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## ANALYST QUICK NOTES

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### Weekly Stock List: Communication Services is Growing

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#### Communication Services is Growing

We see some gems right now in the Communication Services sector, and we also like the sector overall. Argus rates Communication Services as Over-Weight. After Information Technology, Communication Services is expected to deliver the strongest earnings growth in 3Q, with a forecast of 12%, according to Refinitiv. The sector has many well-known names and is considered a 'barbell' group, with high-growth, low-income social media stocks on one end and low-growth, high-income telecom services stocks on the other. The style mix is approximately one-third "value" and two-thirds "growth." The sector is competitive, so companies in it need to be nimble and innovative, constantly assessing their clientele and staying current. Some of the names -- like Netflix, Alphabet, and Meta -- were at the top of the growth charts in the past five years or so. But like other growth sectors, even the leaders have been outshined by the glitz of artificial intelligence (AI). Market breadth has been recovering, though, and the companies listed below are among those starting to get re-recognized. The S&P 500 Communication Services Index is up 28% year-to-date, compared to the 22% gain in the broader S&P 500 Index. We see more runway for the industry. In our list this week, we look at leaders in Communication Services and sort them by those that are furthest from their 52-week high. All are BUY-rated at Argus and some are included in our Focus List and Model Portfolios.

- Pinterest Inc. (PINS), 26% below its 52-week high
- Walt Disney Co. (DIS), 22% below its 52-week high and in our Institutional model portfolio
- Alphabet Inc. (GOOGL), 14% below its 52-week high and in our Growth and Institutional model portfolios
- Comcast Corp. (CMCSA), 10% below its 52-week high
- Interpublic Group of Cos. Inc. (IPG), 9% below its 52-week high, and in our Institutional model portfolio
- Electronic Arts Inc. (EA), 6% below its 52-week high
- Netflix Inc. (NFLX), 5% below its 52-week high, and in our Growth & Income and Institutional model portfolios, as well as our Focus List
- Meta Platforms Inc. (META), 4% below its 52-week high, and in our Growth & Income and Growth model portfolios, as well as our Focus List
- Verizon Communications (VZ), 3% below its 52-week high, and in our Equity and Institutional model portfolios
- New York Times Co. (NYT), 2% below its 52-week high
- Omnicom Group Inc. (OMC), 0.5% below its 52-week high, and in our Equity model portfolio
- T-Mobile US Inc. (TMUS), 0.5% below its 52-week high, and in our Growth & Income model portfolio

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