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THE LONG PULL



RS Inflection: June 2026

By Brandon Beylo

July 01, 2026



This week, I dissect the June 2026 RS *Inflection Report* to identify today's market inflection leaders, as well as spot potential future RS Composite leaders.

At the end of each month, I present the top five Industry Thematics based on the **RS Inflection Screener results**. Then, I share the best charts / actionable setups across the top three themes for collective research.

The goal is simple. I want to say: Here are the strongest thematics over the past 1-3 months; maybe they'll become the next Relative Strength leaders, and here are the best setups within those thematics.

I improved these Trifecta Lens Pulse Reports last December and shared my logic on the changes [here](#). I've since added another layer: LLMs (Claude/Perplexity). The result is a more informed RS Inflection Report based on the actual screeners I run each month to identify RS Inflection trade ideas.

Here's a quick portfolio update before we dive in (as of 06/30 close):

- **June 2026:** -0.59%
- **Q2 2026:** +3.75%
- **YTD 2026 (to-date):** +43.98%

We're still in a ~9% drawdown from our YTD highs of 61% in mid-May. But all we can control is the next trade and taking A+ Trifecta Lens setups.

Alright, let's get after it.

Top Ten RS Inflection Leaders Entering July

Here are the top ten industries and their trailing two-month rankings:

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#	Industry	Jun n	Jun %	May n	May %	May Rank	Δ Rank	Status
1	Biotechnology	66	9.5%	38	4.9%	5	▲ +4	✓ Holdover
2	Banks	57	8.2%	15	1.9%	18	▲ +16	★ NEW to Top 10
3	Health Care Providers and Services	33	4.8%	18	2.3%	13	▲ +10	★ NEW to Top 10
4	Hotels Restaurants and Leisure	29	4.2%	22	2.8%	9	▲ +5	✓ Holdover
5	Semiconductors and Semiconductor Equipment	29	4.2%	75	9.7%	2	▼ -3	✓ Holdover
6	Insurance	26	3.8%	6	0.8%	33	▲ +27	★ NEW to Top 10
7	Pharmaceuticals	25	3.6%	17	2.2%	14	▲ +7	★ NEW to Top 10
8	Software	22	3.2%	86	11.1%	1	▼ -7	✓ Holdover
9	Capital Markets	21	3.0%	30	3.9%	7	▼ -2	✓ Holdover
10	Machinery	21	3.0%	15	1.9%	19	▲ +9	★ NEW to Top 10

A few things stand out:

1. **Biotech continues its outperformance** versus every other industry, moving from fifth to first over the past month.
2. **Banks jumped sixteen spots** into the second-highest RS inflection industry.
3. **Healthcare Providers/Services** joined biotech as a Top 3 RS inflection thematic.
4. **Hotels Restaurants & Leisure** gained five spots to crack the top five spurred by better-than-expected consumer health?
5. **What you DON'T SEE on this list:** aerospace, defense, and metals/miners.

We've stuck with a light book mostly filled with cash, healthcare, biotech, and AI-defensive software companies. This report validates our industry allocations/rotations over the past month, but it also reinforces the need to *increase* exposure to biotech and healthcare.

Metals and miners, one of the strongest industries over the past year, dropped 39 spots MoM. Funny enough, we'll see a lot of miners on the Left For Dead and Worst of the Worst 1YR screen reports. Miners will have their day in the sun again (maybe 2027?), but we're not buying them until this move in the dollar reverses.

Industry Breadth has also broadened over the prior month (see below).

Month	Industry Count	Top 5 Share	Top 10 Share
May 2026	67	37.4%	53.7%
June 2026	64	30.9%	47.5%

Rising/Fading Industries

Banks and Biotech led in MoM percentage change, as reflected in their respective ranks on the Industry Top Ten list (see below).

Industry	May n	May %	Jun n	Jun %	Δ Share	Magnitude
Banks	15	1.9%	57	8.2%	+6.3pp	Strong
Biotechnology	38	4.9%	66	9.5%	+4.6pp	Strong
Insurance	6	0.8%	26	3.8%	+3.0pp	Strong
Health Care Providers and Services	18	2.3%	33	4.8%	+2.4pp	Strong
Household Durables	1	0.1%	16	2.3%	+2.2pp	Strong
Passenger Airlines	4	0.5%	16	2.3%	+1.8pp	Strong
Pharmaceuticals	17	2.2%	25	3.6%	+1.4pp	Moderate
Hotels Restaurants and Leisure	22	2.8%	29	4.2%	+1.3pp	Moderate
Consumer Finance	5	0.6%	13	1.9%	+1.2pp	Moderate
Machinery	15	1.9%	21	3.0%	+1.1pp	Moderate

Also, notice the relative strength in consumer spending-adjacent industries: **passenger airlines, hotels/restaurants/leisure, and consumer finance**. There should be some trades in those categories over the coming weeks.

The top three industries that lost share MoM were Software, Semiconductors/Semiconductor Equipment, and Electrical Equipment.

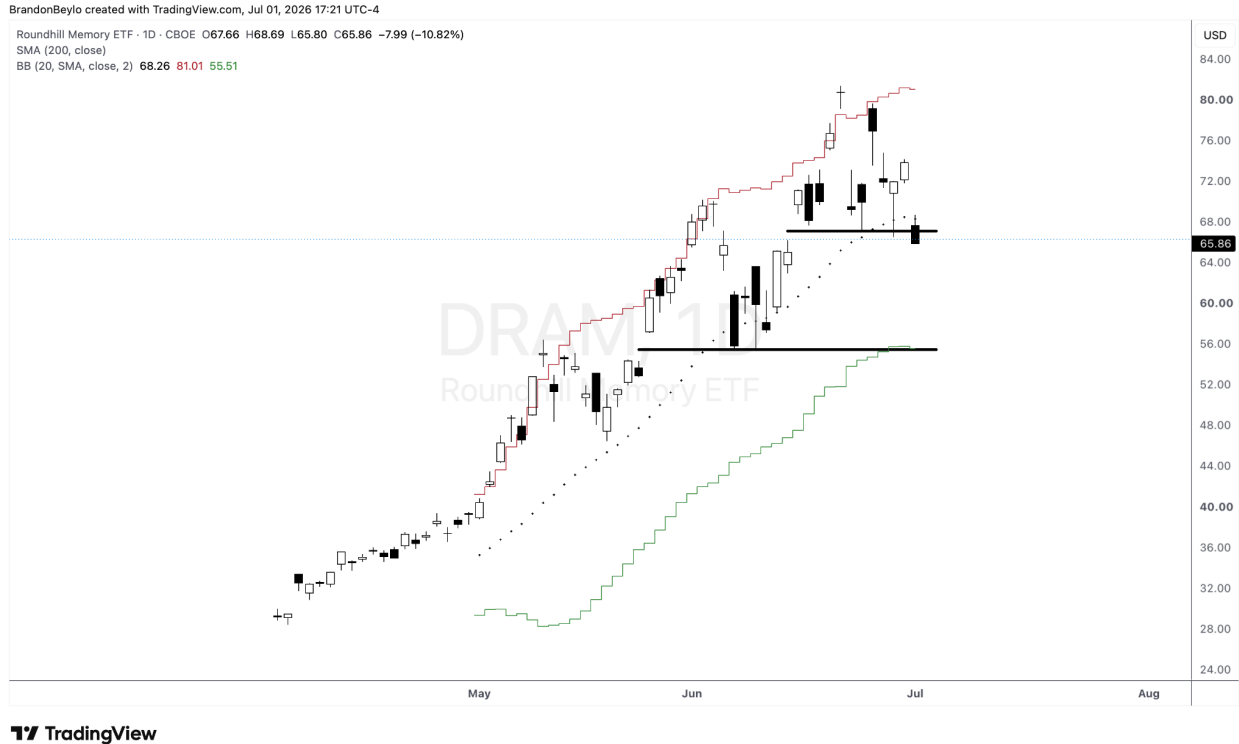
Industry	May n	May %	Jun n	Jun %	Δ Share	Magnitude
Software	86	11.1%	22	3.2%	-7.9pp	Strong
Semiconductors and Semiconductor Equipment	75	9.7%	29	4.2%	-5.5pp	Strong
Electrical Equipment	45	5.8%	9	1.3%	-4.5pp	Strong
Electronic Equipment Instruments and Components	45	5.8%	16	2.3%	-3.5pp	Strong
IT Services	20	2.6%	5	0.7%	-1.9pp	Strong
Aerospace and Defense	24	3.1%	10	1.4%	-1.7pp	Strong

Software was a hard trade over the past month. IGV is basically MSFT. And at this point we're waiting for either a H&S breakdown or a failed H&S reversal (see weekly chart below).



TradingView

Memory and semiconductors are also worth monitoring here. Check out the DRAM Memory daily chart below.



The ETF closed below the midline today with the lower bollinger band (~\$56/share) acting as the next logical support line.

We're still bullish the semis/memory trade for a few reasons:

1. Semiconductors remain one of the strongest industries relative to the market (fifth in our RS Inflection list this month).
2. The AI/data center thematic is still very much intact.
3. Hyperscalers (so far) haven't signaled significant capex cuts.

This feels like a Buy The Dip setup if we get a reversal off the lower bollinger band.

Next we'll dive into the top three RS Inflection industries and identify **the why** behind their relative strength and the top five names within the specific industry.

Biotech: Catalyst-Rich, M&A Ripe Environment

Why It's Inflecting: XBI rose 17% during June with 2026 being characterized as a "catalyst-rich year" for biopharma:

- [Oncology data readouts across ADCs](#), bispecifics, and radiopharmaceuticals
- The launch/late-stage phase of non-peptide oral GLP-1s ([Lilly's orforglipron](#) among them with NOVO's Wegovy)
- Partial reopening of the biotech IPO and strategic-dealmaking window after a multi-year drought ([Kardigan with a successful IPO](#)).

Small-cap clinical-stage names have led the tape, which lines up with the screener leaders below. The top names are heavily weighted toward pre-revenue therapeutic developers with recent trial catalysts or partnership news.

The XBI/XXX is the most important chart if you're following the biotech rotation (see below).



TradingView

Here are the top five RS names within biotech heading into July.

Ticker	Name	Composite RS	1M	3M	1Y	MCap (\$M)
SLS	SELLAS Life Sciences Group Inc.	99.6	99	100	99	2.4B
ABSI	Absci Corporation	99.2	99	100	98	1.9B
ORKA	Oruka Therapeutics Inc.	97.8	99	98	99	5.7B
TWST	Twist Bioscience Corporation	97.8	99	99	95	6.4B
AKTS	Aktis Oncology Inc.	97.7	99	97	N/A	1.7B

SLS is an interesting setup here. The stock is down ~99% from its highs, but up ~1,400% from its lows. It's trying to break out of a six-year base. The company develops and commercializes immunotherapeutics for cancer indications. Its product pipeline includes galinpepimut-S.

You've got a leading thematic (biotech) with a leading sub-thematic (oncology) with a potential long-term base breakout. Not bad!

Banks: Just Boring Enough To Work

Why It's Inflecting: At its June 17 FOMC meeting the Fed held the target range at 3.50-3.75% and the dot plot shifted from expected cuts toward one to two potential hikes in 2026, driven by firmer energy prices following the February U.S.-Iran conflict onset. The 10-year Treasury sat near 4.48% at month-end. A "higher for longer" curve **supports bank net interest margins and reprices deposit franchises favorably**; the group's move from 15 to 57 names on the screener reflects that shift.

Leaders below skew toward **Canadian large-cap banks** with **expanding NIMs** and **select U.S. thrifts and community/regional franchises**.

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Honestly, I had no idea banks did this well over the past month. I've never *really* looked at banks because they're a) so boring and b) highly complex and leveraged institutions where a lot of investors lose a lot of money.

Which is why we love biotechnology because that's way less complex and nobody's ever gone broke investing in Phase 1 drug discoveries.

Anyways, here are the top five RS leaders in banking.

Ticker	Name	Composite RS	1M	3M	1Y	MCap (\$M)
BDB	Banco di Desio e della Brianza S.p.A.	94.0	99	98	96	2.0B
FSBC	Five Star Bancorp	90.8	94	89	93	1.1B
TFSL	TFS Financial Corporation	88.4	91	90	80	4.9B
BMO	Bank of Montreal	88.2	89	94	92	123.8B
TD	The Toronto-Dominion Bank	86.0	83	93	93	200.9B

Long-time Macro Ops favorite bank, Live Oak Bancshares (LOB) join the RS Inflection screen this month. Check out the monthly chart below.



The stock is coiling within a four-year compression trading at ~15x current earnings with industry-leading NPS scores, 20% margins, and an elegant digital UI/UX platform.

Health Care Providers/Services: Medicare Advantage Rate Increase

Why It's Inflecting: CMS finalized a [+2.48% Medicare Advantage rate increase](#) for the 2027 plan year, coming in materially above the 1-2% the market had positioned for. Q1 2026 earnings from managed-care majors (UNH, HUM, CIS) came in with **softer medical-cost trends than feared**. HUM gained 48% in a month; UNH +37% in April.

The screener leaders below extend beyond legacy MCOs into **value-based care primary-care (INNV, ASTH), digital-first delivery (HNGE, LFST), and diagnostics (GH)**.

Value-based healthcare remains the most attractive corner of the healthcare space according to my network.

Here are the top five relative strength names in healthcare.

Ticker	Name	Composite RS	1M	3M	1Y	MCap (\$M)
INNV	InnovAge Holding Corp.	96.8	99	91	97	1.6B
HNGE	Hinge Health Inc.	94.4	99	99	83	6.6B
ASTH	Astrana Health Inc.	93.6	94	97	89	2.5B
LFST	LifeStance Health Group Inc.	93.6	98	95	91	4.3B
GH	Guardant Health Inc.	92.8	88	95	96	21.3B

HNGE is the most fascinating out of the bunch. The company IPO'd in May of last year and is generating free cash flow, buying back stock, and growing revenue 30%+ with expanding margins.

The stock keeps making new all-time highs. It's like it *knows* I want to buy and won't let me.

We're also seeing tons of insider buying strength within healthcare (see below).

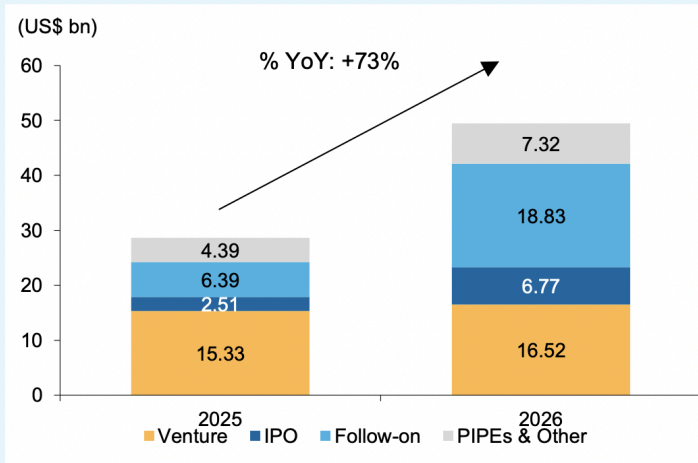
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Sector	May 25-31	Jun 1-7	Jun 8-14	Jun 15-21	Jun 22-28	5-wk total
Healthcare	\$13.4M	\$11.4M	\$110.9M	\$4.5M	\$92.6M	\$232.9M
Materials	\$839K	\$22.1M	\$15.6M	\$93K	\$75.9M	\$114.5M
Communication Services	\$339K	\$2.3M	\$58K	\$616K	\$28.1M	\$31.5M
Utilities	\$1.4M	\$2.0M	—	\$250K	\$3.9M	\$7.6M
Technology	\$2.3M	\$3.0M	\$3.3M	\$2.6M	\$3.3M	\$14.5M
Energy	\$1.7M	\$9.0M	\$5.8M	\$1.2M	\$2.4M	\$20.2M
Unknown	\$254K	\$160K	\$330K	\$6.2M	\$1.7M	\$8.7M
Consumer Discretionary	\$7.2M	\$3.4M	\$4.7M	\$1.7M	\$1.6M	\$18.6M
Financials	\$15.2M	\$27.9M	\$10.5M	\$2.5M	\$1.3M	\$57.5M
Industrials	\$2.2M	\$40.3M	\$519K	\$29.7M	\$481K	\$73.2M
Real Estate	\$3.0M	\$4.7M	\$2.7M	\$6.3M	\$173K	\$16.9M
Consumer Staples	\$769K	\$2.1M	\$150K	—	—	\$3.0M

There are other bullish signals in biotech like fund flows growing 73% YoY (see below).

Global biotech fund flow at a glance: 2026 YTD vs 2025 YTD

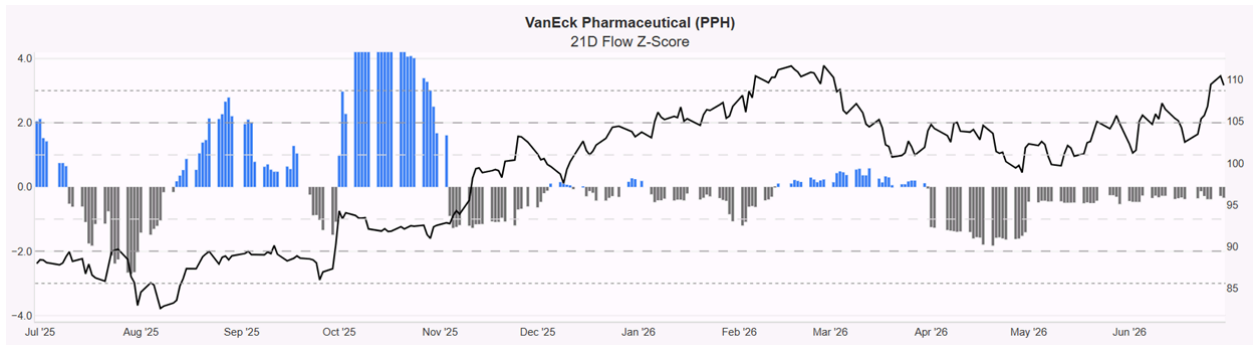


Source: BioCentury, Jun 2026

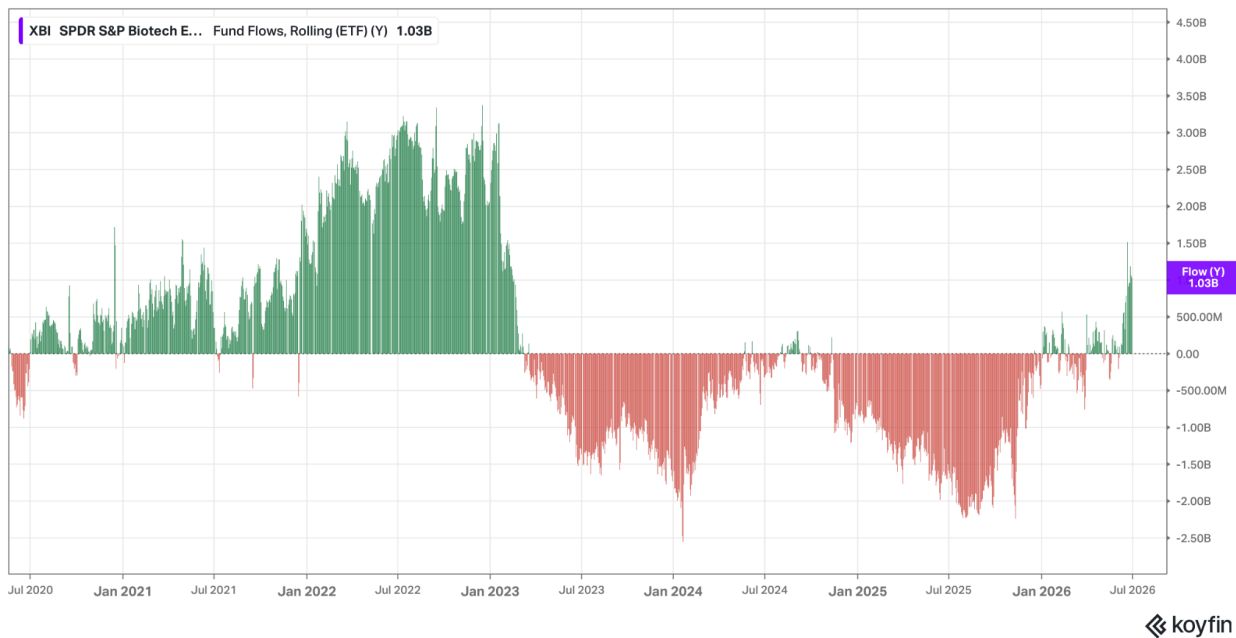
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Then there's the VanEck Pharmaceuticals ETF fund flows chart (h/t ErikPSC) suggesting we have a lot of inflows to go before a "mania" phase.



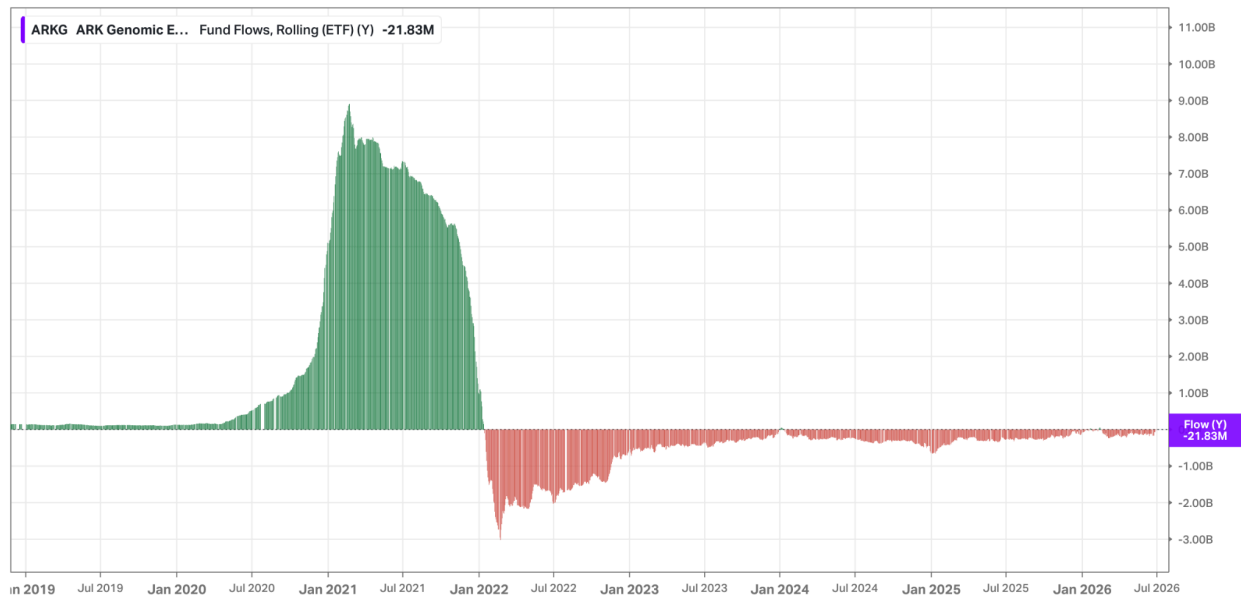
I cross-referenced this with XBI inflows data and found similar results. Look at the inflows levels during the COVID-era bubble. Sure, we might never reach those levels again. But we're still so early in this trend.



The fund flow data is even more apparent in the ARK Innovation Genomics ETF (ARKG) (see below).

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Are these charts overextended in the short-term? Yes. Do I expect a pullback within the next few days? Yes. Do I think it would present a great opportunity to increase our exposure? **Yes.**

That's all I got for this week! I hope you enjoy it. As you can tell, we're spending a lot of time in biotech and healthcare.

However, next week we'll examine our Left for Dead and Worst of The Worst Screeners. These screens scan the opposite sides of the market: stocks with the worst performance over the past 1YR, 3YR, and 5YR time frames ... that are also showing signs of life (relative 1W outperformance).

This is my Barbell Approach to studying investment opportunities. And I love it.

Stay frosty,

Brandon