Mag 7 Stocks:

ESG Forecasts, Signals & Technical Charts

Confluence Analytics

# ESG Forecast & Signals for Magnificent 7

- **ESG & Signal Landscape of the Magnificent 7 Stocks**

- **Summary of ESG and ESG Signals for Mag 7 Stocks**

- **Where are the ESG ratings for the Mag 7 forecast to go?**
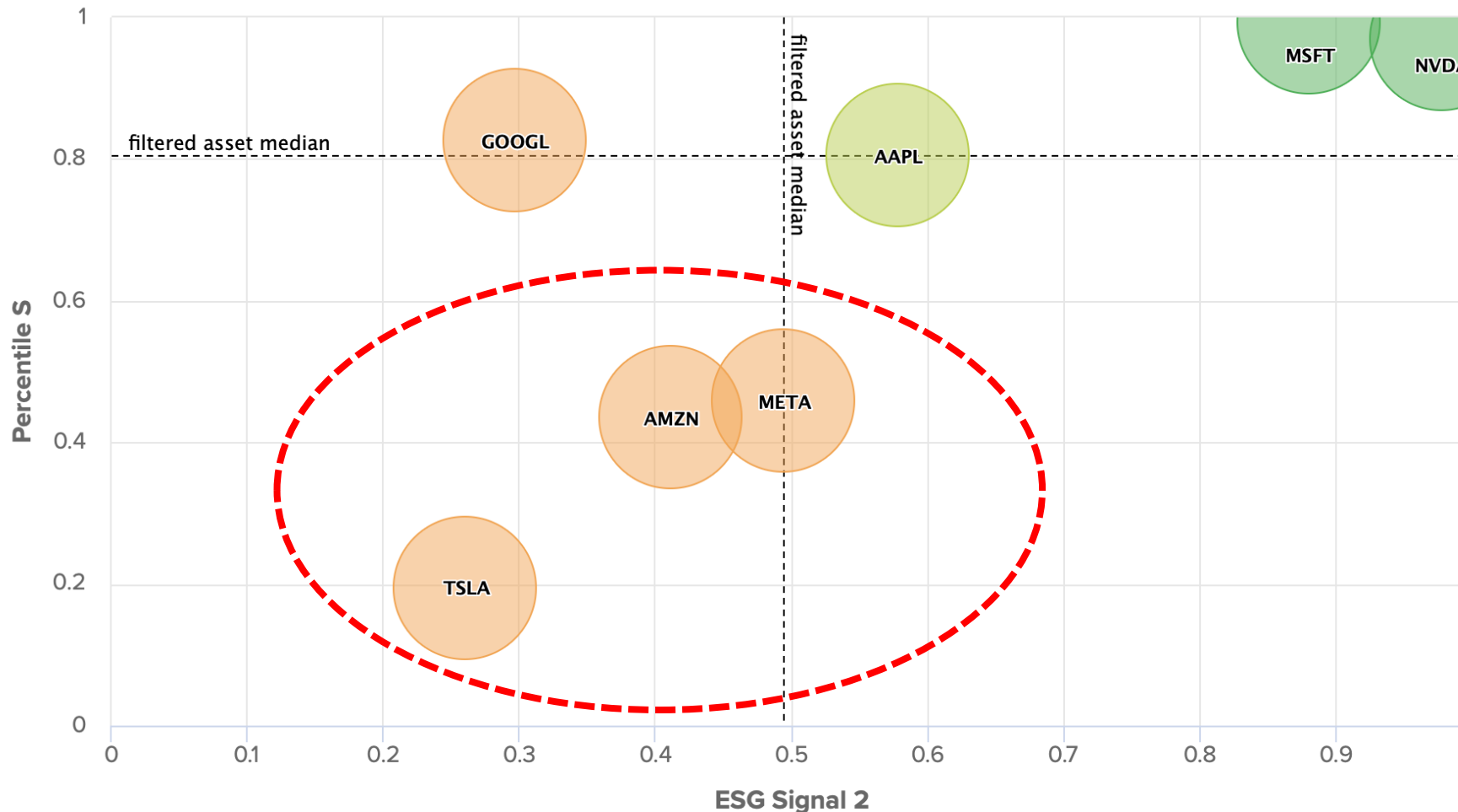
ESG Signal vs ESG Rank for Mag 7
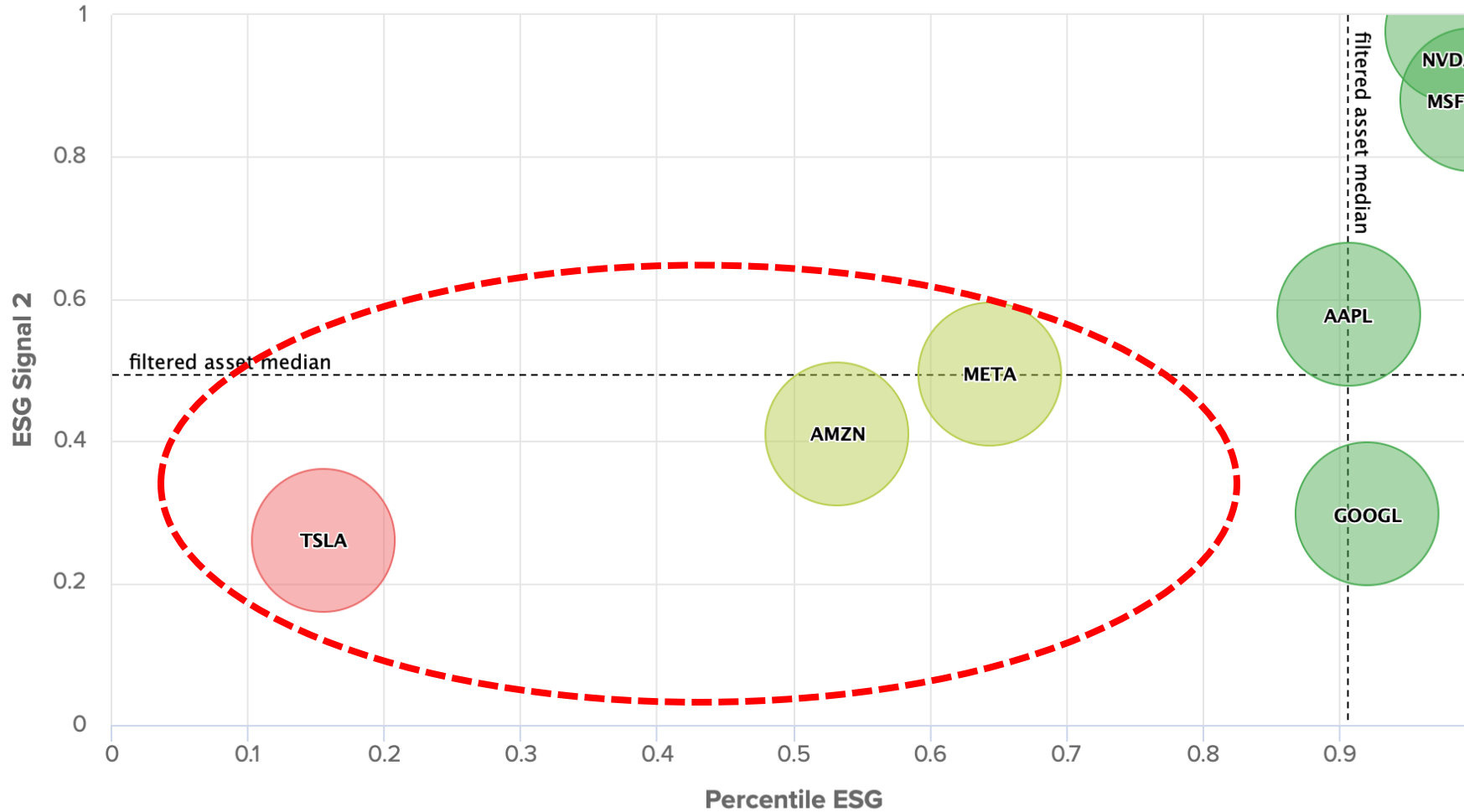
- **ESG Signal 2 (y-axis) is a measure of 12-month forward return rank.**

- **ESG Rank (x-axis) shows rank of company in US Large Cap universe**

- **Tesla, Google, Amazon, and Meta are expected to underperform. Nvidia & Microsoft are projected to lead the pack.**

How We Generate ESG Signals
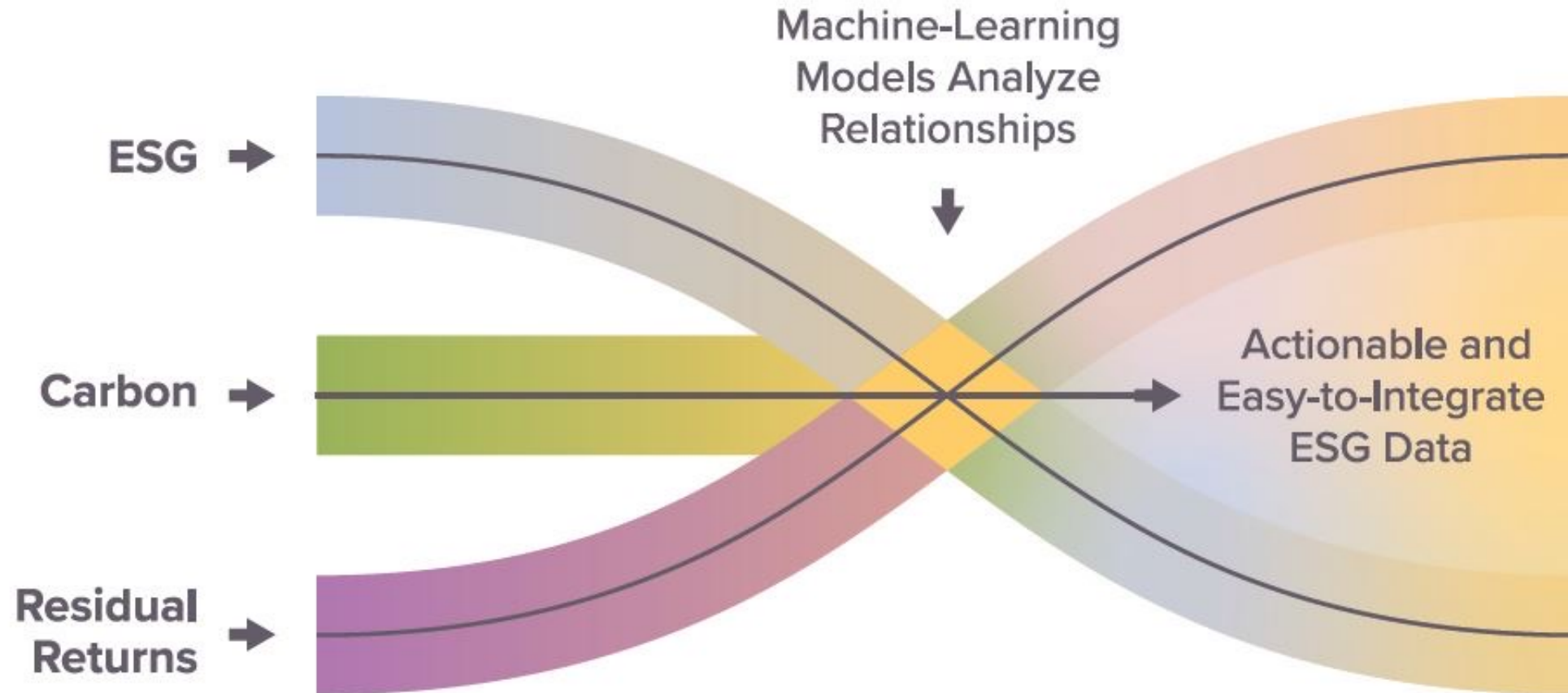
Short Risk: Stakeholder Rank vs Signal 2

- **Our short model is driven by the interaction of Stakeholder Rank (Percentile S, y-axis) vs ESG Signal 2 (x-axis)**

- **Based on that relationship TSLA, AMZN, and META are near-term shorts**
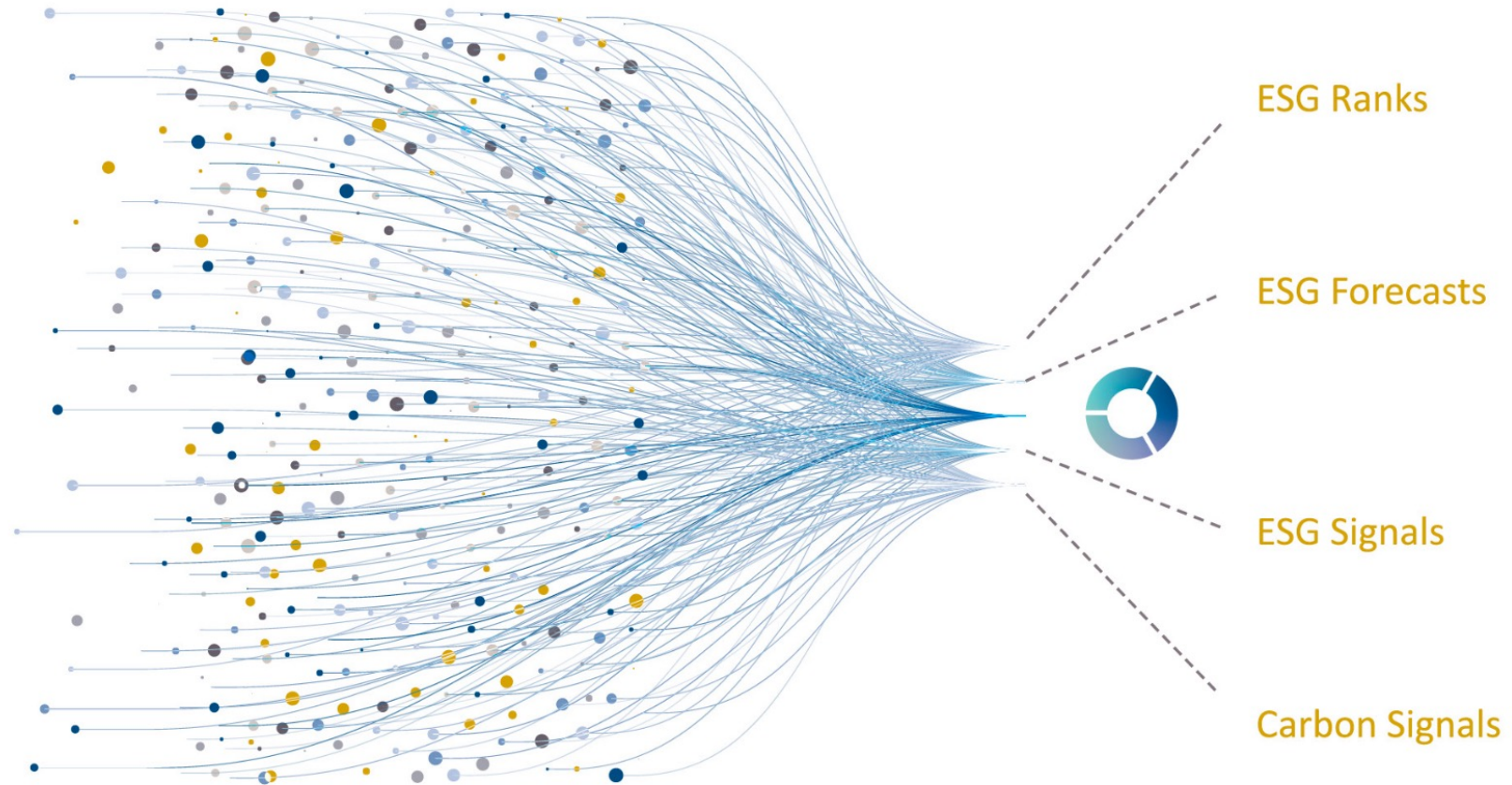
Summary of Signals for Mag 7

Apple

Factor	Rank	Buy/Sell
Signal #1	88.4%	✅
Signal #2	57.8%	⊖
Signal #3	64.9%	⊖

NVIDIA

Factor	Rank	Buy/Sell
Signal #1	98.4%	✅
Signal #2	97.7%	✅
Signal #3	93.7%	✅

amazon

Factor	Rank	Buy/Sell
Signal #1	54.4%	⊖
Signal #2	41.1%	⊖
Signal #3	64.6%	✅

Meta

Factor	Rank	Buy/Sell
Signal #1	63.6%	⊖
Signal #2	49.4%	⊖
Signal #3	53.5%	⊖

TESLA
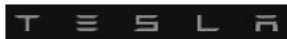
Factor	Rank	Buy/Sell
Signal #1	19.4%	❌
Signal #2	26.1%	❌
Signal #3	6.1%	❌

Microsoft

Factor	Rank	Buy/Sell
Signal #1	99.7%	✅
Signal #2	88.1%	✅
Signal #3	93.6%	✅

Alphabet

Factor	Rank	Buy/Sell
Signal #1	90.7%	✅
Signal #2	29.7%	❌
Signal #3	87.5%	✅

✅ Long   ❌ Short   ⊖ Neutral

Moving ESG From Metric to Factor

Confluence Analytics

ESG Ranks

ESG Forecasts

ESG Signals

Carbon Signals

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Where are ESG Scores Headed for Mag 7?

Apple

Factor	Rank	Forecast
E	98.7%	⬆
S	80.2%	⬆
G	82.1%	⬇
ESG	90.9%	⬆

NVIDIA

Factor	Rank	Forecast
E	99.5%	⬇
S	97.6%	⬆
G	95.9%	⬆
ESG	98.9%	⬇

amazon

Factor	Rank	Forecast
E	64.3%	⬆
S	44.3%	⬆
G	47.7%	⬆
ESG	54.4%	⬆

Meta

Factor	Rank	Forecast
E	85.7%	⬇
S	45.7%	⬆
G	39.4%	⬇
ESG	65.8%	⬇

TESLA

Factor	Rank	Forecast
E	50.5%	⬇
S	19.0%	⬇
G	3.2%	⬆
ESG	17.1%	⬇

Microsoft

Factor	Rank	Forecast
E	99.7%	⬇
S	99.7%	⬆
G	98.6%	⬇
ESG	99.8%	⬆

Alphabet

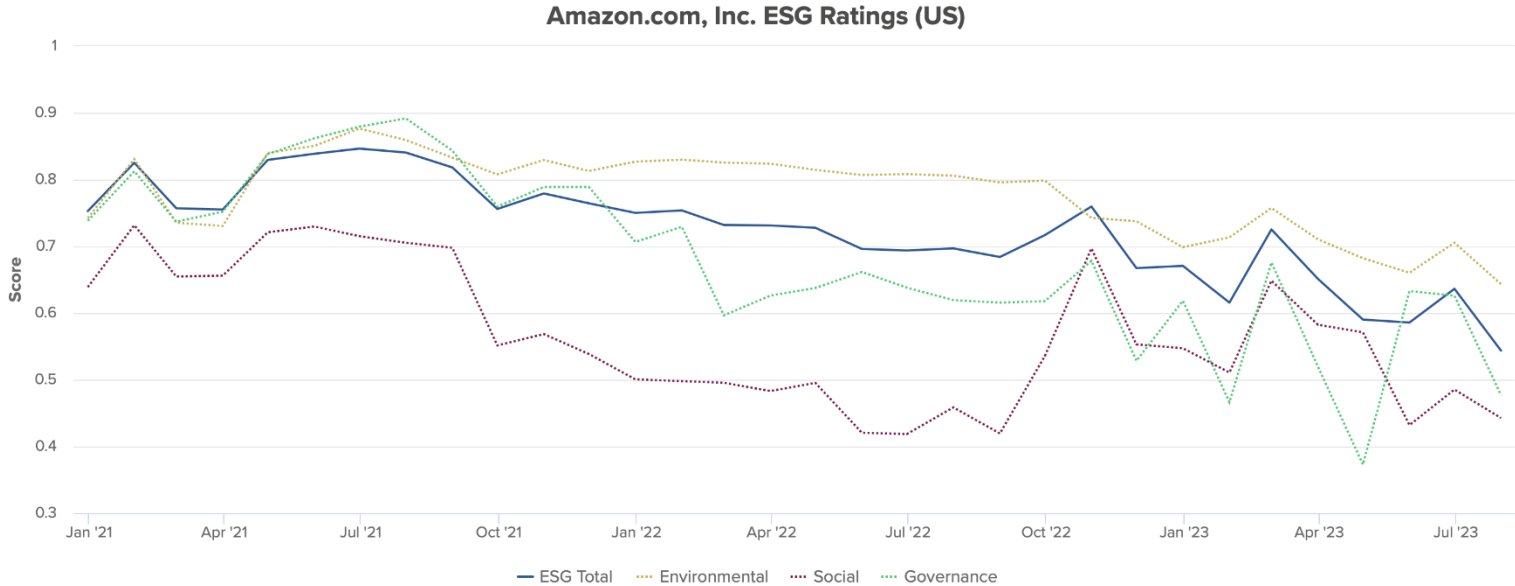| Factor	Rank	Forecast
E	97.4%	⬇
S	82.9%	⬆
G	90.5%	⬇
ESG	92.2%	⬇

Implications of ESG Forecasts

What this means for Investors:

1) **Most at risk of deteriorating ESG profile/rankings over the next 12 months: META (E and G forecast to deteriorate), TSLA (E and S forecast to deteriorate), and GOOGL (E and G forecast to deteriorate)**

2) **Best exposed to potential ESG profile/rankings upside over the next 12 months: AMZN (E, S, and G forecast to improve) and AAPL (E and S forecast to improve)**

3) **MSFT forecast to see modest ESG rankings upside despite forecast deterioration in E and G**

Amazon (AMZN) Detailed ESG Forecast

amazon

Factor	Rank	Forecast
E	64.3%	⬆
S	44.3%	⬆
G	47.7%	⬆
ESG	54.4%	⬆

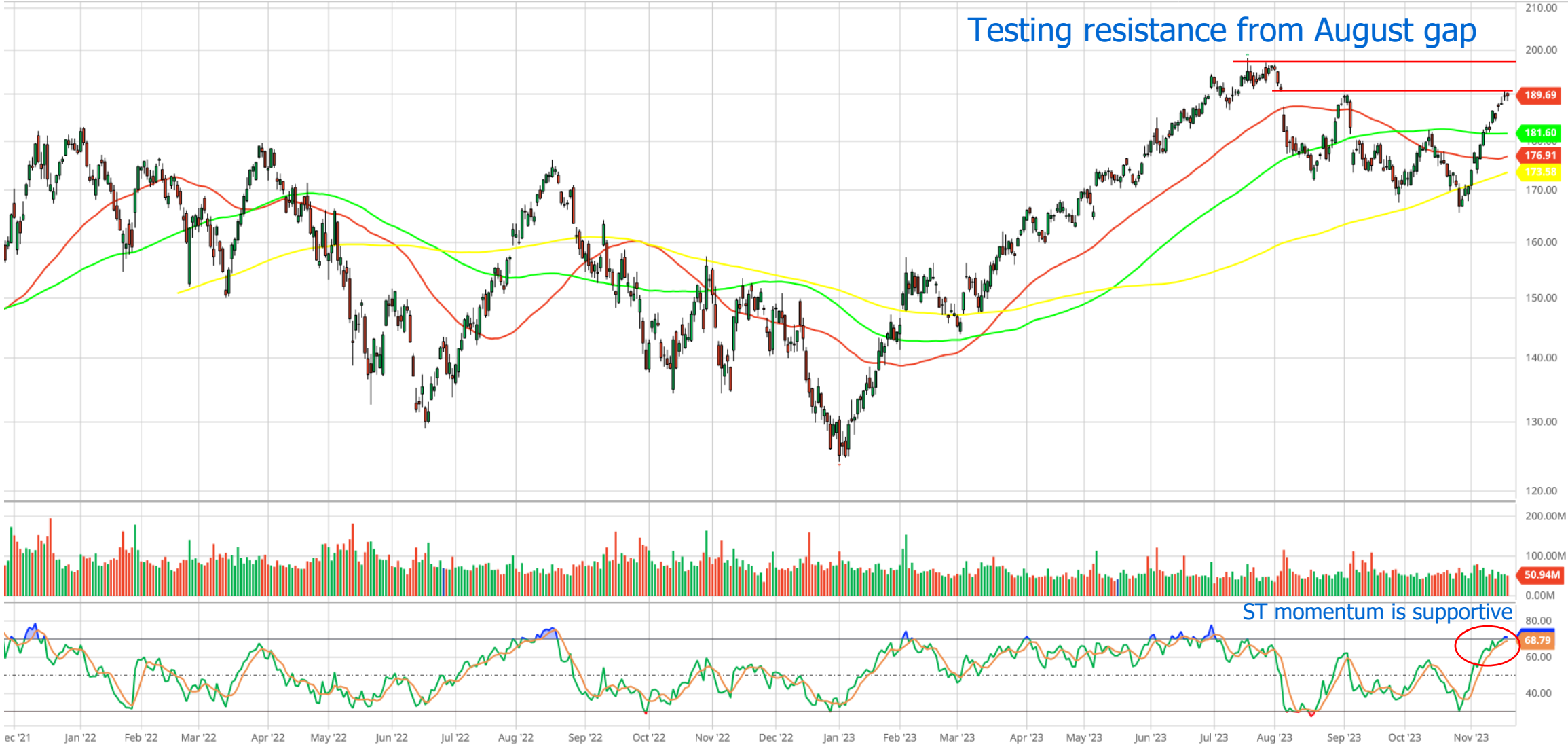**Amazon.com, Inc. ESG Ratings (US)**

Legend: ESG Total, Environmental, Social, Governance

In depth ESG KPIs and where they are going

Amazon's overall ESG ratings are expected to rise over the next 12 months

Detailed ESG Category Forecasts
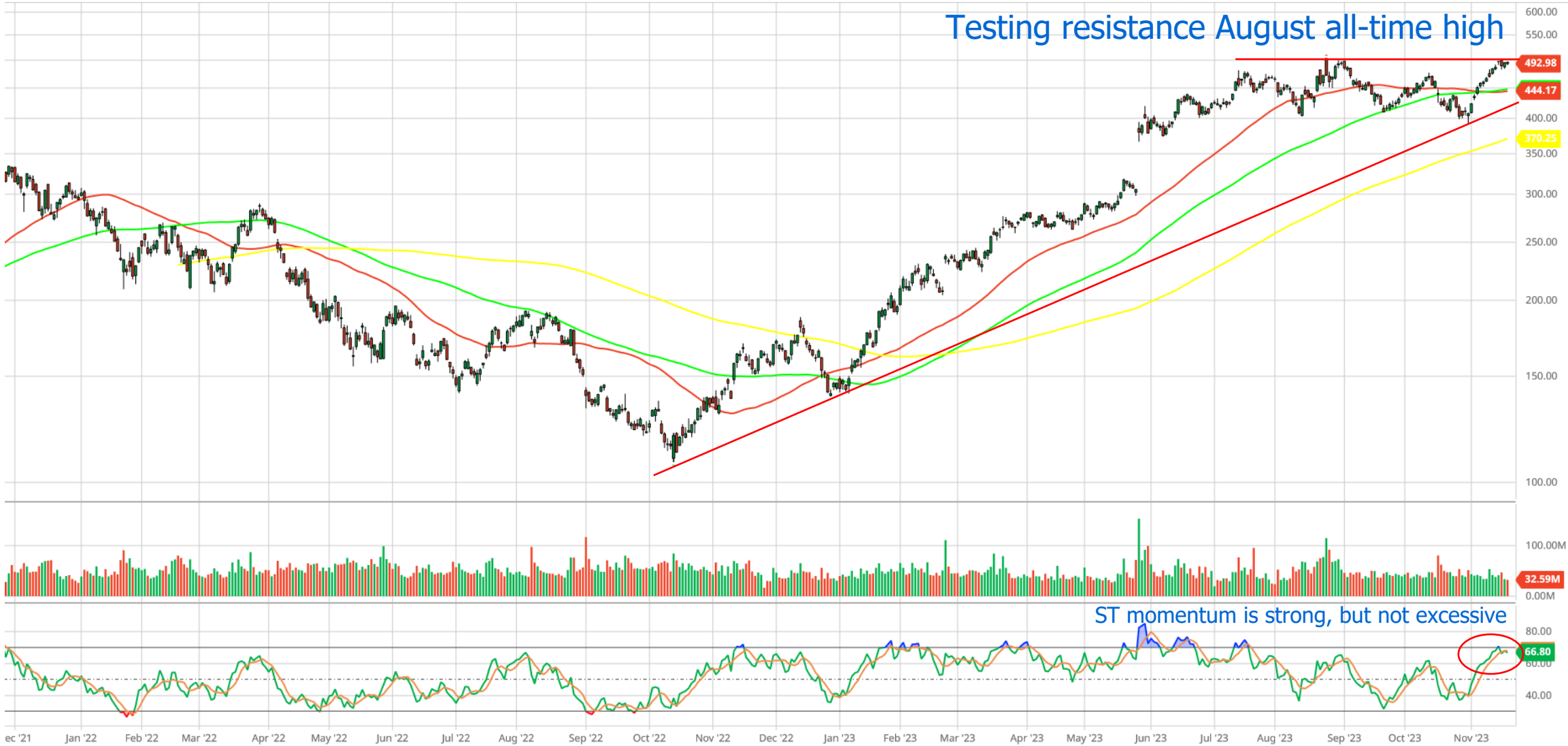
amazon

E	64.3%	⬆
Sub-Factor	Rank	Forecast
E1	53.0%	⬆
E2	68.2%	⬇
E3	50.1%	⬆

S	44.3%	⬆
Sub-Factor	Rank	Forecast
EMP1	58.1%	⬆
EMP2	54.3%	⬆
EMP3	56.5%	⬆
CIT1	37.8%	⬆
CIT2	26.7%	⬆
CIT3	26.5%	⬆

G	47.7%	⬆
Sub-Factor	Rank	Forecast
G1	24.2%	⬆
G2	28.4%	⬆
G3	74.9%	⬇

Mag 7 – Technical Charts

November 2023

Confluence
Analytics

NVDA – HOLD(ST)/BUY(LT)

Confluence Analytics

Testing resistance August all-time high

492.98
444.17
370.25

32.59M

ST momentum is strong, but not excessive

66.80

AMZN – HOLD(ST)/HOLD(LT)

Key resistance from August 22', Sept 23' needs to fall...

...yet 2023 uptrend remains intact

ST momentum is strong, but may be flagging

META – HOLD(ST)/HOLD(LT)

Critical test of resistance late Dec 21' lies ahead

ST momentum not yet showing any weakness
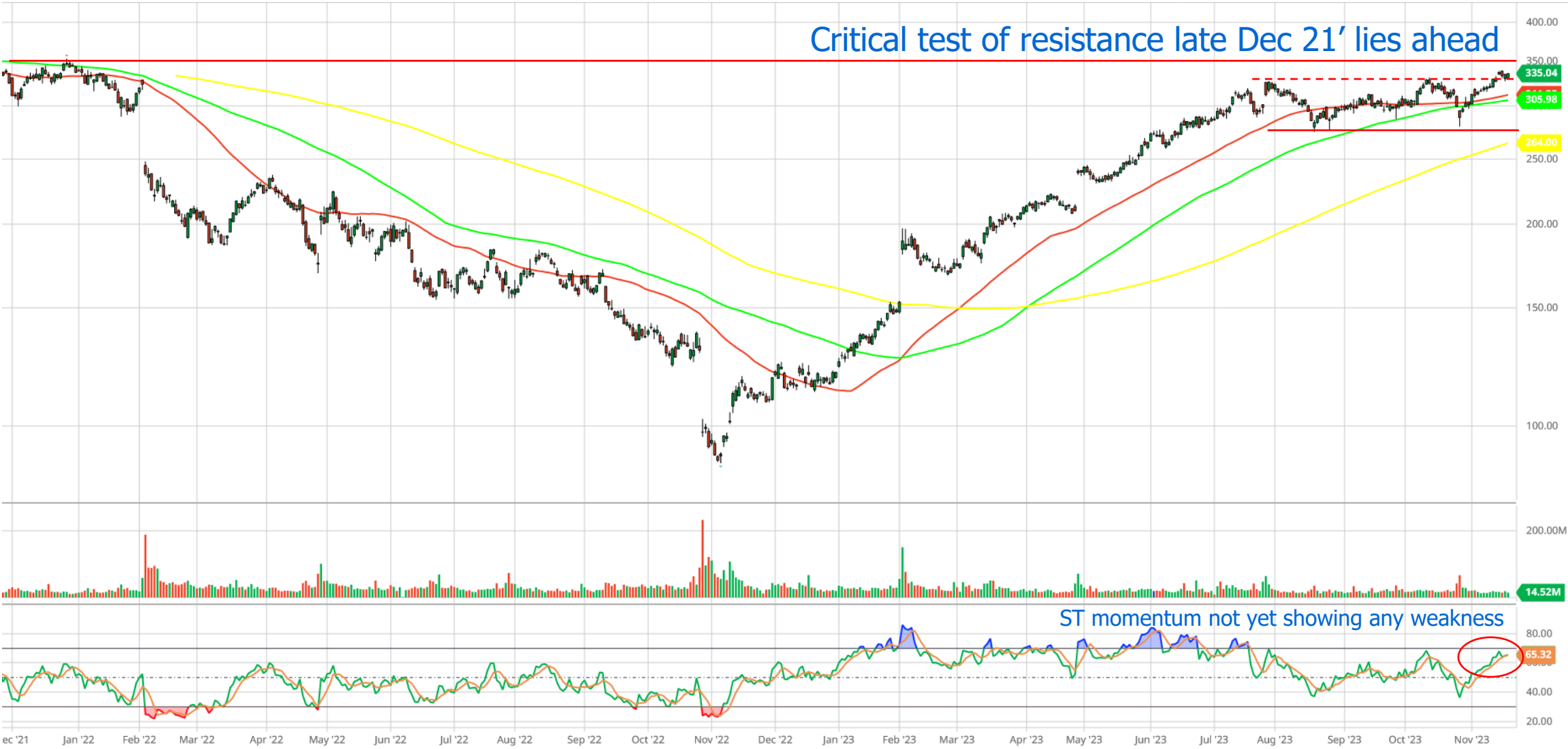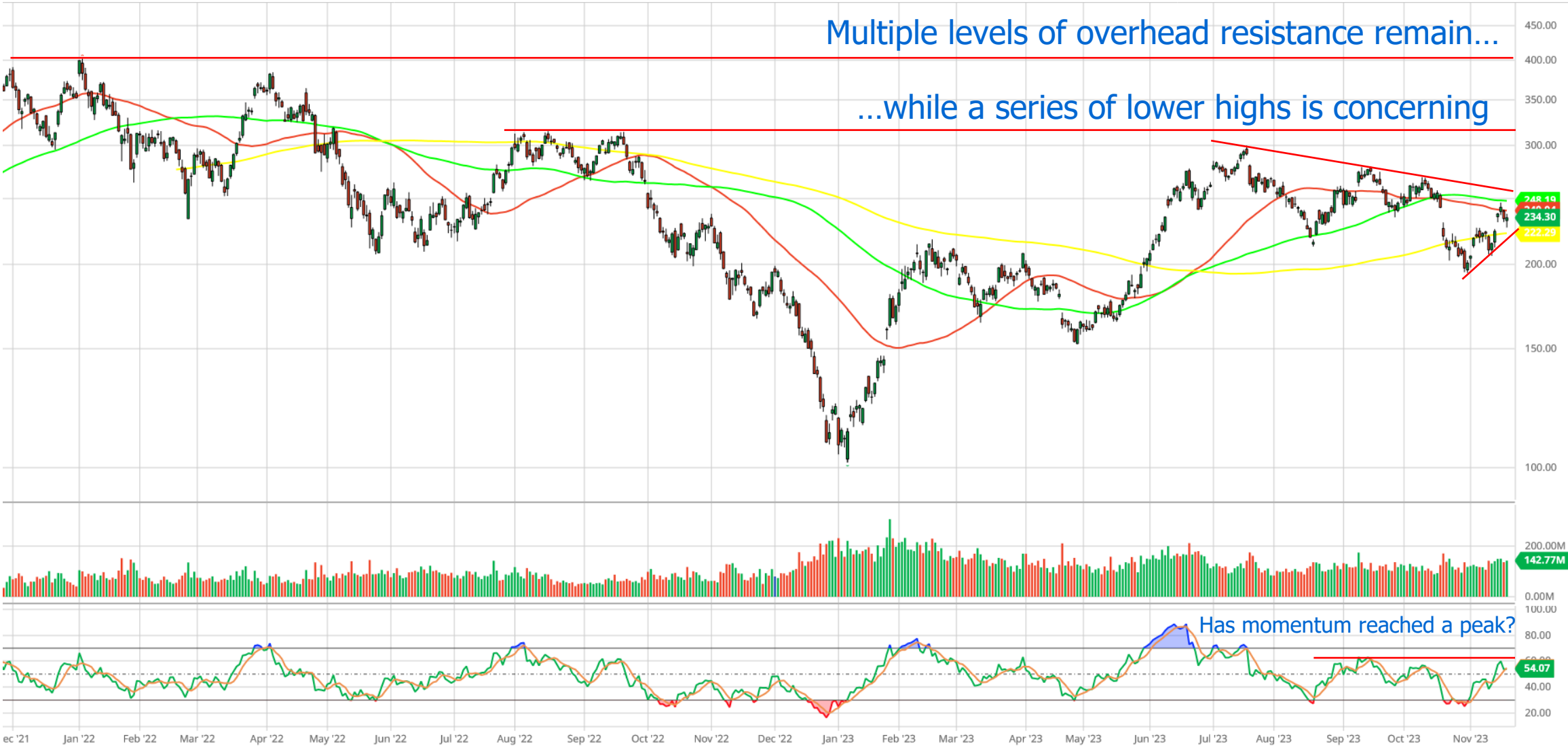
MSFT – HOLD(ST)/HOLD(LT)

Prior resistance from July, now needs to act as support

ST momentum appears to be exhausting

GOOGL – HOLD(ST)/HOLD(LT)

Oct 23' gap filled, but plenty of resistance ahead

ST momentum less supportive on successive rallies

Appendix

Confluence Analytics
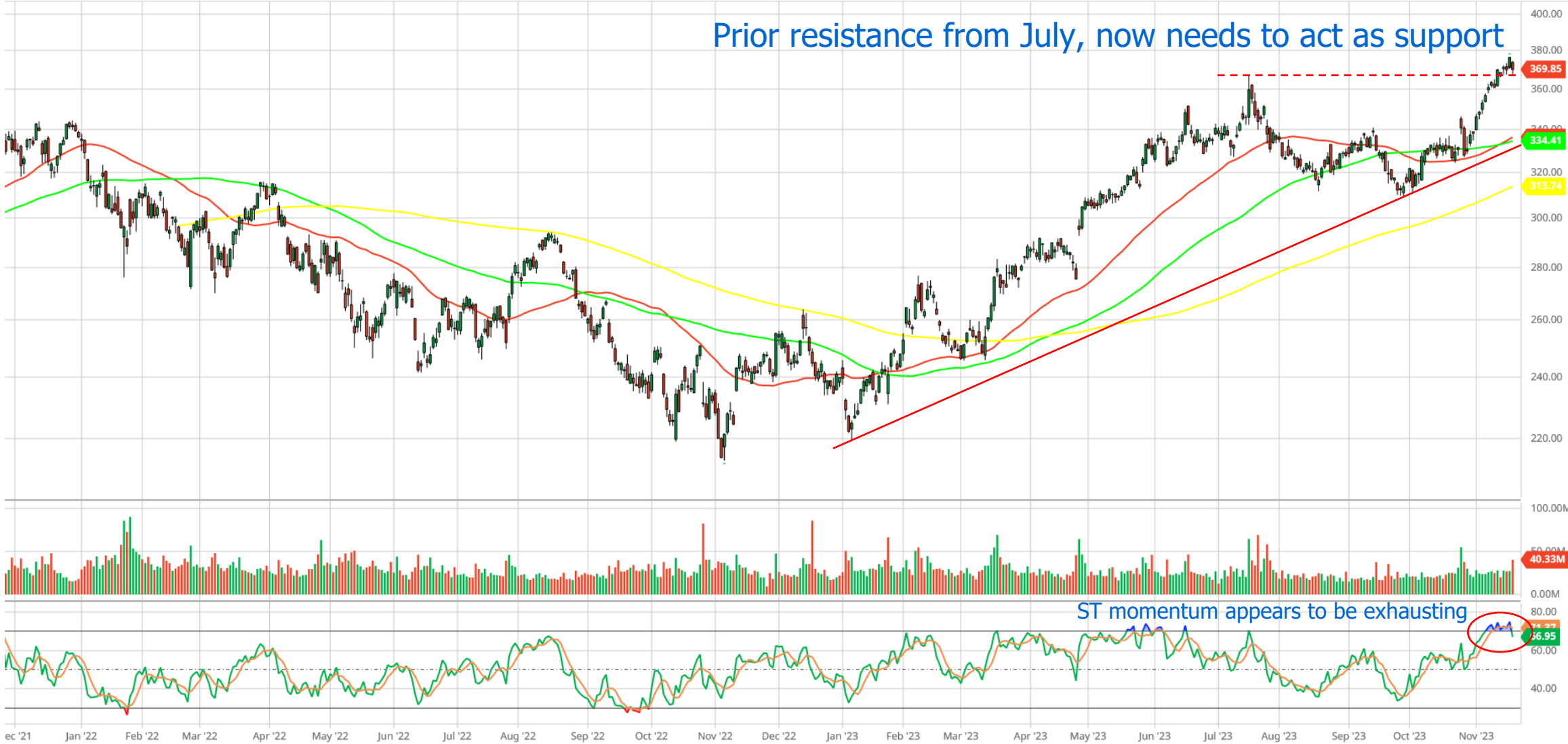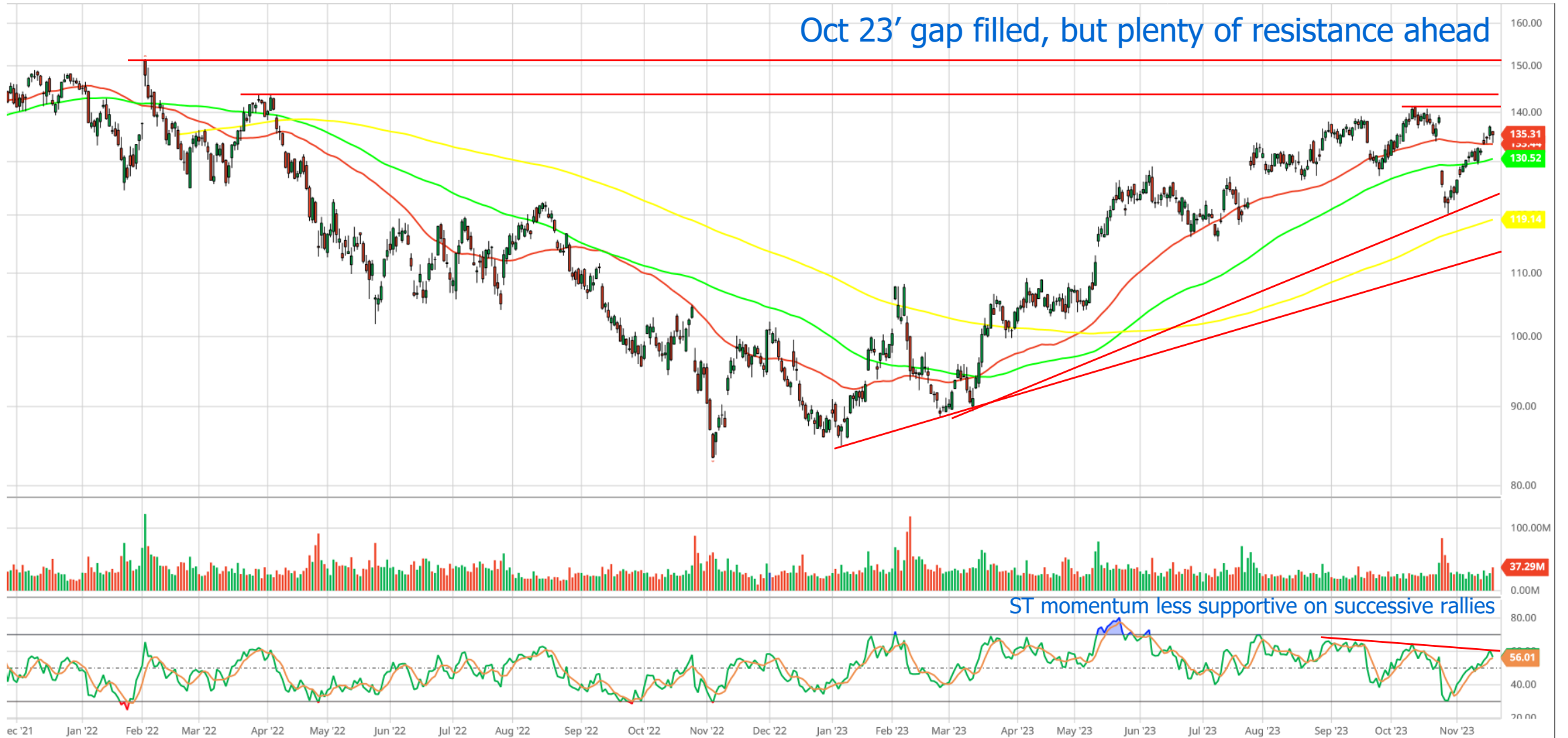
Comprehensive Signals

US All Signal Ratings

- 9%
- 91.0%

■ Rated ■ Not Rated
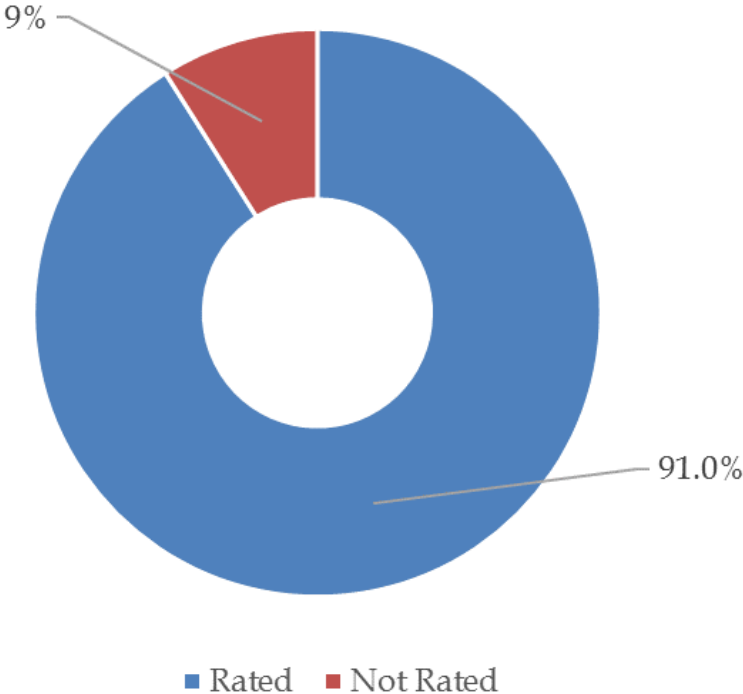
Signal Rating as % Mkt Cap of Universe

- 4.8
- 13.5
- 18.2
- 63.5

■ Top 25% Rank ■ 50 -75 % Rank ■ 25-50% Rank ■ Bottom 25%
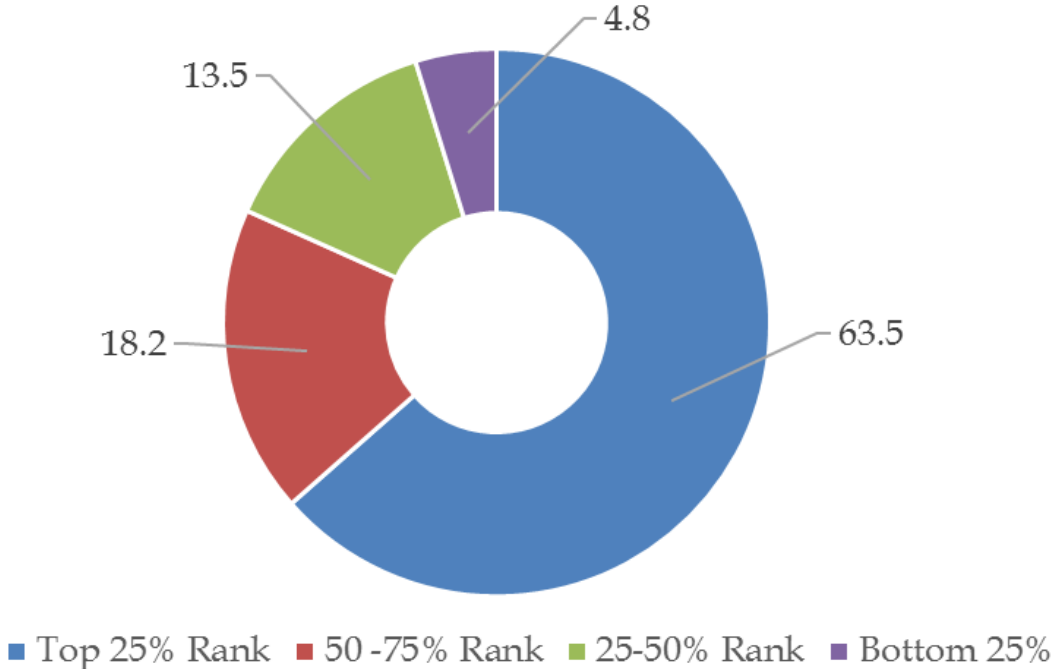
ESG Forecast Equations for US Universe

variable_name	equation
e1	10.38999038 + e1*0.80088106 - e_12mo_delta*0.17542814 + g3*0.20016873 - g2*0.15732305 - e1_3mo_delta*0.16880838
e2	-17.22078011 + esg*1.31078182 - s_12mo_delta*0.45311994 + e2*0.38604626 - emp*0.32722574 + emp_3mo_delta*0.38285316
e3	0.02215855 + esg*1.2505338 + e3*0.37039583 - emp*0.25275936 - cit2*0.1744152 - e2*0.17946745
emp1	13.59173733 + emp*0.14900385 - emp_12mo_delta*0.21882083 + emp1*0.44750743 + cit1*0.19408085 - e2_12mo_delta*0.10329882
emp2	-1.03396474 + esg*0.38949767 - e3_12mo_delta*0.16924503 + cit1*0.22091328 + emp2*0.46502712 - emp_12mo_delta*0.25043643
emp3	-5.98660236 + emp3*0.61940985 + cit1*0.22377951 - emp_12mo_delta*0.19071731 + g*0.30109456 - e2_12mo_delta*0.13988838
cit1	3.99726095 + esg*0.48848666 + cit1*0.51414459 + g2_12mo_delta*0.22315456 - cit1_12mo_delta*0.1411803 - cit_1mo_delta*0.35964056
cit2	-12.55309599 + cit*0.56872581 + g*0.30281578 + cit2*0.38665428 - s_12mo_delta*0.32733709 + g1_12mo_delta*0.11968592
cit3	-7.04738914 + cit3*0.75324869 + g1*0.24116116 + e1*0.1709568 + g2_12mo_delta*0.18755488 - cit_1mo_delta*0.44715337
g1	16.55916974 + g1*0.58302925 + e2*0.07383238 - s_12mo_delta*0.20049476 - e2_3mo_delta*0.13457541 + s*0.09970251
g2	8.09816406 + g2*0.92213135 - g2_3mo_delta*0.50118093 - emp_12mo_delta*0.21396549 + emp3_3mo_delta*0.27167449 + g1_3mo_delta*0.22581319
g3	11.39809962 + g3*0.6594666 - emp_12mo_delta*0.22332885 - g3_3mo_delta*0.40148856 + g1_3mo_delta*0.28644947 + s*0.17314484
emp	-1.56892223 + s*1.07284424 - s_12mo_delta*0.28392212 - cit2*0.22281363 + g*0.22856172 - e2_12mo_delta*0.11664831
cit	-3.16254268 + cit*0.739368 + g*0.24178219 - cit_1mo_delta*0.41060917 + g2_12mo_delta*0.13905315 + e1*0.11963843
e	-4.39551211 + e*0.4891051 + g*0.34934933 - emp_12mo_delta*0.12452821 + e1*0.27549268 - e2_12mo_delta*0.11956334
s	-0.96445821 + esg*1.05351457 + cit1*0.27091266 - e*0.54718443 + e1*0.26253707 - cit1_3mo_delta*0.20515195
g	9.28062377 + g*0.75031122 - emp_12mo_delta*0.13765584 - g2_3mo_delta*0.22658315 + cit*0.13635417 - e3_12mo_delta*0.07210259
esg	2.13521431 + esg*1.11597091 - emp_12mo_delta*0.17595362 - e3*0.11206515 + g2_12mo_delta*0.11795246 - e2_12mo_delta*0.10120421

- **Equations for the US Universe ESG Forecasts listed above**

- **Updated quarterly**