48	60	68	59	44	48	23	57	69	25	-8.1	B	
Berkshire Hathaway (\$479; BRKb) ↘	0.0	1,031.0	36	38	62	77	8	54	28	33	11	6	-4.9	B	
BlackRock (\$1,002; BLK)	2.3	149.1	55	37	62	77	42	21	31	38	15	7	-10.0	C	
Blackstone (\$117; BX)	4.1	88.3	47	49	80	90	12	24	22	46	68	15	-26.0	C	
Capital One Fin'l (\$191; COF)	1.7	112.1	60	93	49	42	33	24	26	60	37	57	-25.0	B	
Charles Schwab (\$96; SCHW)	1.3	162.2	92	58	79	75	66	43	28	85	80	53	-6.3	A	
Chubb (\$331; CB)	1.2	127.2	95	68	85	75	81	68	24	96	39	79	5.2	A	
Citigroup (\$123; C)	2.0	200.7	85	59	52	42	73	74	17	73	29	35	0.9	A	
CME (\$304; CME)	3.7	112.7	89	19	60	93	92	59	21	61	21	8	16.5	B	
Fiserv (\$57; FISV)	0.0	29.5	19	99	75	79	22	10	86	71	57	68	-17.6	B	
Goldman Sachs (\$899; GS)	2.0	264.9	83	39	73	43	69	60	7	64	34	18	-1.2	A	
Hartford Insurance (\$138; HIG)	1.7	37.5	86	86	89	66	68	51	19	96	94	93	-1.1	A	
J.P. Morgan Chase (\$307; JPM)	2.0	797.7	77	39	76	63	46	51	11	59	14	16	-6.8	B	
Marsh (\$175; MRS)	2.1	83.6	82	56	90	47	60	27	43	79	77	43	-6.5	B	
Mastercard (\$509; MA)	0.7	444.4	99	35	100	91	92	29	29	88	77	38	-12.6	A	
MetLife (\$74; MET)	3.1	46.4	49	98	46	46	31	37	45	64	48	61	-9.2	B	
Moody's (\$446; MCO)	0.9	78.0	99	33	93	86	85	28	26	81	83	30	-14.1	B	
Morgan Stanley (\$176; MS)	2.3	266.4	96	45	69	52	83	54	10	74	30	29	-4.6	A	
Northern Trust (\$151; NTRS)	2.1	27.0	94	56	72	78	73	61	31	87	17	51	7.2	A	
PayPal (\$46; PYPL)	1.2	40.4	34	98	79	68	18	23	87	79	97	76	-22.9	B	
PNC Financial Svcs. (\$219; PNC)	3.1	86.3	87	62	68	71	78	55	29	85	49	52	3.3	A	
Progressive (\$198; PGR)	0.2	115.1	80	90	95	80	32	21	18	91	100	92	-8.0	A	
S&P Global (\$436; SPGI)	0.9	127.3	49	44	83	92	40	25	36	54	72	15	-17.5	B	
Travelers (\$300; TRV)	1.5	62.7	87	85	85	80	68	53	25	97	88	92	2.1	A	
U.S. Bancorp (\$55; USB)	3.8	83.4	95	77	54	69	94	55	48	93	54	72	1.7	A	
Visa (\$309; V)	0.9	576.7	92	34	99	93	75	28	32	81	55	31	-13.6	A	
Wells Fargo (\$85; WFC)	2.1	252.3	63	56	76	68	42	41	29	64	62	30	-11.9	B	
<b>Health care</b>															
Abbott Laboratories (\$103; ABT)	2.4	177.4	53	48	69	81	42	19	54	51	69	40	-18.3	B	
AbbVie (\$211; ABBV)	3.3	365.0	66	32	36	73	81	38	19	37	78	29	-9.0	C	
Amgen (\$349; AMGN)	2.9	183.5	83	39	83	80	58	61	31	77	51	61	4.6	A	
AstraZeneca (\$204; AZN)	1.6	236.0	51	11	86	80	NA	82	29	53	48	17	15.6	B	
Becton, Dickinson (\$156; BDX)	2.7	44.1	23	80	40	67	30	22	73	42	60	55	2.3	C	
Boston Scientific (\$62; BSX)	0.0	91.9	45	55	91	79	30	3	38	54	89	49	-35.1	B	
Bristol-Myers Squibb (\$59; BMY)	4.3	117.7	68	75	70	79	69	83	68	95	78	96	9.3	A	
Centene (\$37; CNC)	0.0	17.9	76	76	23	5	41	13	85	44	83	66	-11.8	B	
Cigna (\$275; CI)	2.3	72.3	78	97	72	34	79	37	60	94	99	99	0.2	A	
CVS Health (\$79; CVS)	3.4	100.2	74	81	34	18	66	33	71	64	99	85	-0.6	B	
Danaher (\$196; DHR)	0.8	135.2	24	40	36	87	39	28	56	25	36	16	-16.4	C	
Elevance Health (\$318; ELV)	2.2	68.5	56	88	63	28	25	40	67	71	76	90	-10.5	B	
Eli Lilly (\$954; LLY)	0.7	833.2	99	29	100	81	56	48	4	77	97	56	-13.2	A	
Gilead Sciences (\$141; GILD) ↘	2.3	172.3	45	35	82	86	37	66	30	56	85	35	13.7	B	
Globus Medical (\$92; GMED)	0.0	12.2	93	51	88	95	97	60	30	95	92	91	3.1	A	
HCA Healthcare (\$504; HCA)	0.6	109.5	74	56	93	54	64	49	13	81	69	80	5.0	A	
Humana (\$198; HUM) ↗	1.8	23.7	35	84	52	24	6	19	88	46	95	63	-22.6	B	
Intuitive Surgical (\$462; ISRG)	0.0	160.9	85	13	84	99	80	34	16	59	40	27	-20.0	B	
Johnson & Johnson (\$240; JNJ)	2.2	574.2	82	21	79	85	86	86	30	78	55	51	15.8	A	
Medtronic (\$88; MDT) ↘	3.2	111.0	27	51	53	74	45	19	69	38	63	30	-9.3	C	
Merck (\$123; MRK)	2.8	294.9	33	42	90	82	35	87	38	67	84	50	14.2	A	
Novartis (\$154; NVS) ↘	3.1	231.2	62	35	90	92	19	72	20	64	41	47	11.8	B	
Pfizer (\$27; PFE)	6.3	154.2	23	62	35	63	33	86	72	47	57	50	10.7	B	
Regeneron Pharma (\$772; REGN)	0.5	78.0	72	43	86	90	34	75	56	80	86	62	-1.4	A	
ResMed (\$230; RMD)	1.0	32.8	94	48	98	92	73	18	43	88	94	75	-5.9	A	
Stryker (\$338; SYK)	1.0	127.1	67	37	84	70	64	20	41	59	63	44	-5.3	B	
Thermo Fisher Scient. (\$501; TMO)	0.4	181.9	34	43	59	59	27	40	52	35	32	23	-15.4	C	
UnitedHealth (\$305; UNH) ↗	2.9	279.3	72	71	63	26	50	25	69	68	60	78	-6.1	A	
Veeva Systems (\$170; VEEV)	0.0	28.2	96	48	93	96	96	18	47	91	93	80	-22.7	A	
Zoetis (\$119; ZTS)	1.8	49.3	91	52	93	82	80	26	63	91	71	81	-6.8	A	
<b>Industrials</b>															
3M (\$148; MMM)	2.1	75.4	30	27	26	54	61	31	53	19	6	8	-9.4	C	
AMETEK (\$231; AME) <sup>NEW</sup>	0.6	49.9	86	21	81	89	91	54	23	72	46	65	6.2	A	

Sector	Div. Yield	Market Cap. (Billions)	Quadrax Scores *								Sector Scores * -		YTD Total Return	Rating
			Momen- tum	Value	Quality	Fin'l Str.	Earns Ests.	Perfor- mance	Reversion	Overall	12-Factor Sector	Reranked Overall		
<b>Auto. Data Processing (\$200; ADP)</b>	3.4%	\$82.0	91	53	88	82	76	16	54	86	96	94	-20.2%	B
Boeing (\$217; BA)	0.0	165.0	36	7	52	17	4	33	69	13	4	2	-3.3	C
Canadian Nat'l Railway (\$108; CNI)	2.5	89.9	38	57	73	84	28	58	66	64	79	50	7.8	B
Caterpillar (\$771; CAT)	0.8	337.1	95	10	98	49	76	88	4	75	80	52	26.8	B
Cintas (\$173; CTAS)	1.0	68.1	93	21	85	84	98	18	17	66	72	73	-9.3	B
CSX (\$42; CSX)	1.3	77.0	35	22	57	70	33	79	28	32	46	7	14.6	C
Deere (\$608; DE)	1.1	155.6	92	15	78	38	78	69	21	62	93	51	24.1	B
Delta Air Lines (\$69; DAL)	1.1	42.6	47	84	95	47	9	78	43	86	100	89	-5.2	A
Eaton (\$385; ETN)	1.1	143.1	42	20	93	70	45	70	8	49	9	16	16.2	C
<b>EMCOR (\$790; EME) ↗</b>	0.2	33.4	84	20	99	55	79	89	2	78	84	63	22.7	A
Emerson Electric (\$144; EMR) ↘	1.5	75.7	65	33	54	69	72	33	31	43	19	40	1.8	C
FedEx (\$372; FDY)	1.6	85.2	67	48	69	43	81	80	37	76	96	82	24.1	A
GE Aerospace (\$309; GE)	0.6	301.5	76	12	94	59	77	32	20	54	37	33	-6.2	B
General Dynamics (\$348; GD)	1.8	94.2	49	33	73	62	52	62	27	50	56	29	3.9	B
Grainger (\$1,144; GWW)	0.8	52.5	67	22	97	71	67	67	16	68	86	44	10.0	B
Honeywell Int'l (\$230; HON) ↘	2.1	142.3	44	24	68	36	40	60	45	36	34	13	15.3	C
Illinois Tool Works (\$268; ITW)	2.4	74.6	59	27	88	74	54	45	45	58	84	32	5.8	B
Lockheed Martin (\$627; LMT) ↗	2.2	144.7	89	27	77	40	79	66	30	69	88	68	30.5	A
Norfolk Southern (\$293; NSC)	1.8	64.8	17	27	62	66	16	43	34	22	17	4	0.4	C
Northrop Grumman (\$688; NOC) ↘	1.3	98.1	44	21	76	53	30	65	22	37	42	10	21.5	C
Parker-Hannifin (\$965; PH)	0.7	115.2	92	14	90	71	84	58	6	69	67	56	4.1	A
RTX (\$203; RTX)	1.3	266.4	81	17	75	47	60	59	14	50	13	29	8.3	B
Southwest Airlines (\$40; LUV) ↘	1.8	18.6	48	57	62	49	29	25	71	48	58	50	-8.0	B
TransDigm (\$1,215; TDG) ↗	7.4	66.0	84	29	96	50	55	20	12	58	13	58	-12.1	B
Uber Technologies (\$73; UBER)	0.0	146.1	60	44	97	68	37	27	25	61	18	57	-12.2	B
Union Pacific (\$248; UNP) ↗	2.2	146.1	51	36	76	80	63	52	39	59	78	44	6.9	B
United Parcel Service (\$100; UPS)	6.5	82.9	29	69	64	40	49	36	81	57	89	71	-0.3	B
Waste Management (\$230; WM)	1.6	94.0	67	30	91	54	31	60	23	57	90	32	6.6	B
<b>Materials</b>														
Dow (\$39; DOW)	3.6	29.8	28	24	3	5	61	98	73	19	18	13	79.2	C
DuPont (\$48; DD)	1.7	18.6	75	43	17	36	78	52	44	39	26	40	13.7	B
Ecolab (\$272; ECL)	1.1	74.1	72	24	88	70	50	40	37	57	81	33	0.2	B
Freeport-McMoRan (\$65; FCX)	0.9	87.3	73	35	76	77	66	68	17	68	44	73	19.9	A
Linde (\$498; LIN)	1.3	229.2	80	23	85	82	63	71	24	70	79	54	16.4	A
Newmont (\$117; NEM)	0.9	123.8	81	55	66	96	67	64	11	78	29	95	15.1	A
Nucor (\$181; NUE)	1.2	39.5	74	43	73	62	71	70	28	74	40	78	6.6	A
Sherwin-Williams (\$335; SHW)	1.0	77.2	31	30	81	62	20	36	32	33	68	19	-2.9	C
<b>Real estate</b>														
American Tower (\$175; AMT)	4.1	81.1	16	33	44	86	19	31	65	21	61	43	-0.8	C
Equinix (\$1,017; EQIX)	2.0	99.3	84	10	71	66	81	91	30	65	90	73	32.2	B
Prologis (\$137; PLD) ↘	3.1	124.2	64	16	51	75	44	62	36	36	92	52	5.2	C
<b>Technology</b>														
Accenture (\$194; ACN)	3.4	121.1	65	81	87	71	72	19	70	91	67	89	-26.0	A
Adobe (\$240; ADBE)	0.0	97.1	72	88	95	91	75	13	70	97	97	97	-31.4	A
Adv. Micro Devices (\$231; AMD)	0.0	361.2	89	16	85	81	66	74	7	67	84	67	3.4	B
<b>Amphenol (\$134; APH)</b>	0.7	157.8	96	19	93	78	64	46	4	67	63	71	-4.8	A
Analog Devices (\$346; ADI)	1.3	159.8	97	21	64	93	89	70	14	70	88	57	21.1	A
Apple (\$257; AAPL)	0.4	3,721.7	89	20	93	81	71	51	15	71	89	70	-6.7	A
Applied Materials (\$383; AMAT)	0.6	281.2	99	10	99	86	93	87	4	85	96	89	38.0	A
<b>AppLovin (\$395; APP)</b>	0.0	138.4	100	25	100	86	91	13	0	74	99	74	-39.1	A
Arista Networks (\$144; ANET)	0.0	167.9	79	17	90	99	61	44	3	59	79	54	2.0	B
<b>Broadcom (\$351; AVGO)</b>	0.7	1,581.2	98	12	90	84	94	51	1	71	86	66	-3.3	A
Cisco Systems (\$83; CSCO)	2.0	318.7	86	25	62	78	92	67	26	67	57	52	5.9	A
Dell Technologies (\$185; DELL) ↗	1.4	114.7	100	57	88	29	87	95	3	95	68	99	41.8	A
IBM (\$241; IBM) ↗	2.8	230.0	73	35	64	68	80	37	25	56	18	39	-16.8	B
Intel (\$58; INTC)	0.0	265.7	13	11	11	35	21	93	54	9	6	2	43.4	C
Intuit (\$393; INTU) ↗	1.2	113.5	61	56	99	91	62	26	45	82	69	78	-38.0	A
<b>Jabil (\$289; JBL)</b>	0.1	28.8	96	31	85	41	99	90	3	85	88	94	19.7	A
<b>KLA (\$1,654; KLAC)</b>	0.5	203.0	99	8	100	91	96	88	2	85	93	88	27.6	A
<b>Lam Research (\$244; LRCX)</b>	0.4	280.2	98	7	92	93	87	80	2	77	85	76	31.2	A
<b>Micron Technology (\$404; MU)</b>	0.1	425.8	99	50	97	99	91	65	1	96	99	98	32.3	A
<b>Microsoft (\$373; MSFT)</b>	1.0	2,764.5	94	45	99	96	67	18	25	84	94	87	-22.8	A
<b>Nvidia (\$182; NVDA)</b>	0.0	4,327.1	98	33	98	99	87	49	1	87	98	93	-4.5	A
Oracle (\$143; ORCL)	1.4	411.8	74	43	94	75	62	24	21	70	75	68	-26.4	B
Palo Alto Networks (\$174; PANW)	0.0	137.8	30	16	78	89	16	45	16	27	15	17	-7.8	C
Qualcomm (\$127; QCOM) ↗	2.8	132.4	21	70	82	82	17	14	49	52	53	40	-27.0	B
Salesforce (\$179; CRM) ↗	1.0	168.9	77	72	94	91	70	23	60	93	91	94	-30.9	A
ServiceNow (\$98; NOW)	0.0	104.2	68	29	89	85	68	17	35	59	77	45	-34.4	B
Synopsys (\$409; SNPS)	0.0	76.2	78	38	64	64	77	23	31	55	76	38	-15.3	B
<b>TE Connectivity (\$224; TEL) ↘</b>	1.4	61.9	87	33	92	81	82	56	23	82	84	82	-7.0	A
Texas Instruments (\$207; TXN)	2.7	181.9	81	18	71	87	78	52	39	61	82	41	15.9	B
<b>Utilities</b>														
<b>Amer. Electric Power (\$135; AEP)</b>	2.8	72.1	80	33	54	65	84	82	31	67	48	70	16.2	A
Duke Energy (\$131; DUK) ↗	3.3	102.6	44	40	49	63	64	76	39	48	30	41	13.4	B
NextEra Energy (\$94; NEE)	2.7	195.3	74	25	65	83	53	85	35	61	22	47	17.5	A
Southern (\$96; SO) ↗	3.1	109.1	62	34	44	55	81	75	32	50	38	42	11.9	B

NA Not available. NM Not meaningful. \* Scores are percentile ranks, with 100 the best. † Total return through April 8.  
↗ Rating or recommended list upgrade. ↘ Rating or recommended list downgrade. NEW Addition to Monitored list. ‡ Rating suspended. Company has agreed to be acquired. NC Name change.

## Top 15 Utilities portfolio, our diversified utility strategy

This portfolio is designed for investors who seek income and wish to own utilities. Rather than buy just one or two utility stocks, we advise subscribers to spread their bets and purchase equal-dollar amounts of each stock. The resultant portfolio yields roughly as much as the average utility but offers both diversification and superior capital-gains potential. For more information, visit [www.DowTheory.com/Go/Top15](http://www.DowTheory.com/Go/Top15). Our Top 15 Utilities portfolio has trounced its benchmark since its initiation in 2007.



Company (Price; Ticker)	Div. Yield	— Quadrix Scores * —		
		Overall	12-Factor Reranked Sector	Overall
Ameren (\$111; AEE)	2.6%	64	36	63
American Electric Pwr. (\$133; AEP)	2.9	67	48	70
Atmos Energy (\$189; ATO)	2.1	66	27	61
CMS Energy (\$79; CMS)	2.9	67	42	67
Consolidated Edison (\$114; ED)	3.1	69	70	77
Eversource Energy (\$69; ES)	4.5	41	41	22
FirstEnergy (\$51; FE)	3.6	55	97	59
National Fuel Gas (\$96; NFG)	2.2	82	47	94
New Jersey Resources (\$57; NJR)	3.4	77	78	89
NiSource (\$48; NI)	2.5	67	73	64
Northwest Natural (\$55; NWN)	3.6	64	89	80
One Gas (\$89; OGS)	3.0	64	75	75
Portland General (\$54; POR)	3.9	65	94	83
Spire (\$94; SR)	3.5	50	98	48
UGI (\$37; UGI)	4.1	44	72	50
<b>Average</b>	<b>3.2</b>	<b>63</b>	<b>66</b>	<b>67</b>

Note: The Top 15 Utilities portfolio contains up to 15 stocks, but never more than 15. \* Percentile ranks, with 100 the best. The 12-Factor Sector and Reranked Overall scores rank stocks relative to others in their sector. NA Not available.

## Recommended mutual funds and ETFs

We recommend 19 mutual funds and exchange-traded funds (ETFs). To isolate standouts, we use our fund ranks. The scores rank 4,502 funds relative to their categories, using total returns, expense ratios, and risk-adjusted performance. Updated monthly, the scores are percentile ranks, with 100 the best.

If you want to mimic our recommended portfolios, purchase the funds listed below in the proportion suggested by the target weight. So far in 2025, our Growth portfolio has slumped 0.3% and the Conservative portfolio is down 0.4%. For more information visit [www.DowTheory.com/Go/Funds](http://www.DowTheory.com/Go/Funds).

Portfolio	Year-To-Date Total Return
Growth Portfolio	-0.3%
Benchmark	-1.4
Conservative Portfolio	-0.4
Benchmark	-1.1
S&P 500 Index	-3.0
Russell 2000 Index	2.9
MSCI EAFE Index	1.2
U.S. Aggregate Bond Index	0.2

Fund (Price; Ticker)	Fund Category	Portfolio Target Weight		Total Return & Category Rank *			Expense Ratio	Fund Score			
		Conser-vative	Growth	YTD	3-Year Ann.	5-Year Ann.					
Dodge & Cox Global Bond (\$11; DODLX)	World bond	4%	3%	0.1%	A	6.6%	A	3.2%	A	0.45%	100
Fidelity Enhanced Small Cap (\$40; FESM)	Small-cap blend	3	4	3.1	C	19.1	A	8.1	A	0.28	98
Fidelity Mid Cap Index (\$38; FSMDX)	Midcap blend	6	8	2.7	C	14.6	B	7.1	C	0.03	91
Fidelity Total Bond (\$46; FBND)	Interm. core-plus bond	5	0	0.4	A	4.2	B	1.0	B	0.36	90
iShares MSCI Int'l Small-Cap Multifactor (\$44; ISCF)	Foreign small/mid blend	3	3	2.8	D	15.9	B	7.6	B	0.24	65
Janus Henderson Small/Mid Cap Gro. (\$84; JSMD)	Small-cap growth	4	5	-0.6	C	14.8	B	4.1	B	0.30	93
SPDR Portfolio High Yield Bond (\$23; SPHY)	High-yield bond	3	2	0.4	C	8.8	A	4.4	B	0.05	96
Vanguard Growth (\$457; VUG)	Large-cap growth	14	15	-8.7	D	22.2	B	11.4	A	0.03	86
Vanguard Interm. Tax-Exempt (\$14; VWITX)	Municipal nat'l interm.	0	0	0.3	C	3.2	B	1.3	B	0.17	97
Vanguard Intermediate-Term Bond (\$77; BIV)	Intermediate core bond	0	0	0.0	E	3.7	B	0.6	A	0.03	100
Vanguard International Core Stock (\$18; VWICX)	Foreign large-cap blend	11	13	4.0	A	19.2	A	10.7	A	0.47	97
Vanguard S&P 500 (\$619; VOO)	Large-cap blend	14	15	-3.1	C	18.8	B	11.7	A	0.03	93
Vanguard Short-Term Invest.-Grade (\$10; VFSTX)	Short-term bond	6	2	0.4	B	5.2	B	2.3	C	0.20	93
Vanguard Small-Cap Value (\$225; VBR)	Small-cap value	3	4	4.3	D	14.8	B	7.9	B	0.05	90
Vanguard Total Bond Market (\$74; BND)	Interm.-term bond	0	0	0.3	B	3.3	C	0.3	B	0.03	76
Vanguard Value (\$201; VTV)	Large-cap value	10	11	4.0	B	15.1	B	10.9	B	0.03	96
Vanguard Wellesley Income (\$25; VWINX)	Balanced — 60% bonds	0	0	0.7	B	7.4	E	4.2	C	0.22	45
Vanguard Wellington (\$43; VWELX)	Balanced — 60% stocks	10	10	-2.3	D	12.8	A	7.6	A	0.24	89
WisdomTree U.S. Value (\$96; WTV)	Midcap value	4	5	2.2	D	20.2	A	12.7	A	0.12	99

\* Ranks and returns through April 7, from Morningstar. A = top 20% of fund category; B = next 20%; C = middle 20%; D = next 20%; E = bottom 20%. Fund ratings, which are percentile ranks relative to fund-category peers, are computed monthly using total returns, expense ratios, and risk-adjusted performance. NA Not available.