

Five Stocks For a Fed Pivot

This week's screen is inspired by Lance's recent article [Fed Rate Hikes Approaching The ?Breaking Point.?](#) He explains that the Fed is at risk of over-tightening into a slowdown because it relies on lagging economic indicators. While reviewing the Fed's track record of hiking rates, he writes,

The problem, as history clearly shows, is the Fed never achieves a soft landing. Rather, the inflationary problem it is trying to combat becomes a *deflationary recession*; rather quickly.

If we are headed for a recession, small and mid-cap stocks should be on your radar. They tend to be the first to bottom and usually outperform the S&P 500 over the following 12-months. We leverage the SimpleVisor screener again this week to search for small and mid-cap value stocks.

Screening Criteria

- Market Cap = \$500M ? \$10B
- Price/Book and Price/Sales <4
- P/E <20
- Forward P/E <15
- PEG Ratio <2
- Debt/Equity <2

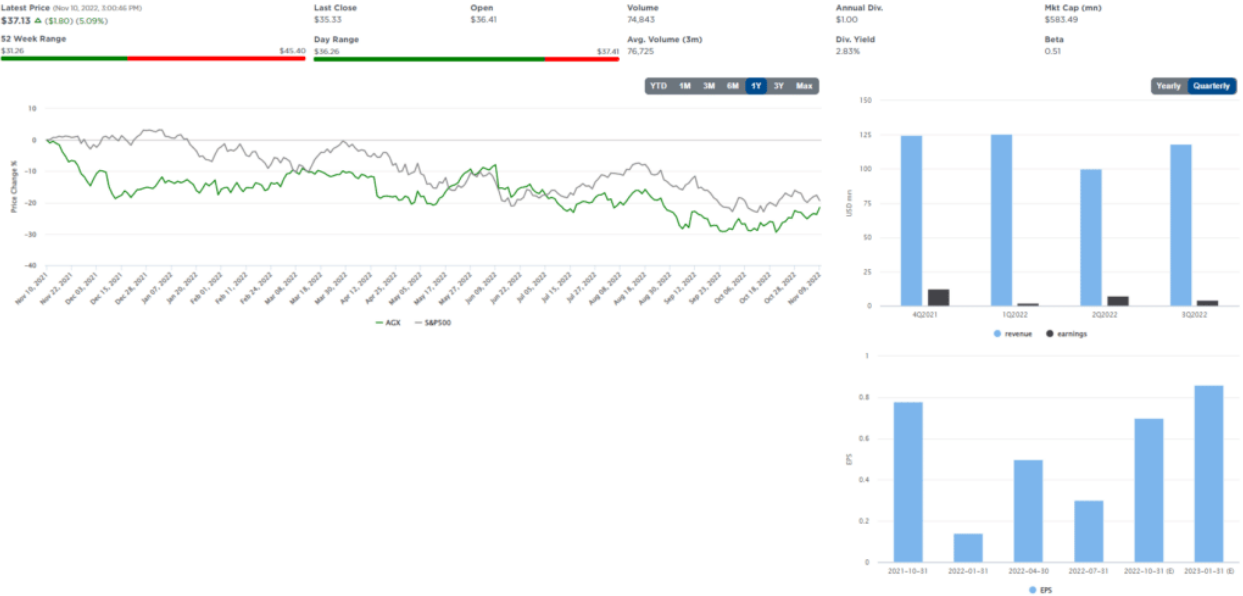
Ticker	Market Cap. (\$b)	TTM P/E	Forward P/E	PEG Ratio	Debt/Equity
AGX	\$0.52	19.63	10.1	1.44	1.04
DEN	\$4.6	13.89	11.0	0.40	1.60
GNTX	\$6.7	19.32	13.6	1.10	0.10
MRTN	\$1.6	14.33	14.0	1.37	0.03
SEIC	\$8.1	11.54	13.8	1.08	1.70

Company Summaries (all descriptions courtesy SimpleVisor)

Argan, Inc. (AGX)

Argan, Inc. (AGX) - Engineering & Construction

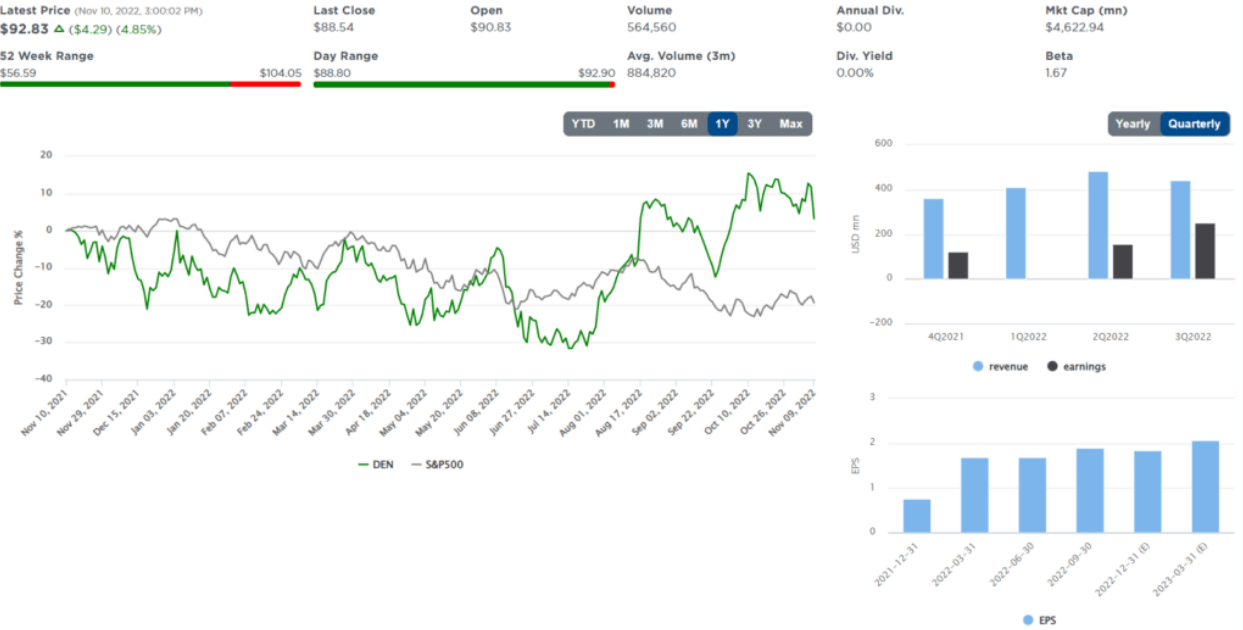
Description
Argan, Inc. through its subsidiaries, provides engineering, procurement, construction, commissioning, operations management, maintenance, project development, technical, and consulting services to the power generation and renewable energy markets. The company operates through Power Industry Services, Industrial Fabrication and Field Services, and Telecommunications Infrastructure Services segments. The Power Industry Services segment offers engineering, procurement, and construction contracting services to the owners of alternative energy facilities, such as biomass plants, wind farms, and solar fields; and design, construction, project management, start-up, and operation services for projects with approximately 15 gigawatts of power-generating capacity. This segment serves independent power project owners, public utilities, power plant equipment suppliers, and energy plant construction companies. The Industrial Fabrication and Field Services segment provides industrial field, and pipe and vessel fabrication services for forest products, industrial gas, fertilizer, and mining companies in southeast region of the United States. The Telecommunications Infrastructure Services segment offers trenchless directional boring and excavation for underground communication and power networks, as well as aerial cabling services; and installs buried cable, high and low voltage electric lines, and private area outdoor lighting systems. It also provides structured cabling, terminations, and connectivity that offers the physical transport for high-speed data, voice, video, and security networks. This segment serves state and local government agencies, regional communications service providers, electric utilities, and other commercial customers, as well as federal government facilities comprising cleared facilities in the mid-Atlantic region of the United States. Argan, Inc. was incorporated in 1961 and is headquartered in Rockville, Maryland.



Denbury Inc. (DEN)

Denbury Inc. (DEN) - Oil & Gas E&P

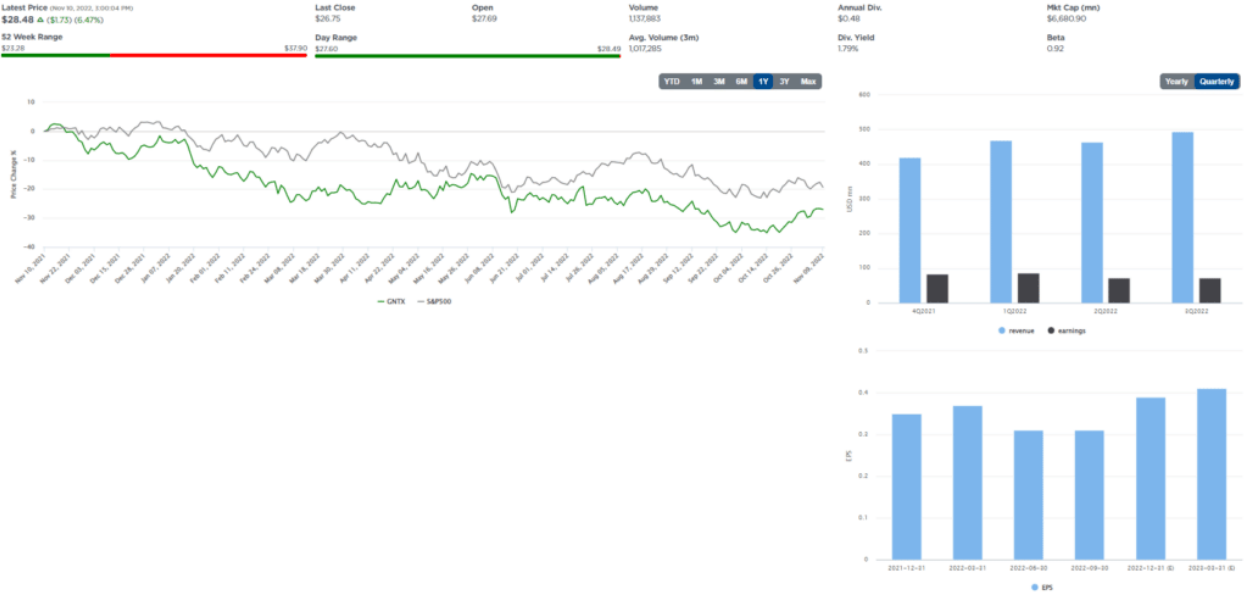
Description
Denbury Inc., an independent energy company, focuses on producing oil from mature oil fields in the Gulf Coast and Rocky Mountain regions. The company holds interests in various oil and natural gas properties located in Mississippi, Texas, and Louisiana in the Gulf Coast region; and in Montana, North Dakota, and Wyoming in the Rocky Mountain region. As of February 24, 2022, it had 192 million barrels of oil equivalent of estimated proved oil and natural gas reserves. The company was formerly known as Denbury Resources Inc. and changed its name to Denbury Inc. in September 2020. Denbury Inc. was incorporated in 2003 and is headquartered in Plano, Texas.



Gentex Corporation (GNTX)

Gentex Corporation (GNTX) - Auto Parts

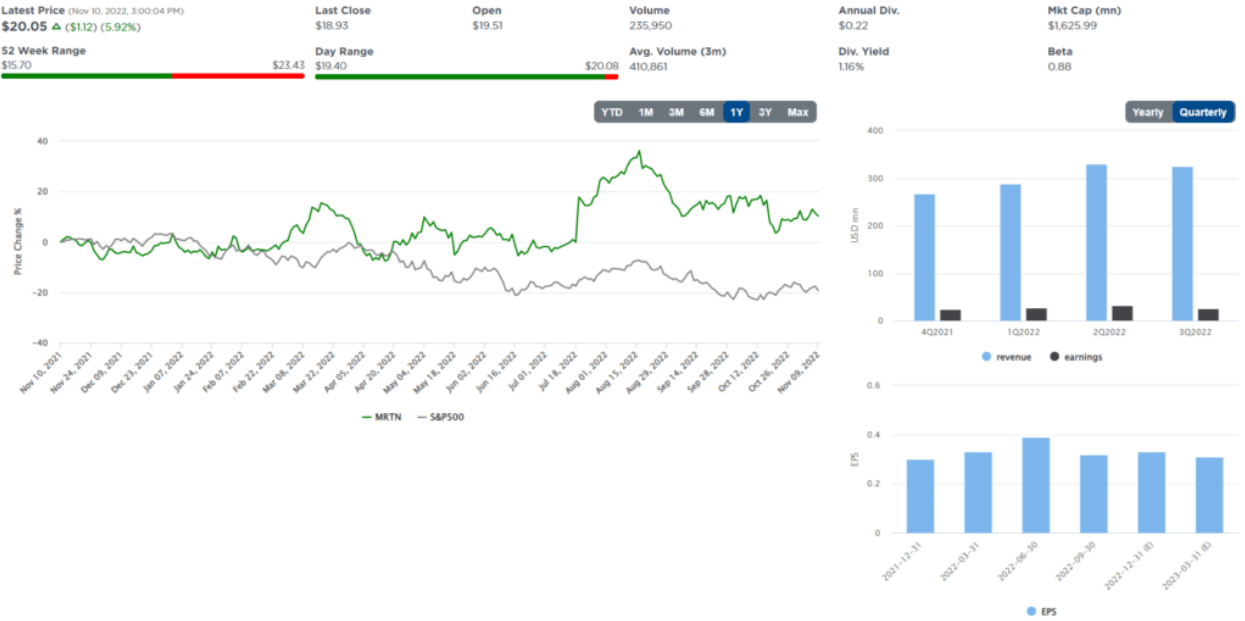
Description
Gentex Corporation designs, develops, manufactures, markets, and supplies digital vision, connected car, dimmable glass, and fire protection products in the United States, Germany, Japan, Mexico, and internationally. It operates through Automotive Products and Other segments. The company offers automotive products, including interior and exterior electrochromic automatic-dimming rearview mirrors, automotive electronics, and non-automatic-dimming rearview mirrors for automotive passenger cars, light trucks, pick-up trucks, sport utility vehicles, and vans for original equipment manufacturers, automotive suppliers, and various aftermarket and accessory customers. It also provides variable dimmable windows to aircraft manufacturers and airline operators. In addition, the company offers photoelectric smoke detectors and alarms, electrochemical carbon monoxide alarms and detectors, audible and visual signaling alarms, and bells and speakers used in fire detection systems in office buildings, hotels, and other commercial and residential buildings, as well as researches and develops nanofiber chemical sensing products. The company sells its fire protection products directly, as well as through sales managers and manufacturer representative organizations to fire protection and security product distributors, electrical wholesale houses, and original equipment manufacturers of fire protection systems. Gentex Corporation was incorporated in 1974 and is headquartered in Zealand, Michigan.



Marten Transport, Ltd. (MRTN)

Marten Transport, Ltd. (MRTN) - Trucking

Description
Marten Transport, Ltd. operates as a temperature-sensitive truckload carrier for shippers in the United States, Canada, and Mexico. It operates through four segments: Truckload, Dedicated, Intermodal, and Brokerage. The Truckload segment transports food and other consumer packaged goods that require a temperature-controlled or insulated environment. The Dedicated segment offers customized transportation solutions for individual customers' requirements using temperature-controlled trailers, dry vans, and other specialized equipment. The Intermodal segment transports customers' freight utilizing its refrigerated containers and temperature-controlled trailers on railroad flatcars for portions of trips, as well as using tractors and contracted carriers. The Brokerage segment develops contractual relationships with and arranges for third-party carriers to transport freight for customers in temperature-controlled trailers and dry vans. As of December 31, 2021, the company operated a fleet of 3,204 tractors, including 3,111 company-owned tractors and 93 tractors supplied by independent contractors. Marten Transport, Ltd. was founded in 1946 and is headquartered in Mondovi, Wisconsin.



SEI Investments Company (SEIC)

SEI Investments Company (SEIC) - Asset Management

Description

SEI Investments Company is a publicly owned asset management holding company. Through its subsidiaries, the firm provides wealth management, retirement and investment solutions, asset management, asset administration, investment processing outsourcing solutions, financial services, and investment advisory services to its clients. It provides its services to private banks, independent financial advisers, institutional investors, investment managers, investment advisors, wealth management organizations, corporations, retirement scheme sponsors, not-for-profit organizations, hedge fund managers, registered investment advisers, independent broker-dealers, financial planners, life insurance agents, defined-benefit schemes, defined-contribution schemes, endowments, foundations, and board-designated fund, through its subsidiaries. Through its subsidiaries, the firm manages separate client-focused portfolios. It also launches and manages equity, fixed income, and balanced mutual funds, through its subsidiaries. Through its subsidiaries, the firm invests in public equity and fixed income markets. It employs fundamental and quantitative analysis with a focus on top-down and bottom-up analysis to make its investments, through its subsidiaries. SEI Investments Company was founded in 1968 and is based in Oaks, Pennsylvania.

Latest Price (Nov 10, 2022, 3:00:04 PM)
\$59.91 ▲ (\$4.11) (7.37%)

Last Close
\$55.80

Open
\$57.39

Volume
542,133

Annual Div.
\$0.72

Mkt Cap (mn)
\$8,354.63

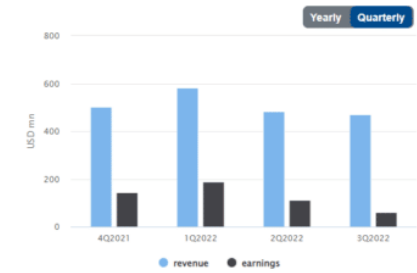
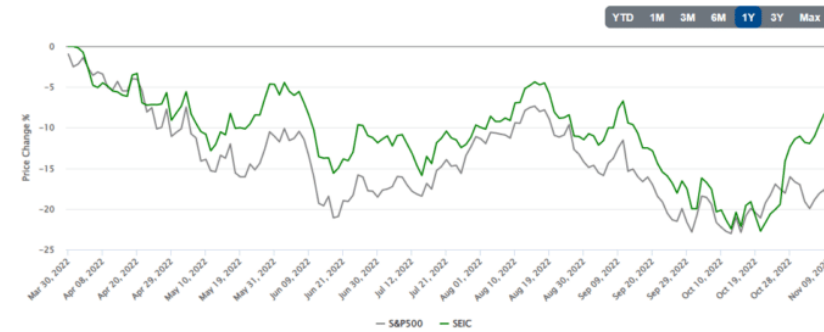
52 Week Range
\$46.30

Day Range
\$55.80

Avg. Volume (3m)
578,030

Div. Yield
1.29%

Beta
N/A



Five for Friday

Five for Friday uses stock screens to produce five stocks that we expect will outperform if a particular investment theme plays out in the future. Investment themes may be relevant to the current or expected market, industry and/or economic trends. Investment themes may not always represent our current forecast.

Disclosure

This report is not a recommendation to buy or sell the named securities. We intend to elicit ideas about stocks meeting specific criteria and investment themes. Please read our [disclosures](#) carefully and do your own research before investing.