

Materials Sector Snap-Shot

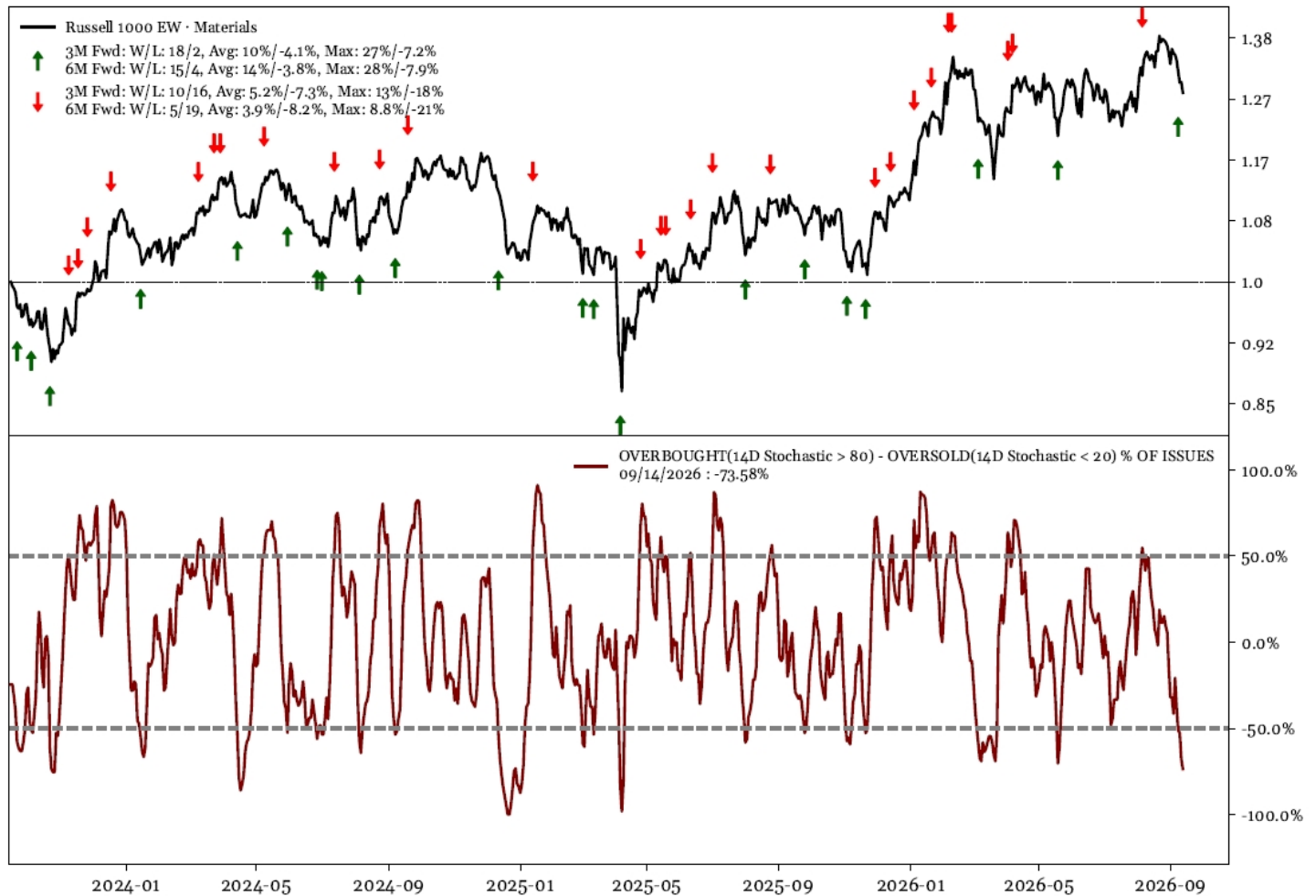
Oversold in the Face of Several Headwinds

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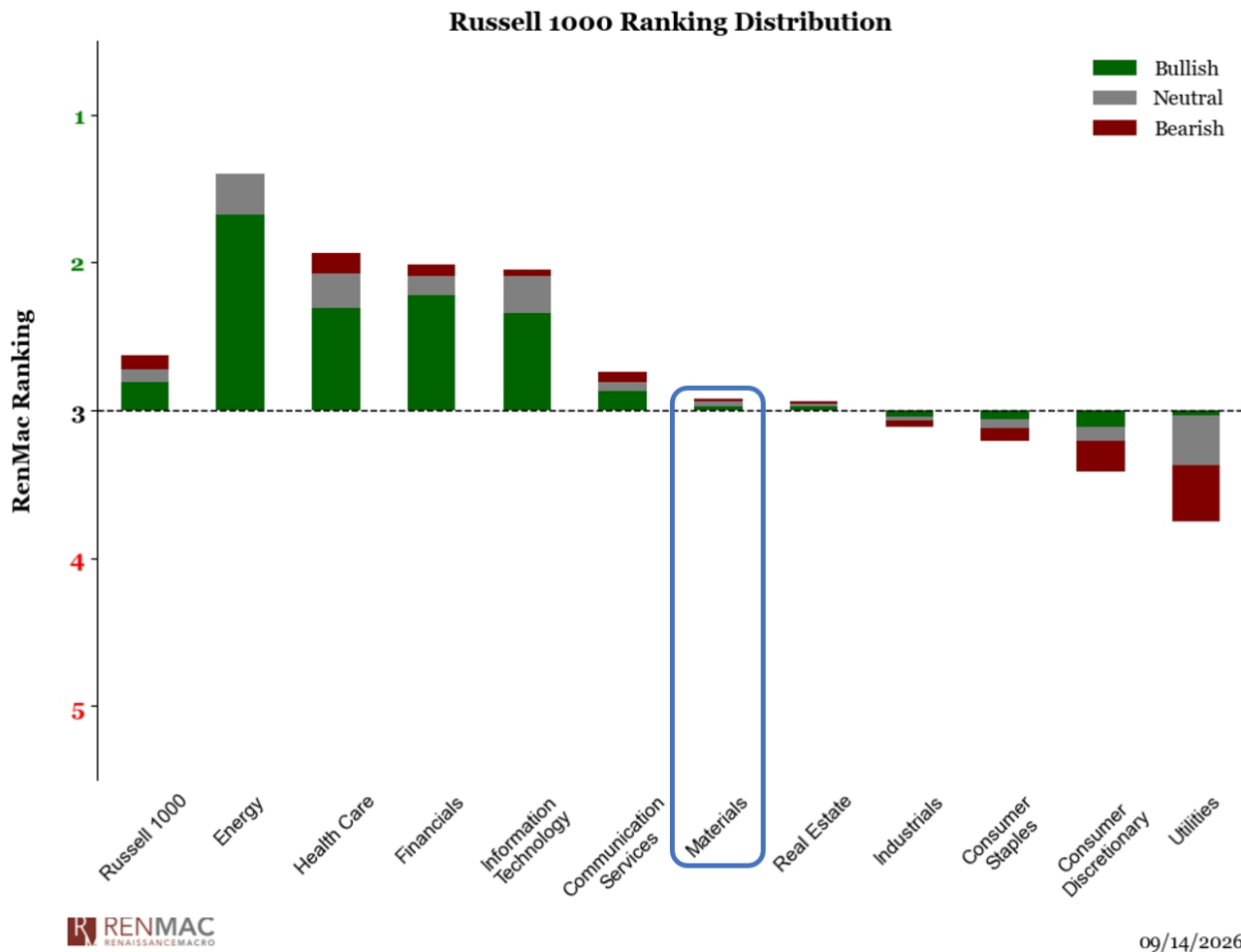
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An internal oversold condition has developed for the sector as it hangs onto positive relative trend conditions. We are seeing relative price become more distributive, so we're keeping a watchful eye and stressing the importance of sticking with leadership areas given the macro setup. Use recent weakness to add to relative strength winners while selling oversold bounces in laggards within the sector.

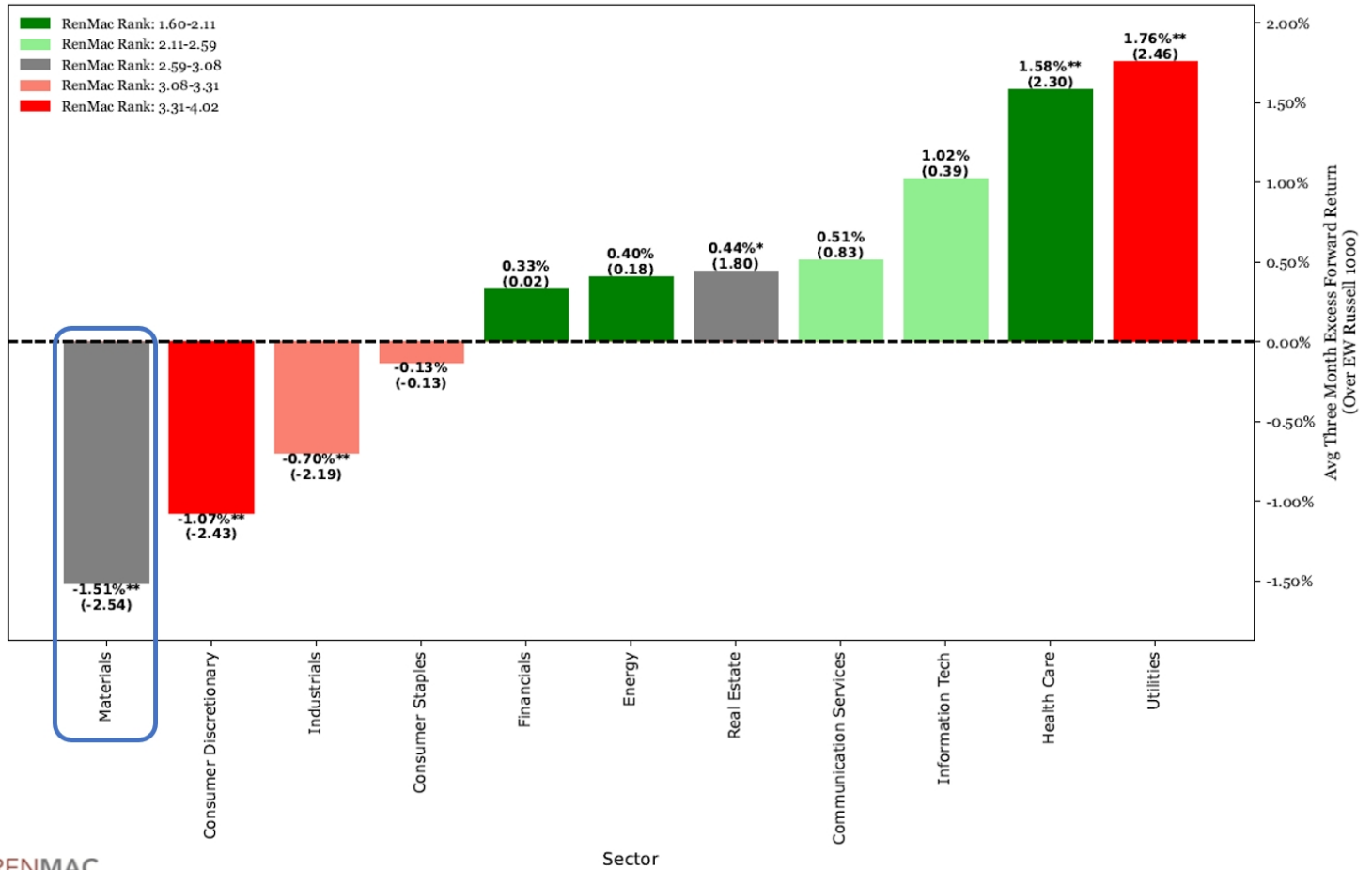


RenMac Ranks are flat here against the broader market, which is another reason to focus longs on firm trends.

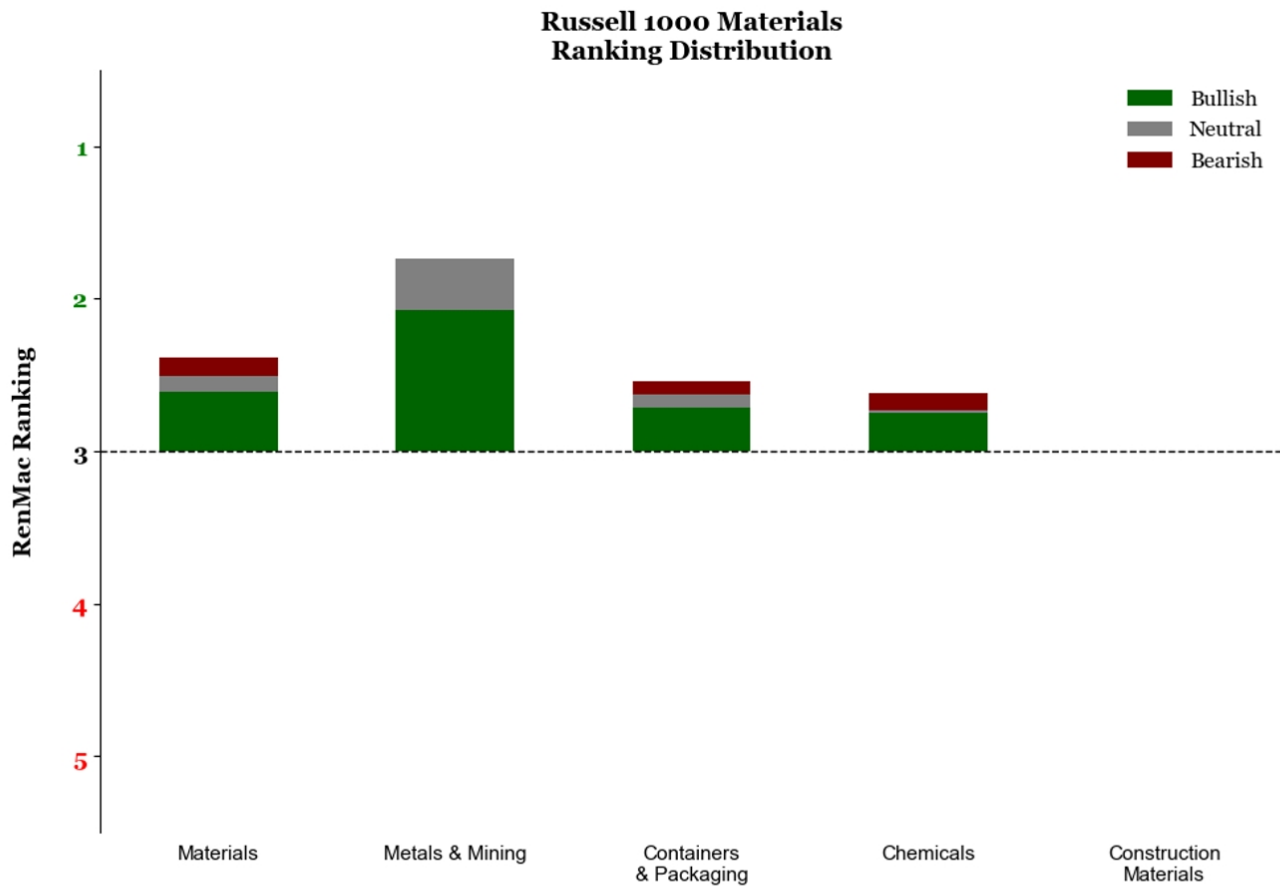


The macro backdrop is also providing several headwinds as the Market Cycle Clock and Yield Impact Model add downward pressure to Materials.

Avg Russell 1000 EW Sector Three Month Excess Forward Return
Based on 10Yr Yield Impact in 10th Decile
01/02/1979-09/14/2026



As to where strength is concentrated in, we continue to endorse areas within Metals & Mining which is leading within the space. Weakness looks buyable in trifecta aluminum names CSTM & KALU. For a more comprehensive overview of the setup for the sector and for our top longs and shorts, be sure to click on the link at the end of the email for access to the full report.



Tactical Oversold Condition

Equal-weight Russell 1000 Materials are maintaining the absolute uptrend. We are starting to see some relative deterioration at the margin, so we're keeping a close eye on support levels. That said, an internal oversold condition has developed as short-term momentum fades. Given the mixed tape and that strength is no longer broad-based, stick with relative leadership and use weakness to add to winners while rotating out of laggards on oversold bounces.

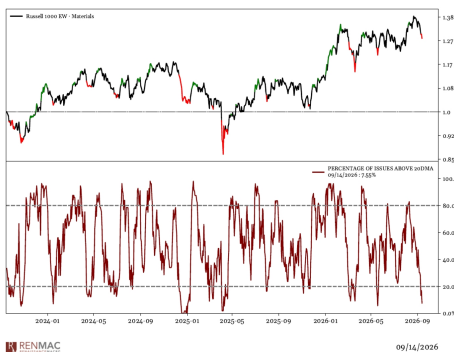
RenMac Momentum Rank: 49

Bullish Deteriorating



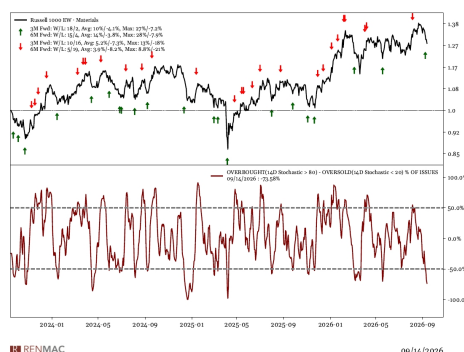
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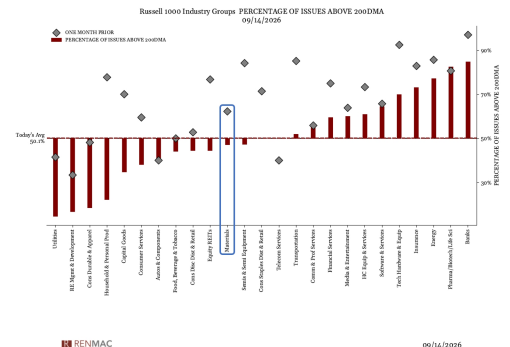
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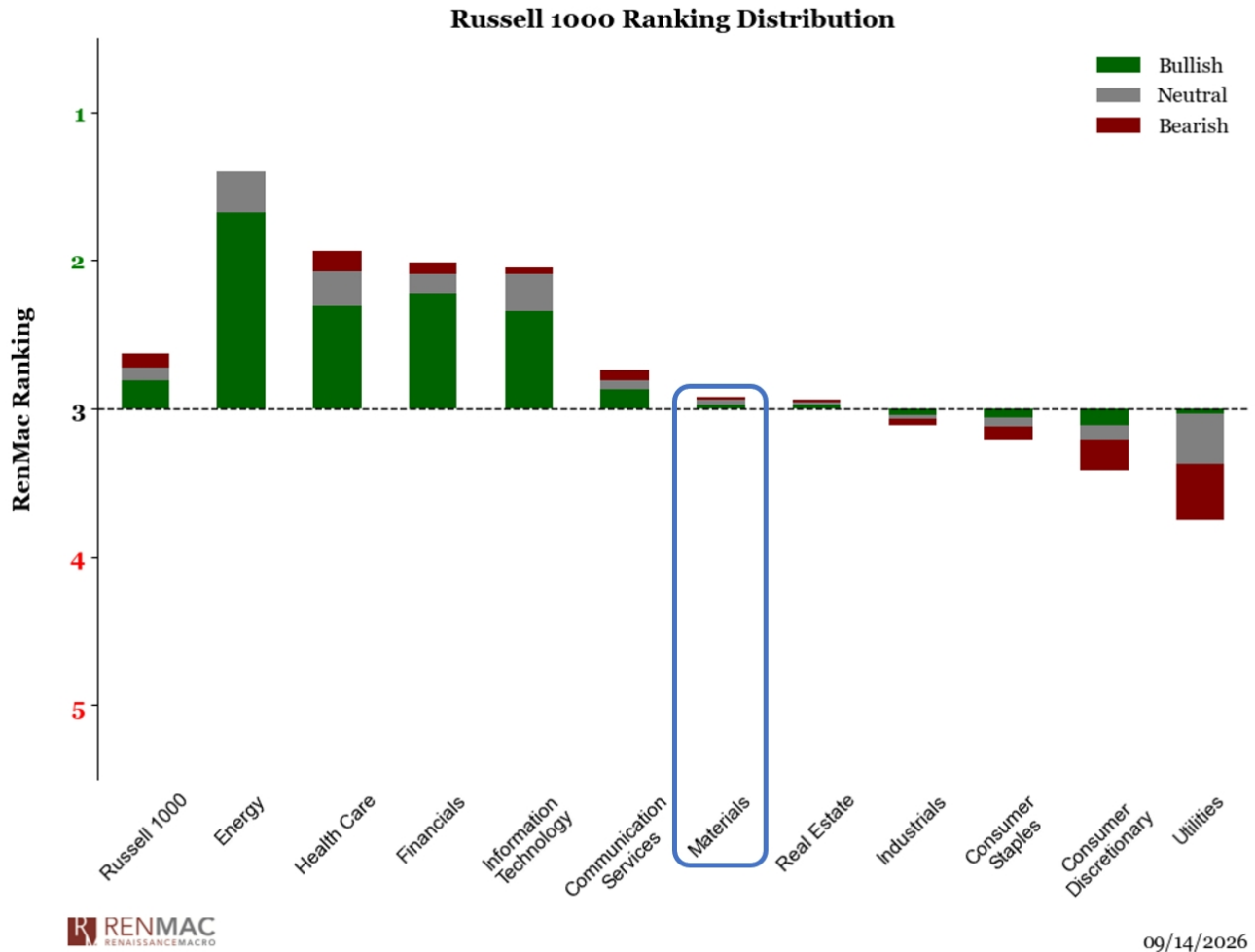
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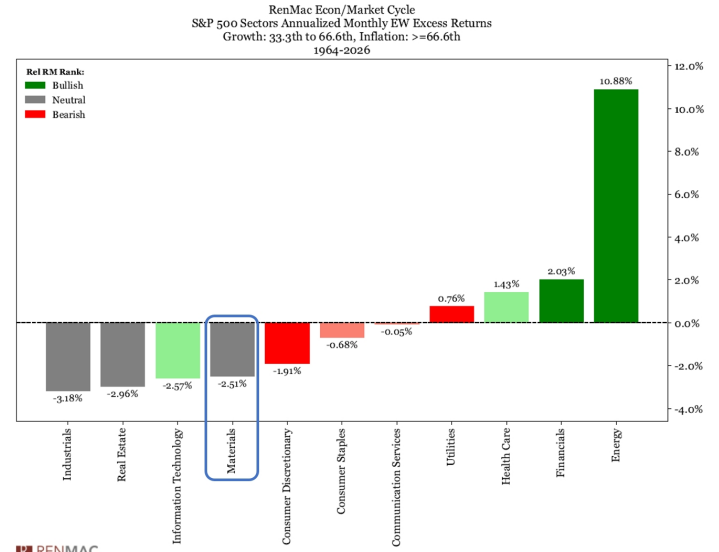
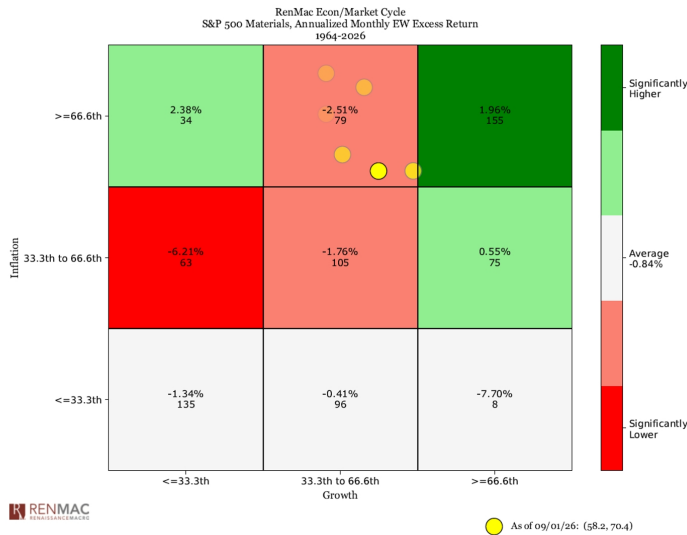
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Flat Average RenMac Ranks



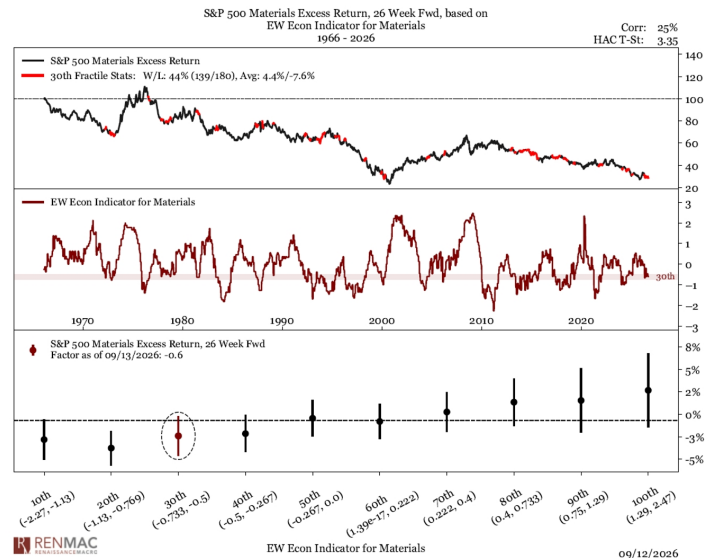
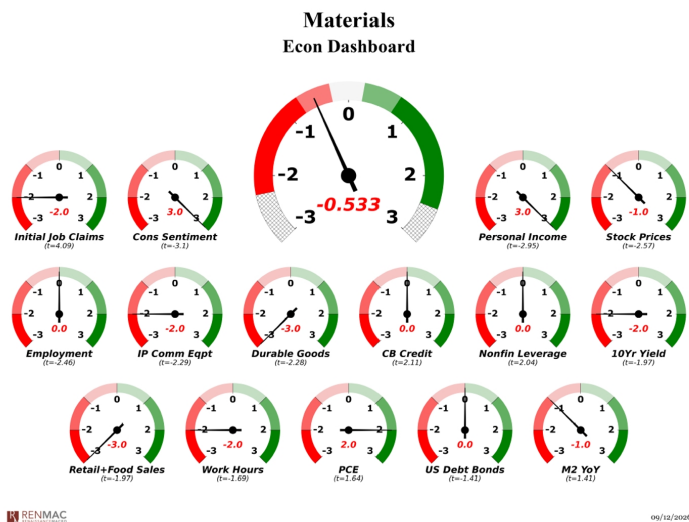
Cycle Clock a Headwind

The Market Cycle Clock remains in the high inflation/medium growth regime which is historically a headwind for the sector. For now, current trends are neutral, but we'll be monitoring for further deterioration should this signal an alignment with expectations in this zone.



Negative Tilt on Econ Dashboard

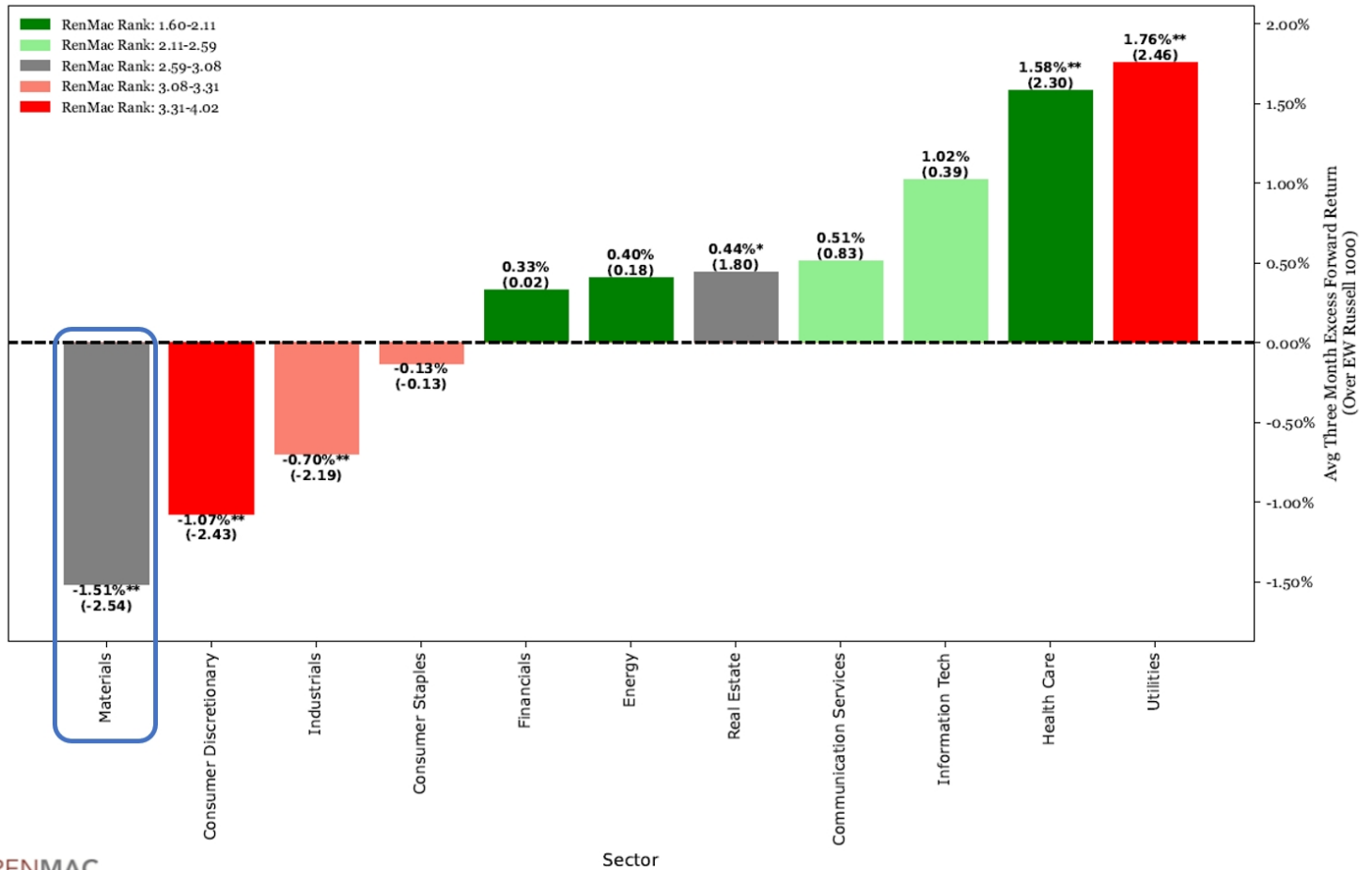
Our Economic Dashboard runs through a host of economic factors and determines which values are the most statistically significant when it comes to forward excess returns. Positioning in our Economic Dashboard is tilted to the downside for Materials.



Negative Yield Impact Model

The thrust higher in yields has put our Yield Impact Model into the top decile. Historically, Materials is the worst performing sector when we track in this regime.

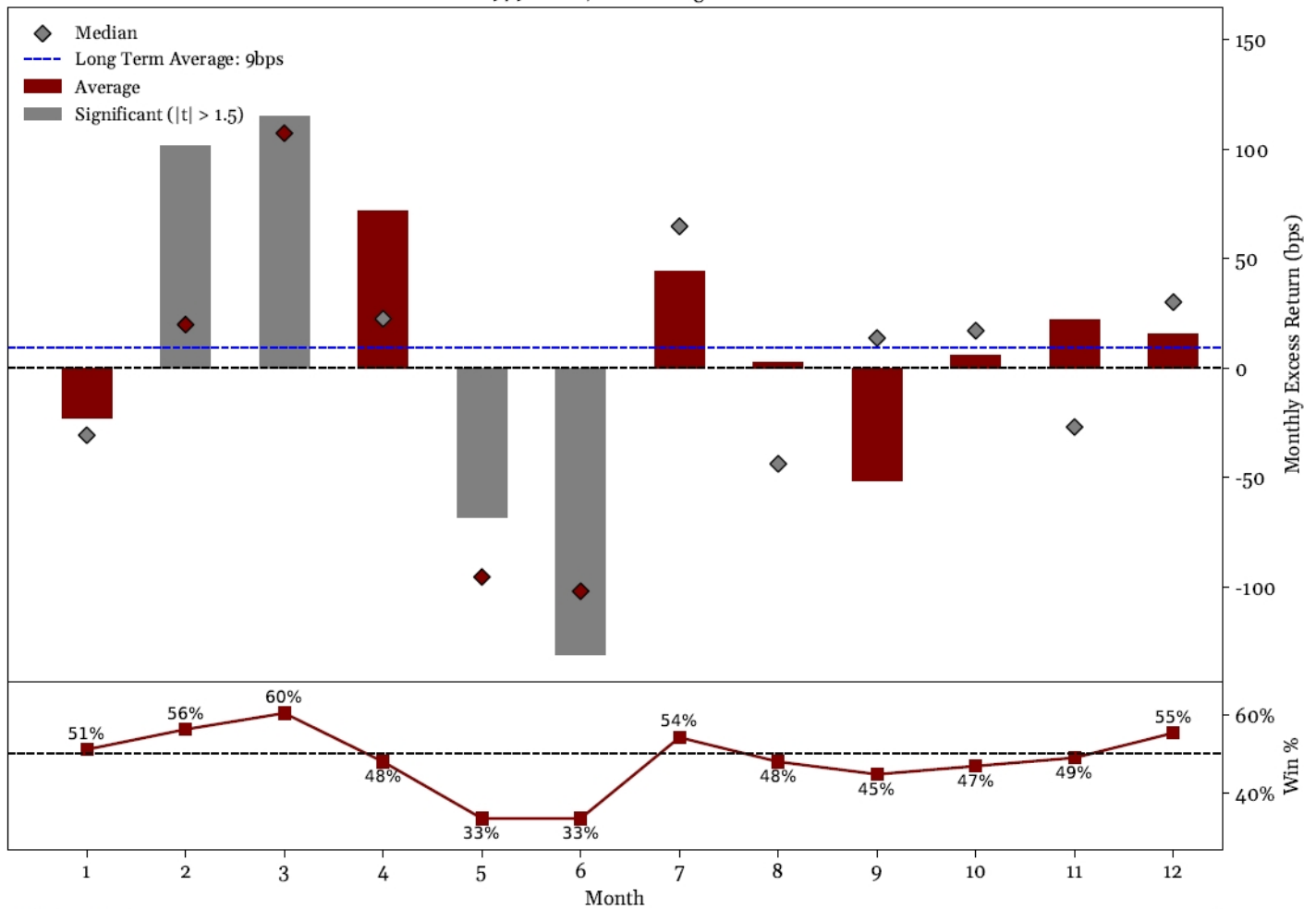
Avg Russell 1000 EW Sector Three Month Excess Forward Return
Based on 10Yr Yield Impact in 10th Decile
01/02/1979-09/14/2026



Excess Returns Biased Lower in September

When taking a look at seasonality on a time-weighted basis, September is typically skewed to the downside when it comes to average excess returns. The calendar remains flat historically in October, before seeing some marginal gains in the later stages of the year.

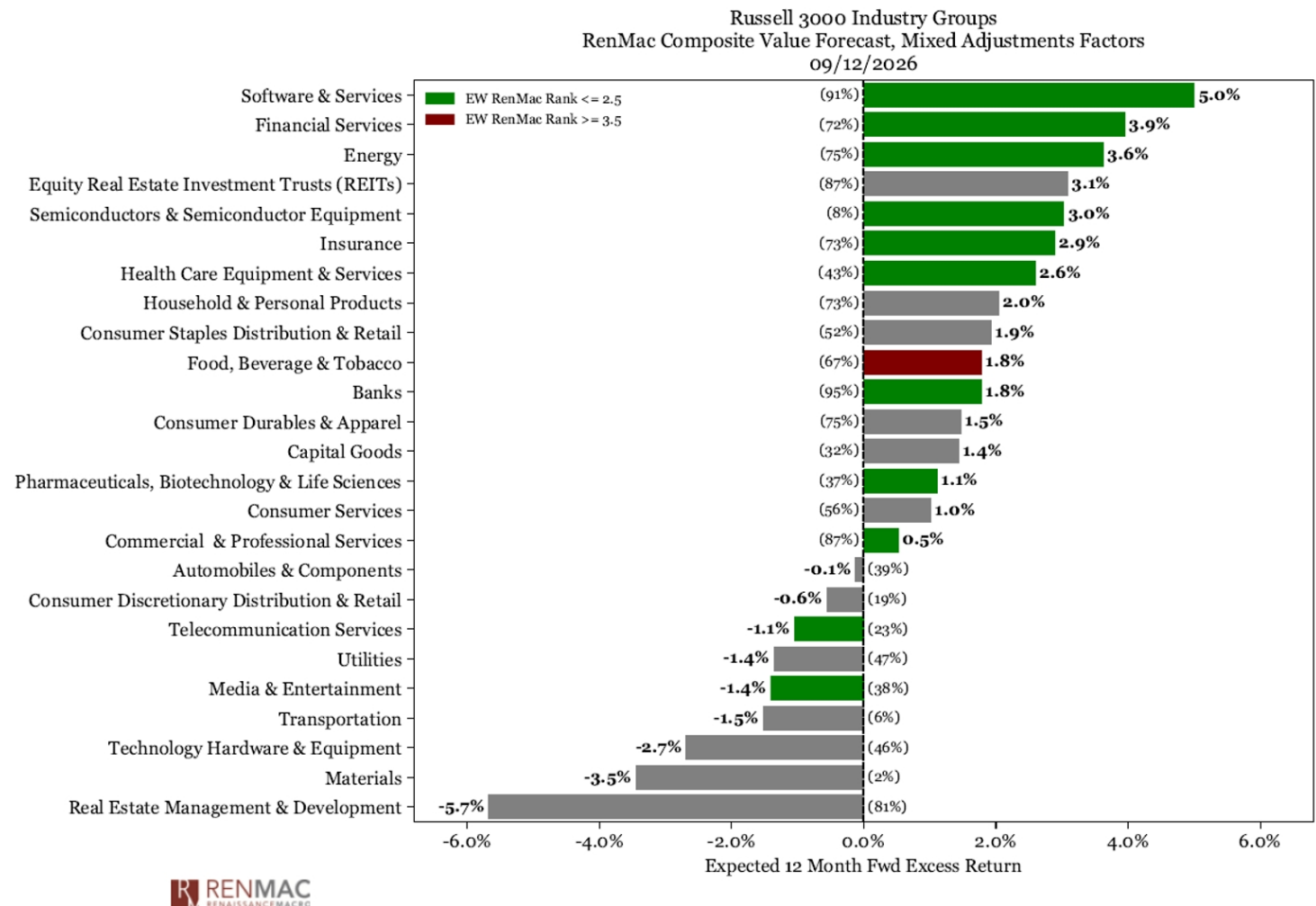
Russell 3000 Materials (EW)
Seasonal Monthly Return
1979-2026, Time-Weighted



Contextualized Valuations

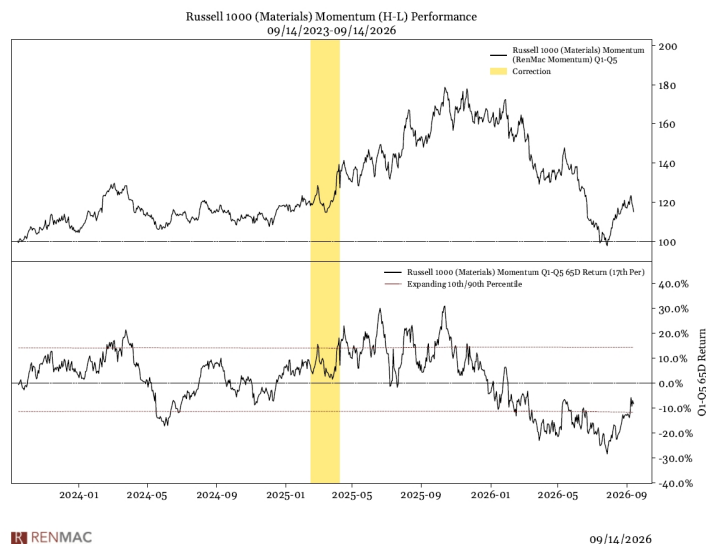
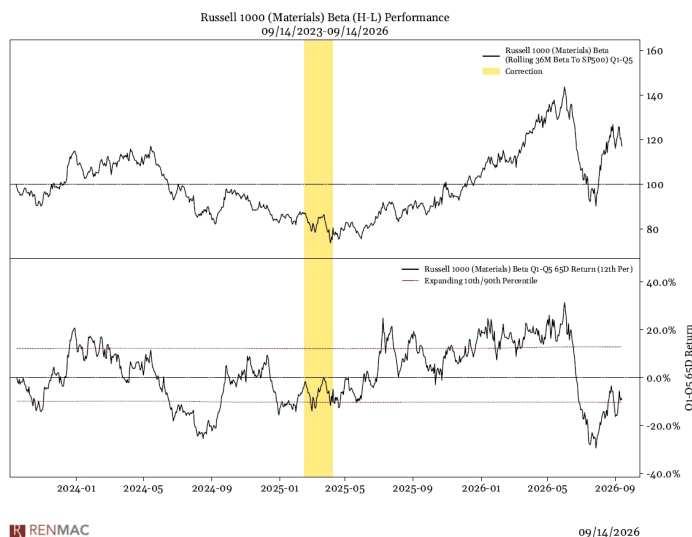
Our Contextualized Valuation model looks at the most relevant valuation data points for a given sector or sub-industry group to determine its value vs. history and what it implies for forward returns. [Click here for how to read the RenMac Contextualized Valuation chart.](#)

Materials remain unattractive as the sector tracks in the bottom 2nd percentile in our valuation work.



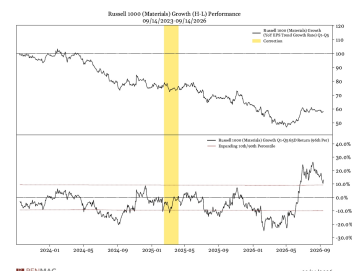
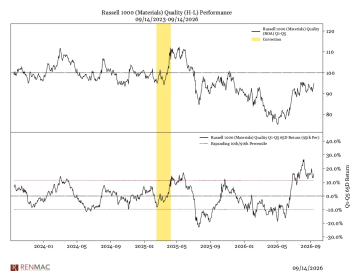
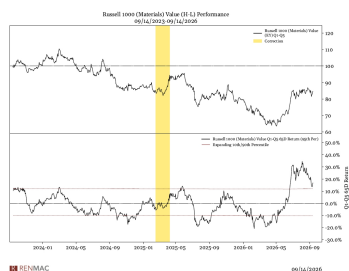
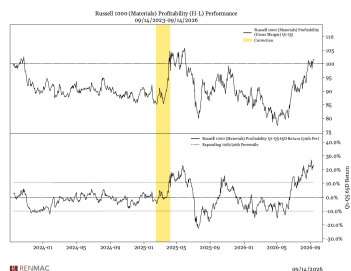
Beta & Momentum Hooking Higher

High to low beta and momentum within Materials are hooking higher after seeing extreme underperformance. There's still more room to run to the upside as the condition is neutralized.



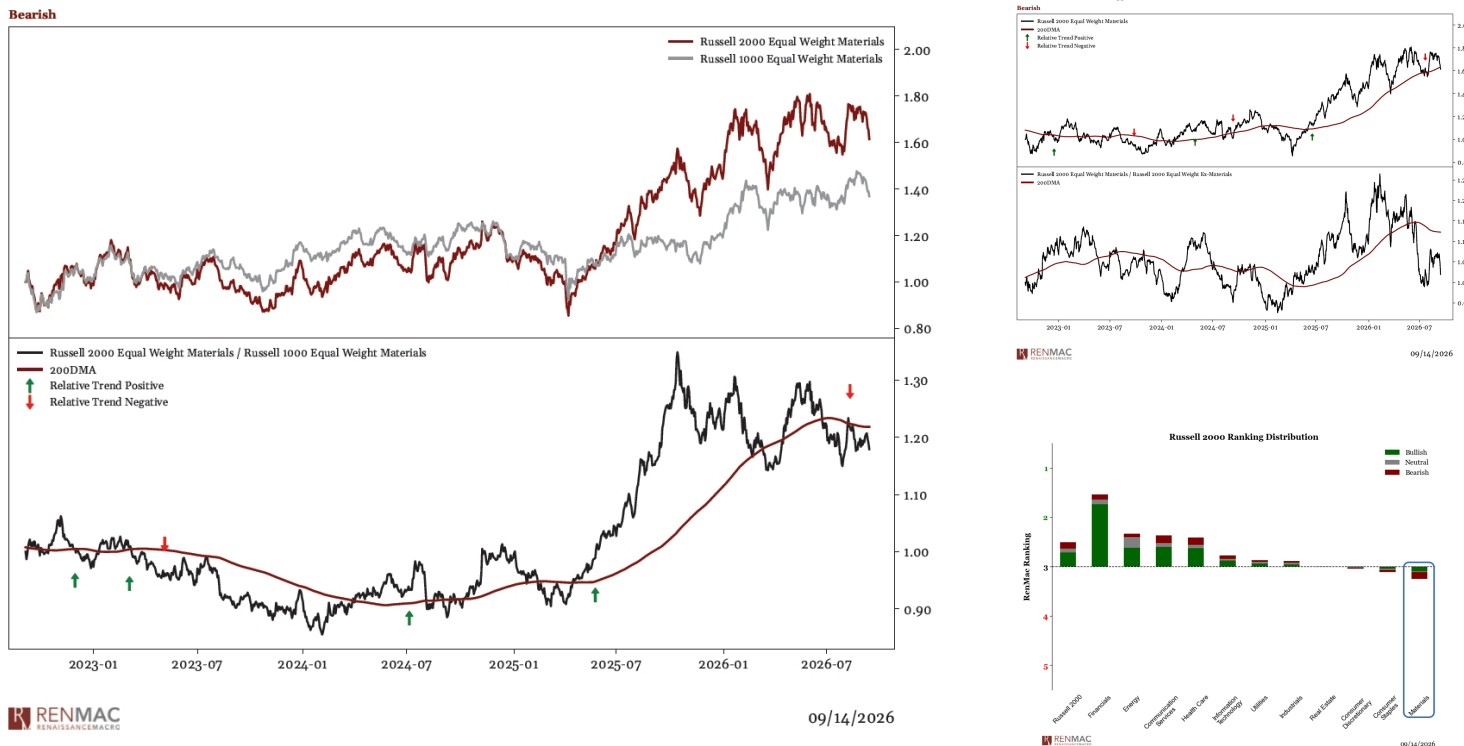
Profitability Extended, Extremes Starting to Taper Off in Value, Quality, & Growth

Profitability is getting extended within the sector and is set up for mean reversion. We're starting to see the extreme outperformance in value, quality, and growth start to taper, but returns remain elevated and vulnerable to more downside risk. For a list of constituents that make up our factor work, feel free to reach out.

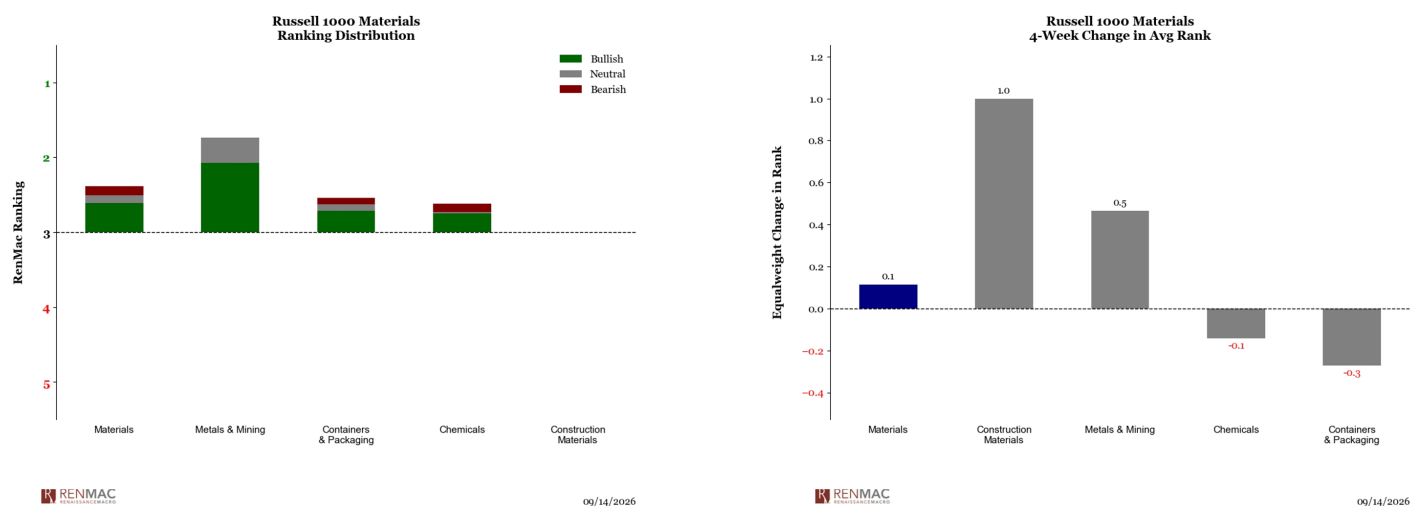


Large > Small

We are reiterating our call to stick with large-caps over small as the relative performance of R1 vs R1 Materials looks topy after a bear signal triggered several weeks ago. While the absolute uptrend in equal-weight R2 Materials is holding up decently, relative performance to the Russell 2000 tells a different story as the sector is now the worst ranked area within the Russell 2000. Focus longs on large-cap leadership.

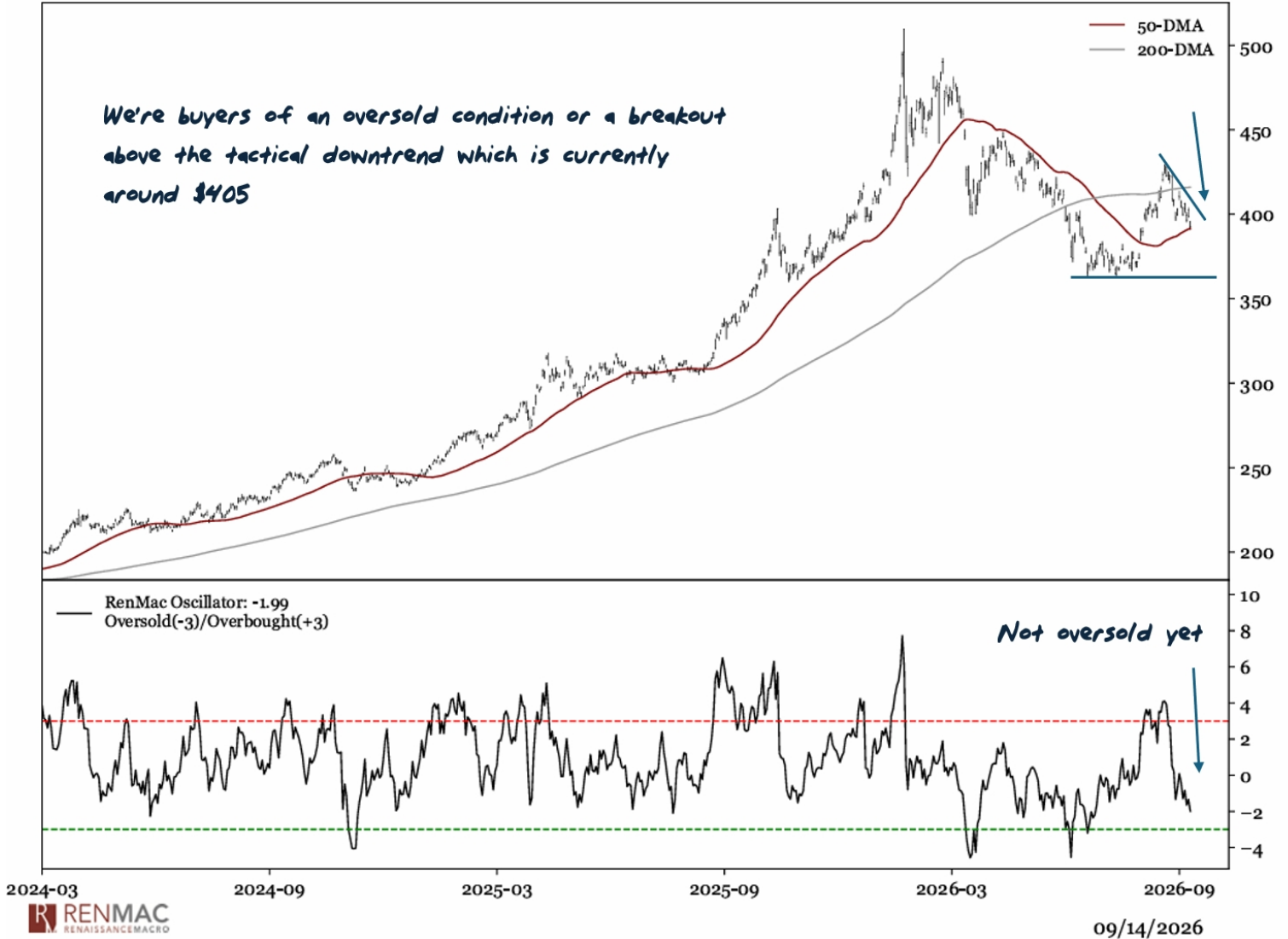


Russell 1000 Materials Ranking Distribution



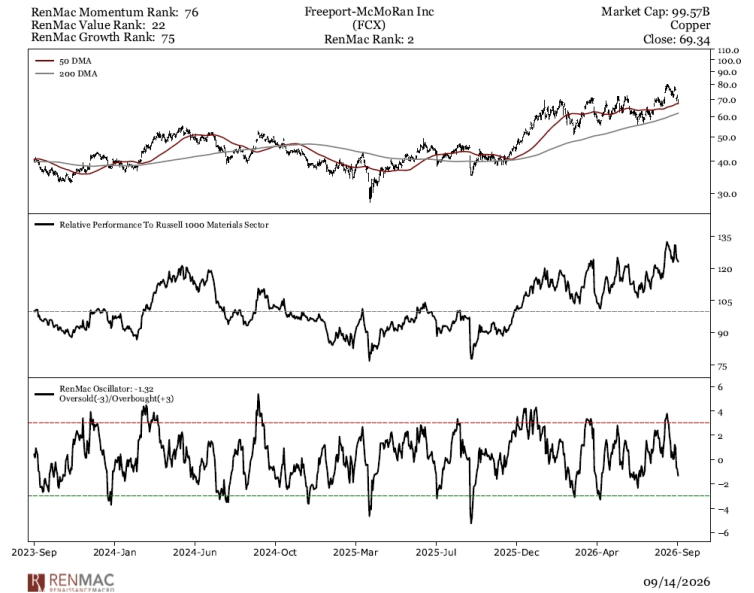
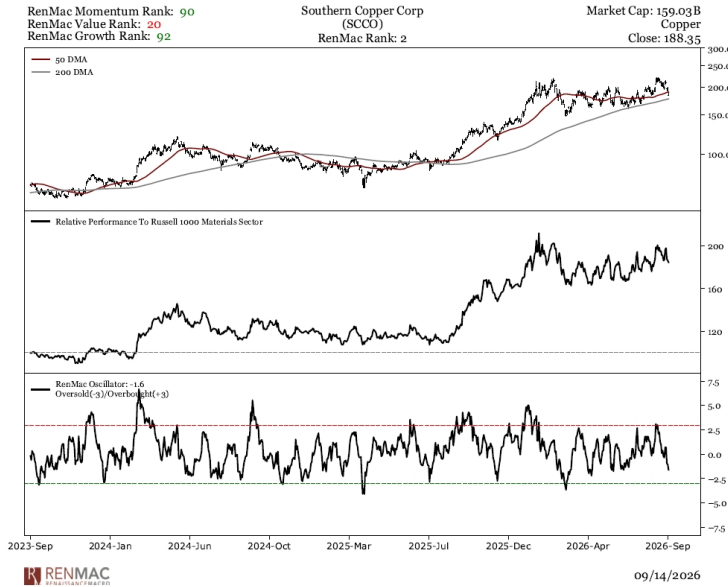
GLD: Oversold Condition or Breakout Above Tactical Downtrend is Buyable

SPDR Gold Shares (GLD)



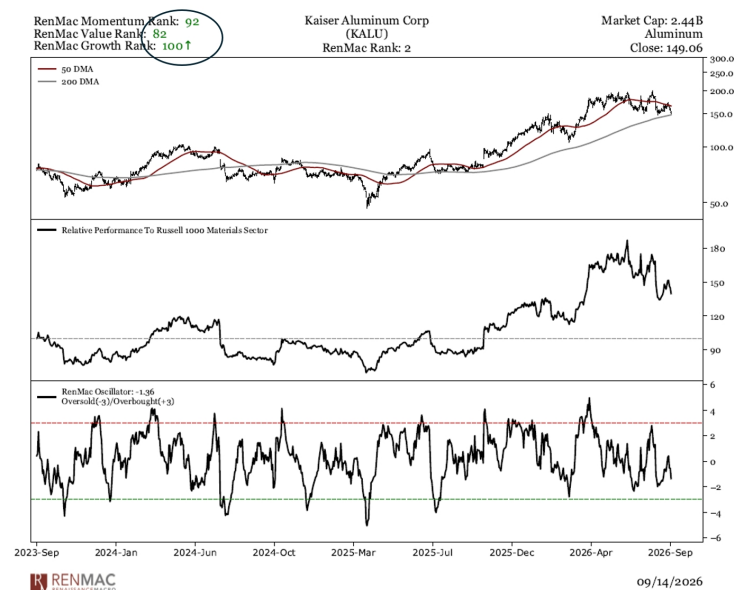
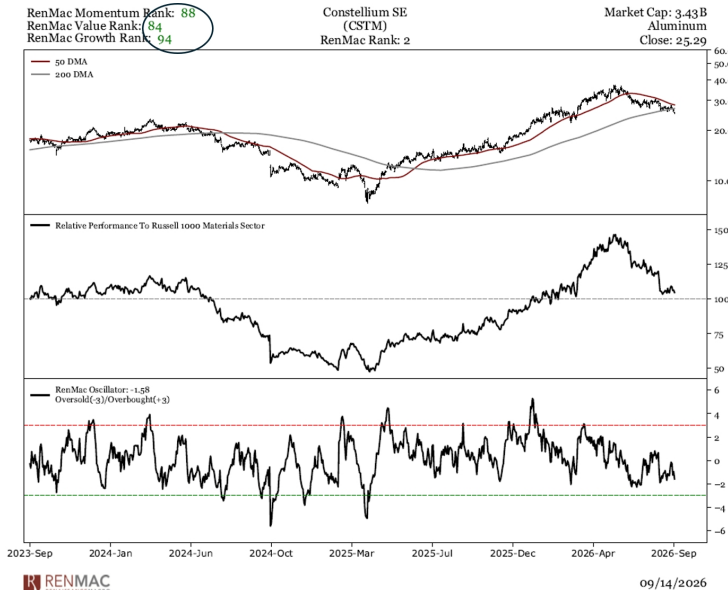
Weakness Buyable in Copper Miners

SCCO & FCX



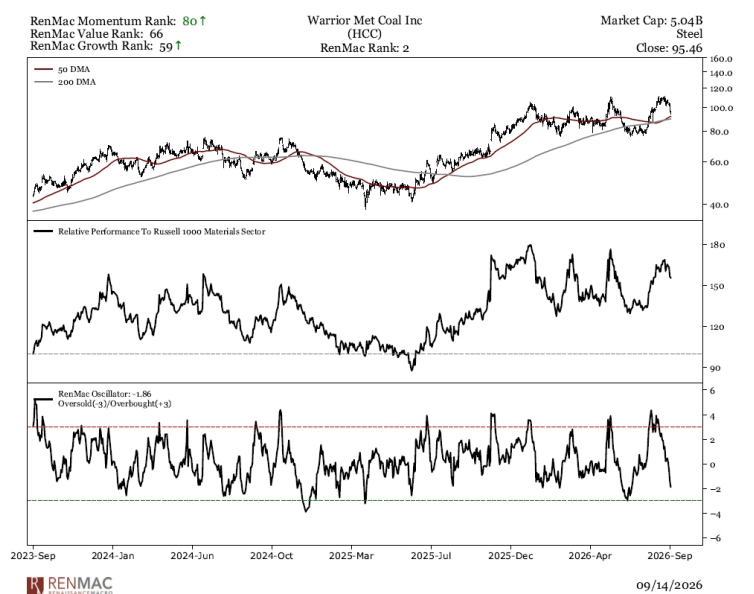
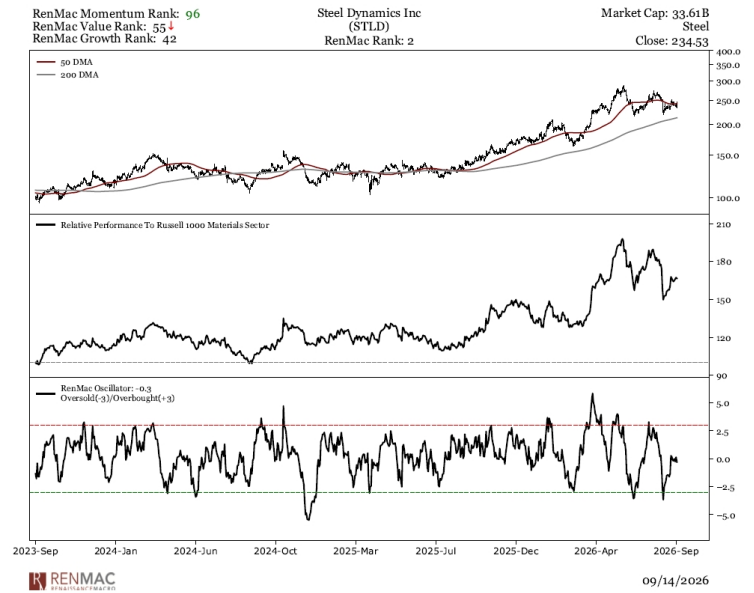
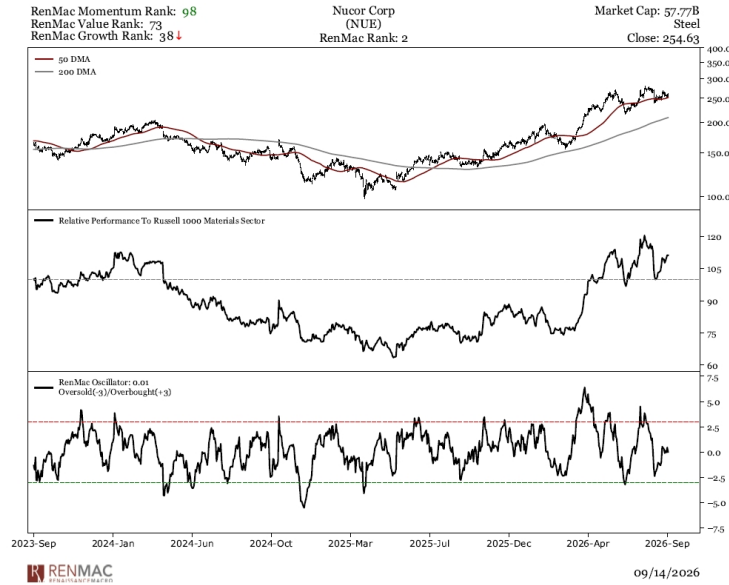
Weakness Buyable in These Aluminum Trifectas

CSTM & KALU



Best Trends to Own in Steel

NUE, STLD, RS, HCC

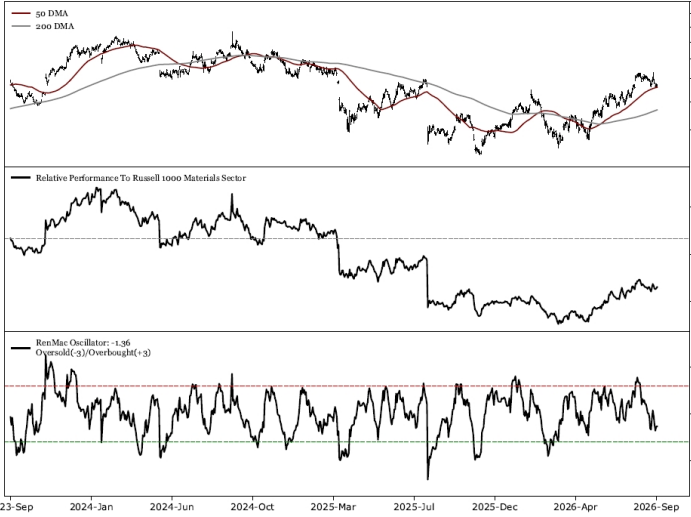


Construction Materials: Weakness Buyable in JHX, Sell Strength in CRH, MLM, VMC

RenMac Momentum Rank: 72 ↑
RenMac Value Rank: 35 ↓
RenMac Growth Rank: N/A

James Hardie Industries PLC (JHX)
RenMac Rank: 3

Market Cap: 16.48B
Construction Materials
Close: 28.33

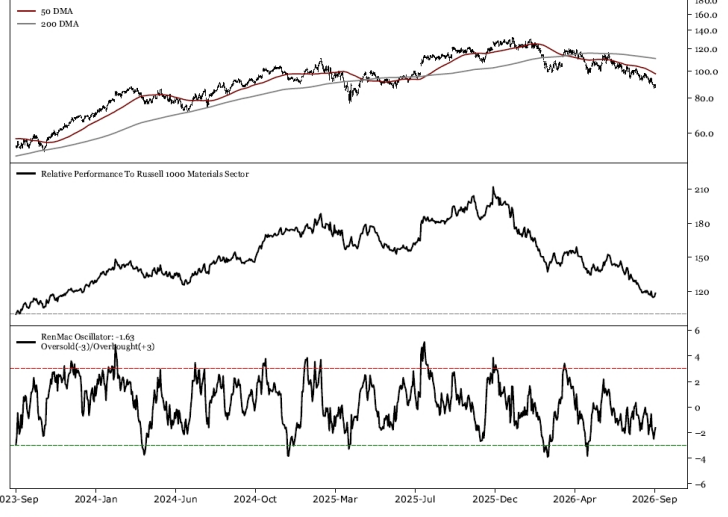


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RenMac Momentum Rank: 14
RenMac Value Rank: 79 ↑
RenMac Growth Rank: 75

CRH PLC (CRH)
RenMac Rank: 5

Market Cap: 59.2B
Construction Materials
Close: 88.98

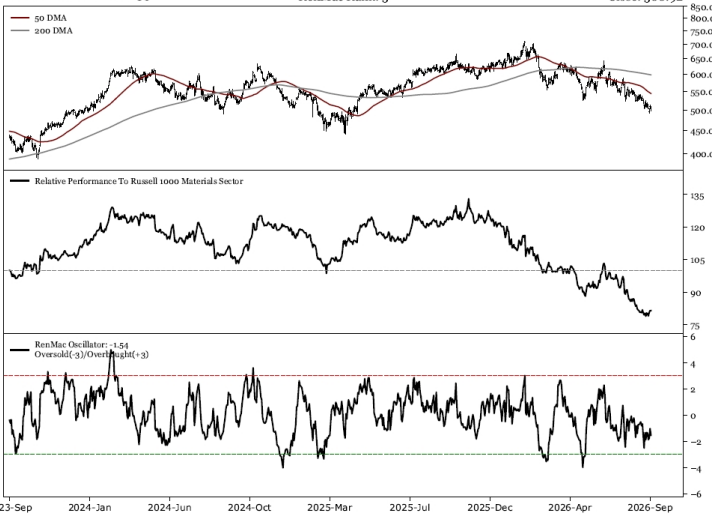


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RenMac Momentum Rank: 14
RenMac Value Rank: 47 ↑
RenMac Growth Rank: 35

Martin Marietta Materials Inc (MLM)
RenMac Rank: 5

Market Cap: 35.58B
Construction Materials
Close: 500.92

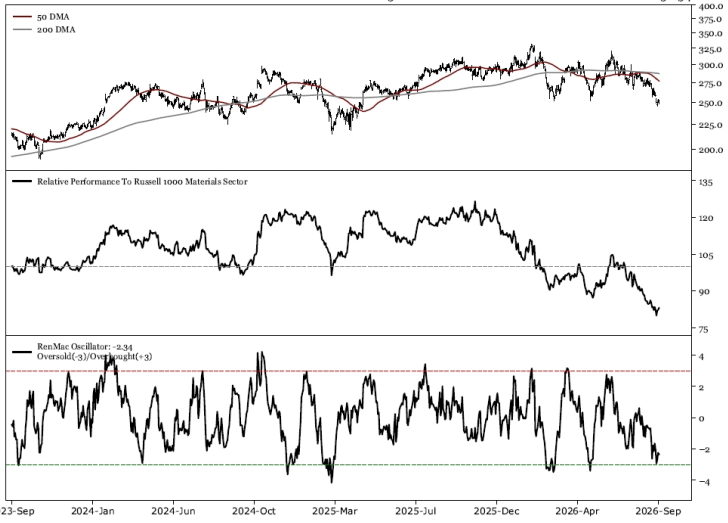


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RenMac Momentum Rank: 18 ↓
RenMac Value Rank: 34
RenMac Growth Rank: 74

Vulcan Materials Co (VMC)
RenMac Rank: 5

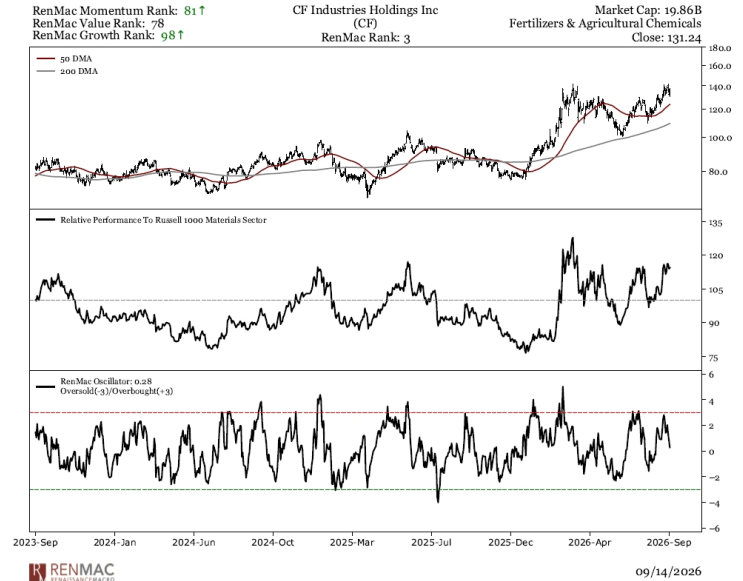
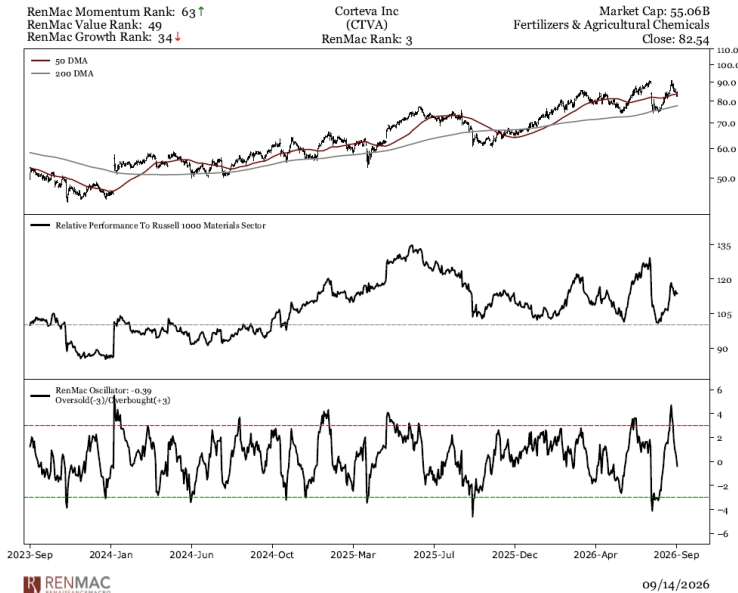
Market Cap: 32.46B
Construction Materials
Close: 250.54



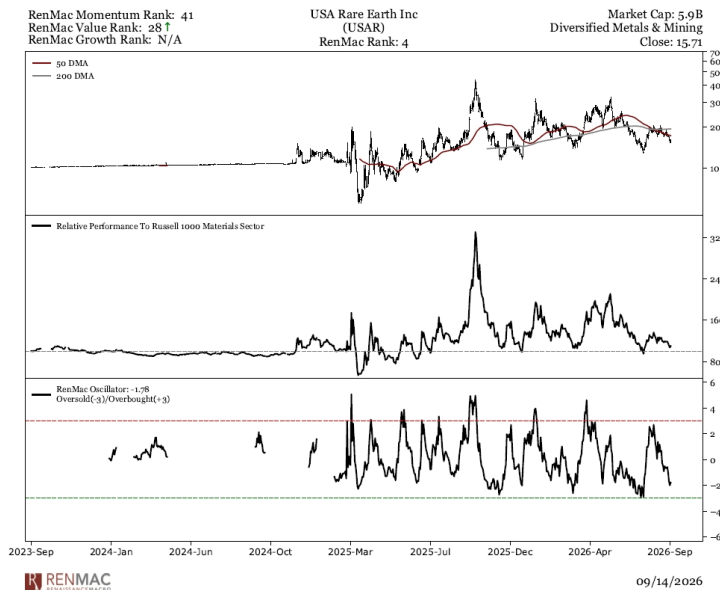
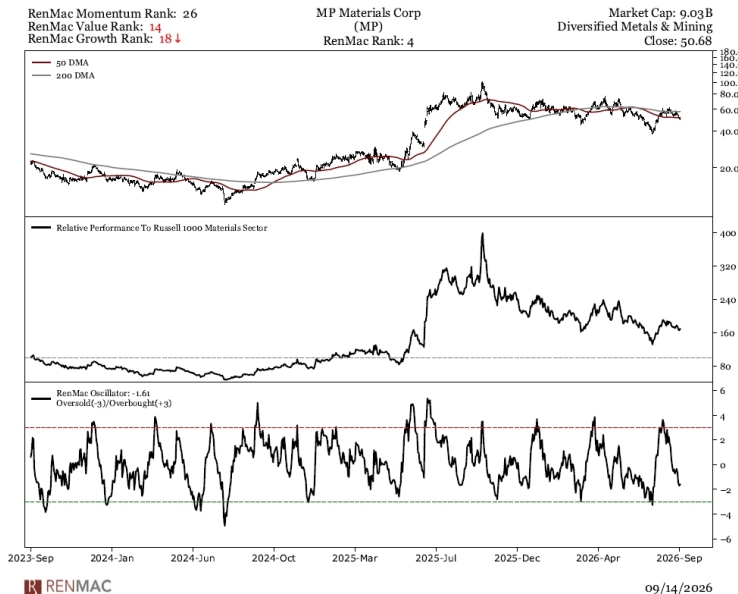
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Stay Long These Bullish Trends in Fertilizers

CTVA & CF



Diversified Miners MP & USAR Still Look Vulnerable



Buyable Weakness in These Bullish Chemicals

APD, IFF, NEU, AXTA, SXT, BCPC, AVNT, ESI

RenMac Momentum Rank: 43
RenMac Value Rank: 15 ↓
RenMac Growth Rank: 7 ↓

Air Products and Chemicals Inc (APD)
RenMac Rank: 2
Market Cap: 63.94B
Industrial Gases
Close: 287.13



RENMAC

09/14/2026

RenMac Momentum Rank: 72 ↑
RenMac Value Rank: 66 ↓
RenMac Growth Rank: 49 ↑

International Flavors & Fragrances Inc (IFF)
RenMac Rank: 2
Market Cap: 21.29B
Specialty Chemicals
Close: 83.43

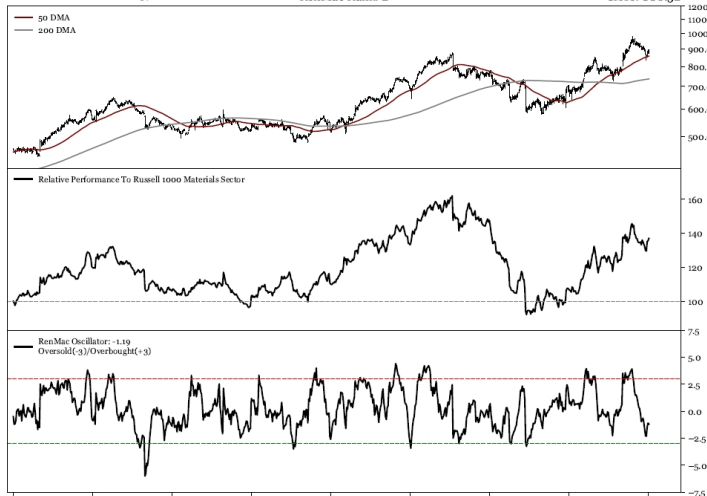


RENMAC

09/14/2026

RenMac Momentum Rank: 46 ↓
RenMac Value Rank: 44 ↓
RenMac Growth Rank: 57

NewMarket Corp (NEU)
RenMac Rank: 2
Market Cap: 8.1B
Specialty Chemicals
Close: 880.52

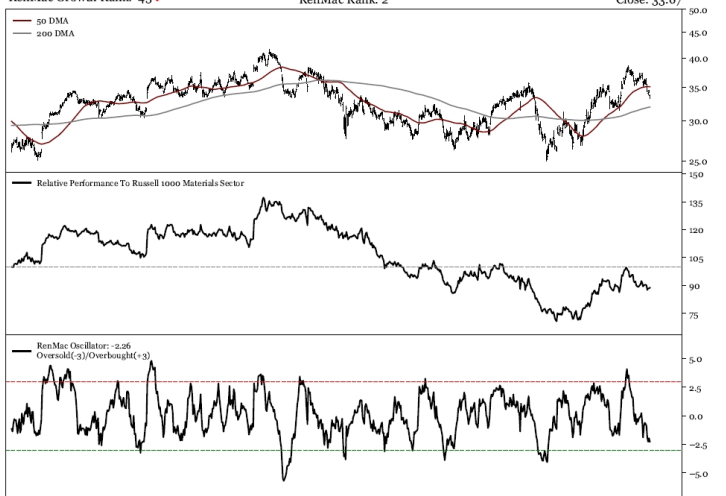


RENMAC

09/14/2026

RenMac Momentum Rank: 50
RenMac Value Rank: 59 ↓
RenMac Growth Rank: 43 ↓

Axalta Coating Systems Ltd (AXTA)
RenMac Rank: 2
Market Cap: 7.21B
Specialty Chemicals
Close: 33.67



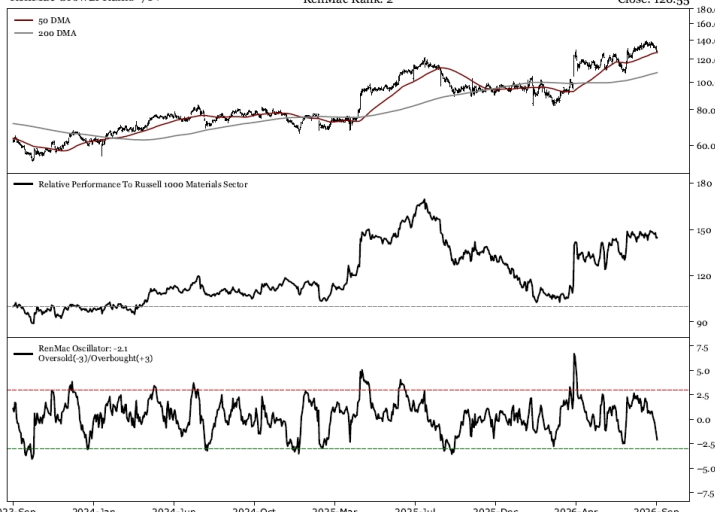
RENMAC

09/14/2026

RenMac Momentum Rank: 60 ↑
RenMac Value Rank: 28 ↓
RenMac Growth Rank: 71 ↑

Sensient Technologies Corp
(SXT)
RenMac Rank: 2

Market Cap: 5.39B
Specialty Chemicals
Close: 126.55



RENMAC
RENAISSANCE SECTOR RESEARCH

09/14/2026

RenMac Momentum Rank: 49
RenMac Value Rank: 31
RenMac Growth Rank: 81

Balchem Corp
(BCPC)
RenMac Rank: 2

Market Cap: 5.32B
Specialty Chemicals
Close: 166.83



RENMAC
RENAISSANCE SECTOR RESEARCH

09/14/2026

RenMac Momentum Rank: 57
RenMac Value Rank: 82
RenMac Growth Rank: 47

Avient Corp
(AVNT)
RenMac Rank: 2

Market Cap: 3.78B
Specialty Chemicals
Close: 41.16



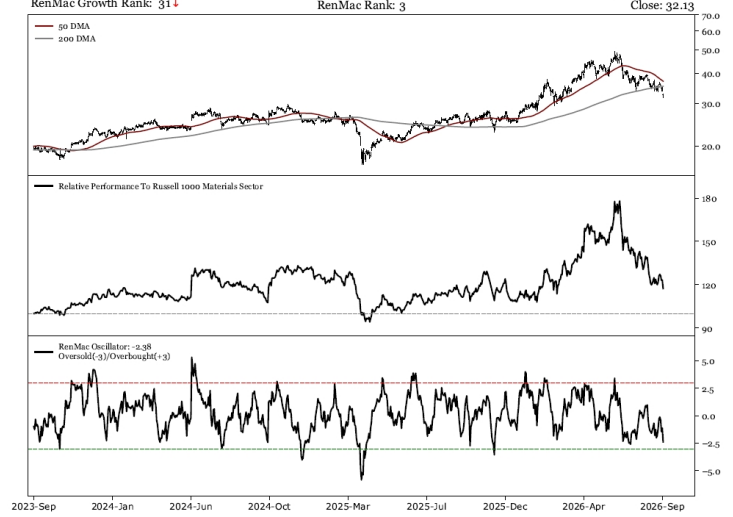
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RenMac Momentum Rank: 66
RenMac Value Rank: 34 ↓
RenMac Growth Rank: 31 ↓

Element Solutions Inc
(ESI)
RenMac Rank: 3

Market Cap: 7.83B
Specialty Chemicals
Close: 32.13



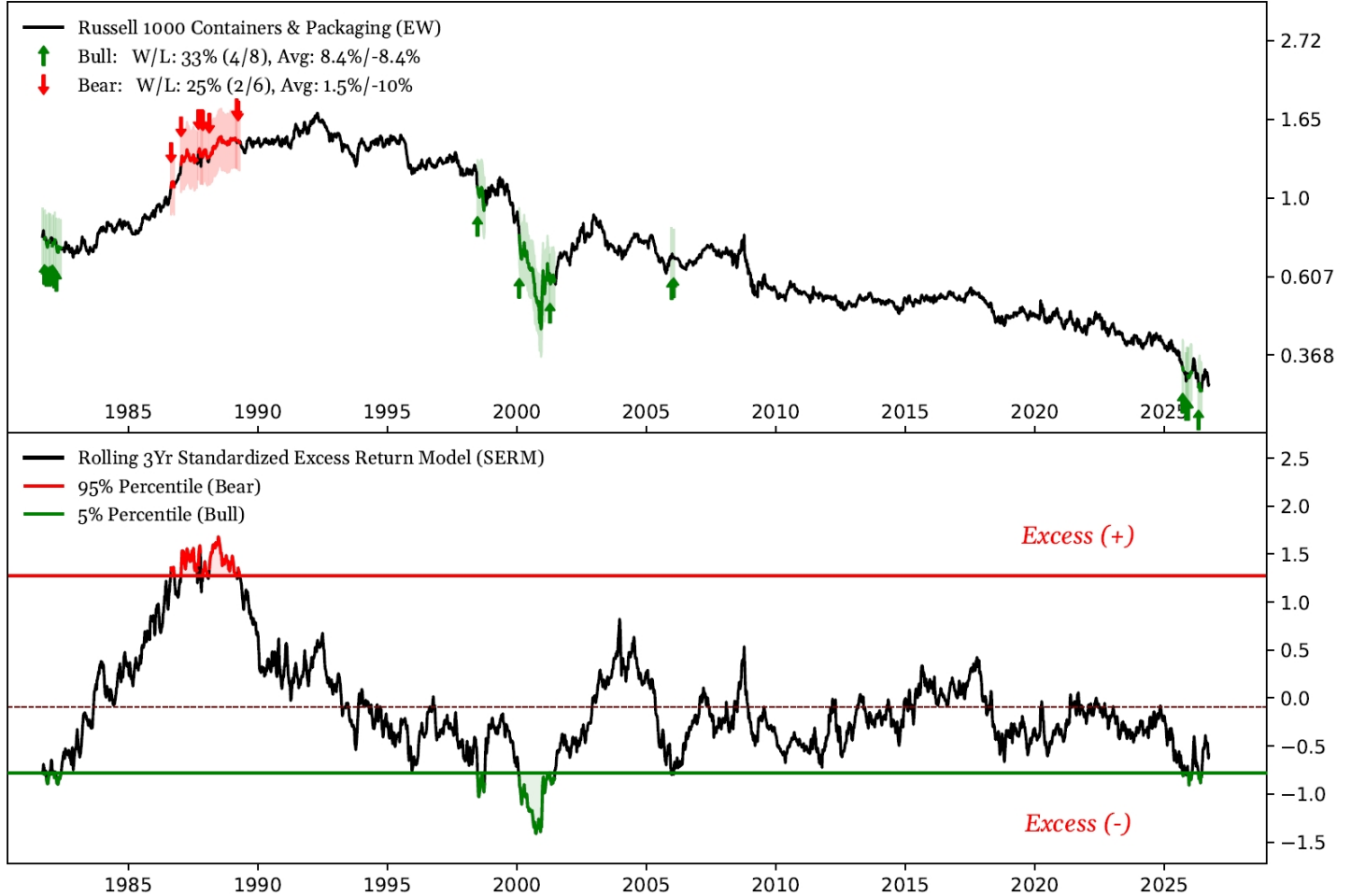
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Containers & Packaging Set up for Reversion in SERM®

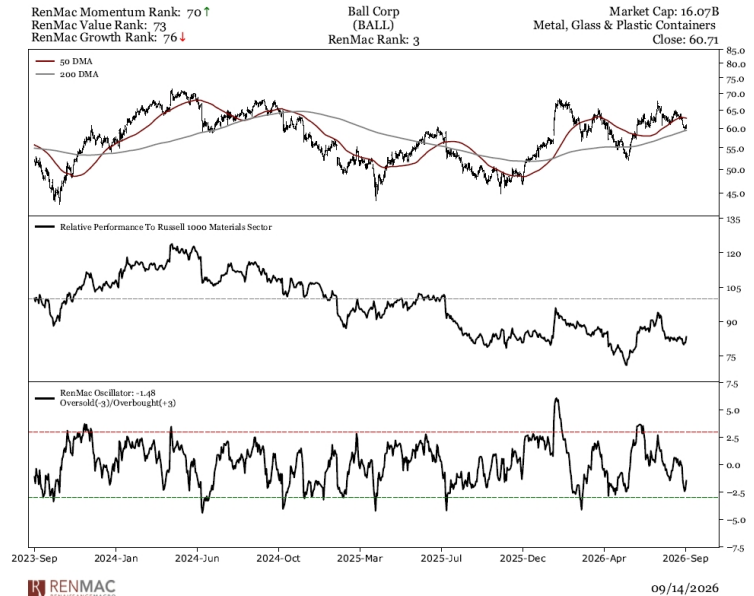
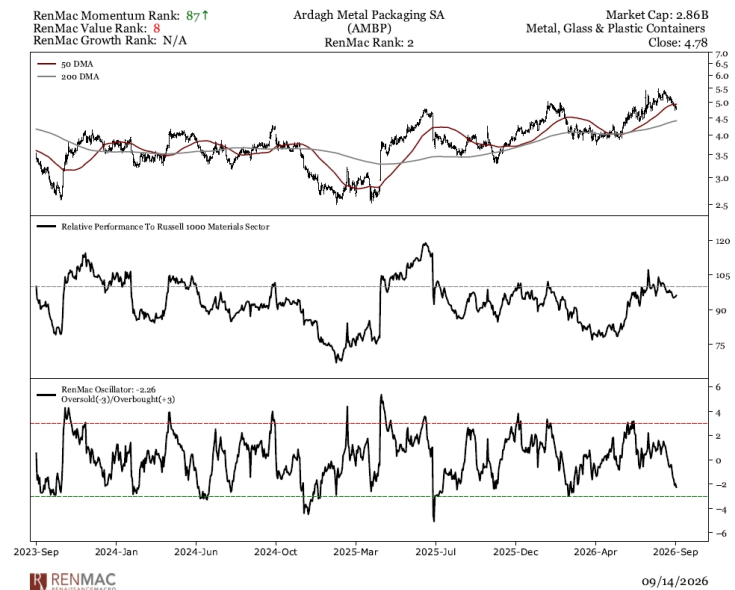
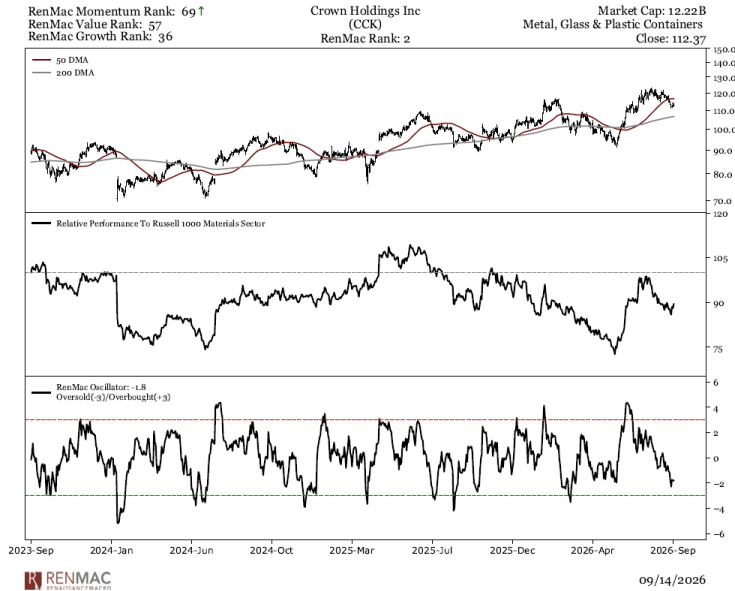
Russell 1000 Containers & Packaging (EW), 52 Week Fwd, based on
Rolling 3Yr Standardized Excess Return Model (SERM)
1981 - 2026

Corr: 15%
HAC T-St: 1.07



Buyable Weakness in Containers

CCK, GEF, AMBP, BALL



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