



Buy the Missiles, Kid

Aerospace & Defense Special Report

June 2025



No doom and gloom here. That's not our style.

“Look kid, if you hear the missiles are flying, you buy them. You don't sell them.”

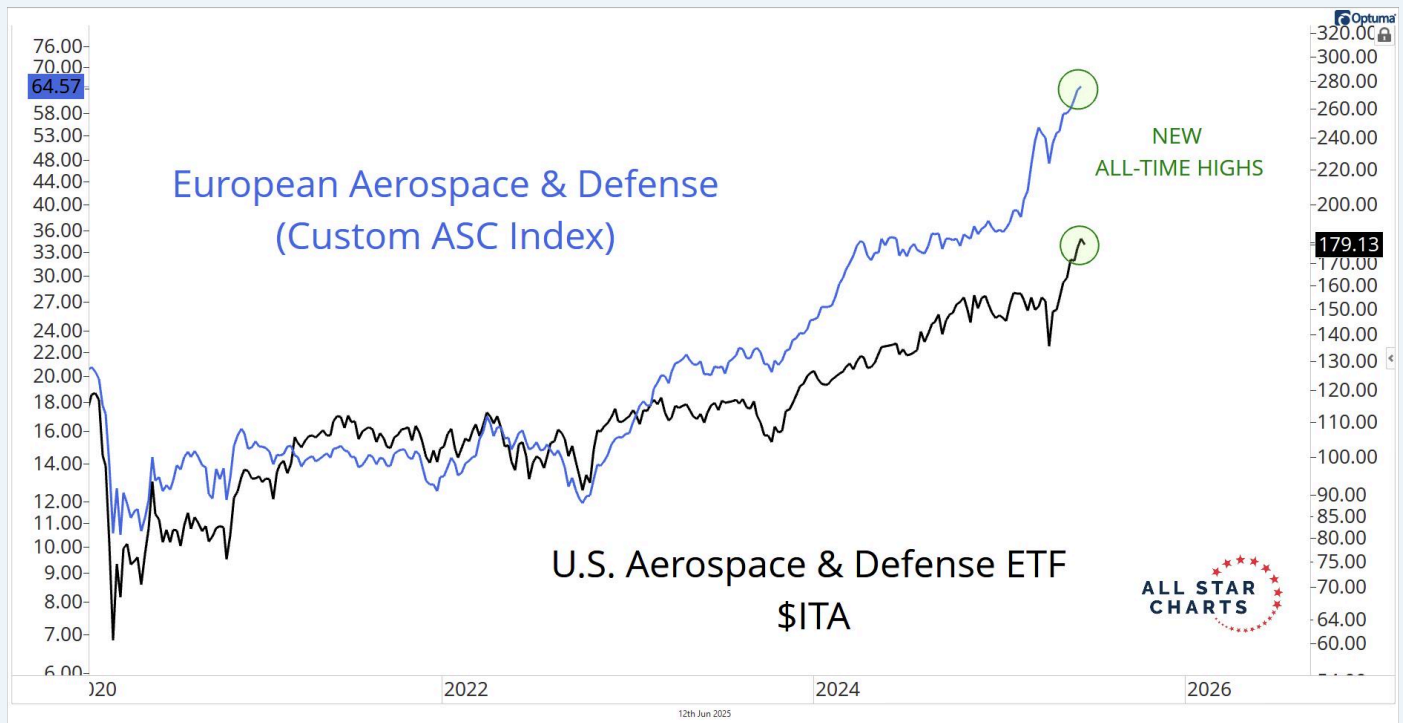
Art Cashin, Wall Street Legend

We don't get caught up in hot headlines or silly narratives. We follow trends — regardless of what's going on in the world. And right now, one of the clearest, most durable trends on the tape is in Aerospace & Defense.

And maybe it's because of this war here, or the geopolitical issues there. Or maybe it's just because industrials are the leaders and this is a bull market.

Here's the thing... There will always be wars, and fear will always have a significant impact on human behavior. I can tell you we're buying these stocks because of some headlines out of Russia... but that wouldn't be the truth.

We're buying these stocks because they are sporting some of the best uptrends in the market today. And it's not just a domestic story. **This is global.**



From Raytheon and Axon to Rolls-Royce and Airbus, war machine stocks are pressing to new highs across the board. These aren't minor swings — they're breakouts in major, long-term bases and continuations of uptrends.

And we're not fading it.... We're flying with it — jets, tanks, missiles, and all.

As always, we want to focus on leadership — the outperformers with the most actionable chart setups. The ones that are setting the tone, not following the crowd.

Here's our Aerospace & Defense universe, sorted by proximity to 52-week highs.



Aerospace & Defense Leadership					
Ticker	Company	Country	Mkt Cap	% From April Lows	% From 52 Week Highs
RTX	RTX Corp	USA	\$179.9B	20.87%	-0.04%
CW	Curtiss-Wright Corp	USA	\$16.6B	63.81%	-0.22%
HEI	Heico Corp	USA	\$36.3B	27.81%	-0.23%
DCO	Ducommun Inc	USA	\$1.0B	38.11%	-0.29%
ESLT	Elbit Systems Ltd	Israel	\$18.1B	17.82%	-0.69%
BWXT	BWX Technologies Inc	USA	\$11.5B	50.86%	-0.76%
ATRO	Astronics Corp	USA	\$1.1B	54.73%	-1.05%
KTOS	Kratos Defense & Security Solutions	USA	\$5.6B	43.06%	-1.06%
WWD	Woodward Inc	USA	\$12.9B	45.43%	-1.13%
VSEC	VSE Corp	USA	\$2.7B	27.88%	-1.16%
CAE	Cae Inc	Canada	\$8.1B	28.70%	-1.41%
DRS	Leonardo DRS Inc	USA	\$11.1B	46.26%	-1.61%
KRMN	Karman Holdings Inc	USA	\$5.8B	71.80%	-2.31%
SAFRY	Safran ADR	France	\$125.6B	35.98%	-2.40%
RYCEY	Rolls-Royce Holdings PLC ADR	United Kingdom	\$102.3B	47.34%	-2.41%
TDG	Transdigm Group Incorporated	USA	\$82.0B	14.41%	-2.52%
MTUAY	MTU Aero Engines ADR	Germany	\$21.8B	36.94%	-2.68%
AXON	Axon Enterprise Inc	USA	\$57.4B	54.88%	-3.43%
SPR	Spirit Aerosystems Holdings Inc	USA	\$4.4B	31.54%	-3.51%
HWM	Howmet Aerospace Inc	USA	\$68.8B	47.47%	-3.53%
EADSY	Airbus SE	Netherlands	\$149.8B	25.33%	-3.61%
MRCY	Mercury Systems Inc	USA	\$2.9B	25.87%	-4.64%
BAESY	BAE Systems PLC - ADR	United Kingdom	\$77.6B	30.63%	-5.92%
GE	GE Aerospace	USA	\$260.2B	46.40%	-6.13%
BA	Boeing Co	USA	\$156.2B	54.11%	-6.49%

Data As Of Jun 12, 2025

ALL STAR CHARTS

For those who want the story, or fundamental catalyst— here it is: Geopolitical tensions are on the rise — Europe, the Middle East, the Pacific.

And in response, the global defense spending narrative is shifting dramatically. Talk to anyone on the fundamental side and you'll hear the same thing: If European nations that were spending 1% of GDP on defense are now ramping to 2, 3, or even 5% — that's not just incremental growth.

That's exponential. You don't need a CFA to do the math.

If the pie triples, these companies aren't just going to nibble — they're going to feast. And the best part?

The charts are confirming this story in a big way. The technicals and fundamentals are aligned — and that doesn't happen every day. So, let's trade what's in front of us and buy the missiles!

Here are our favorite,
most actionable ideas
right now:

\$RYCEY

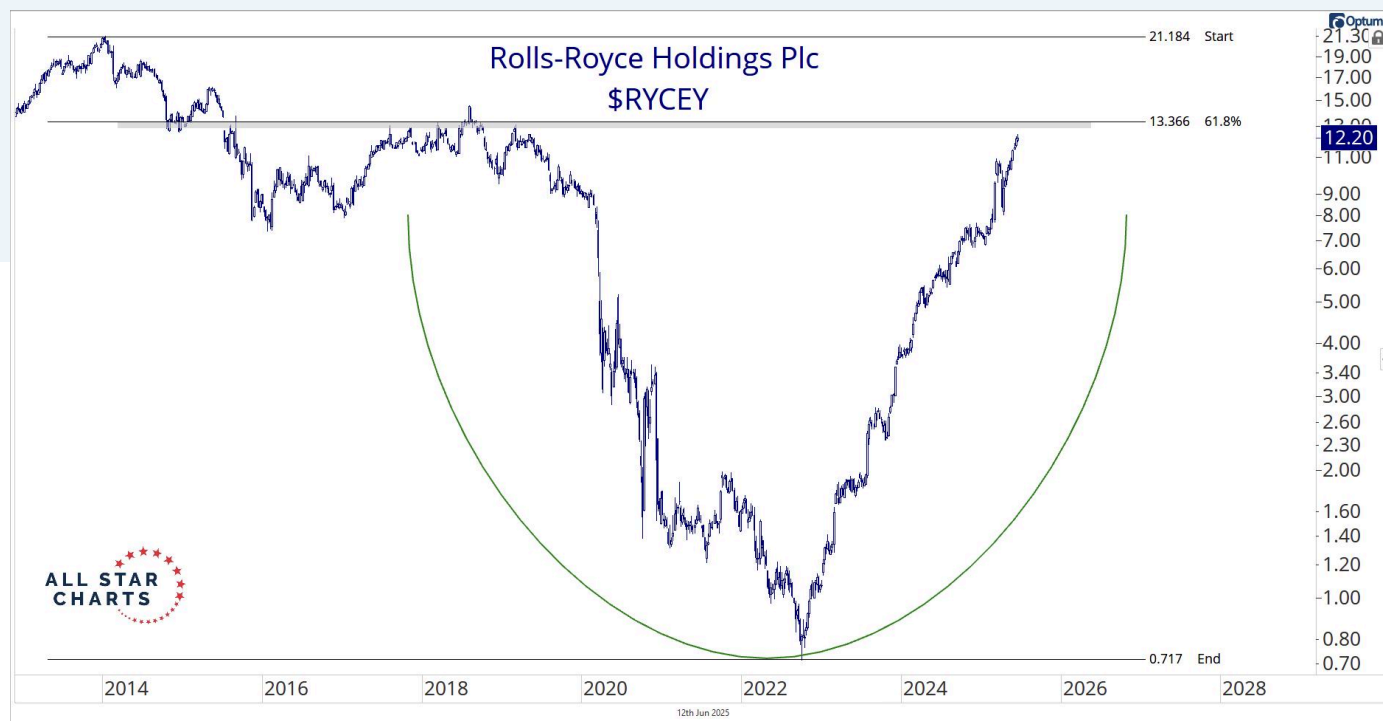
\$MRCY

\$RTX

\$ESLT

\$HWM

\$TDG



Rolls Royce Holdings Plc **\$RYCEY**

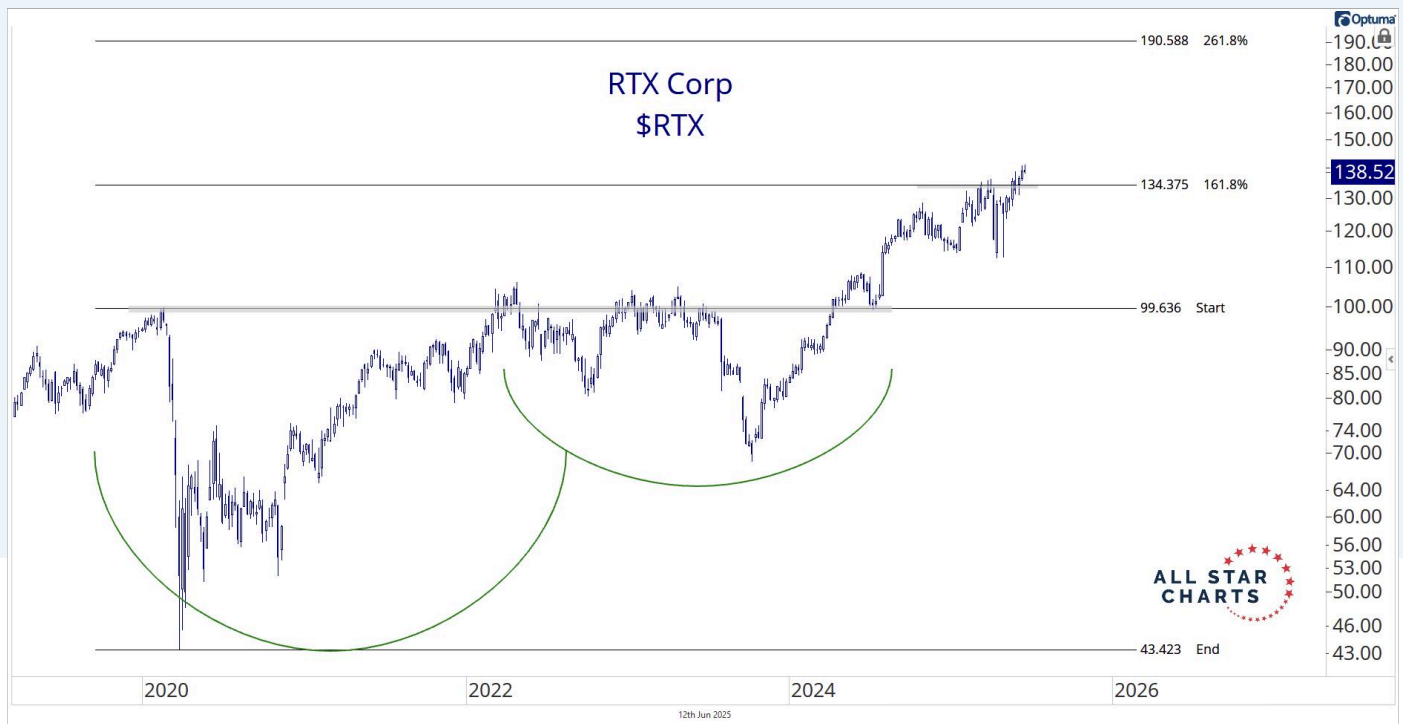
Our first setup is the \$102B British engine manufacturing giant.

After a nasty drawdown from 2014 to 2022, RYCEY has carved out a sharp V-shaped bottom and has been on an absolute tear ever since. Price is now pressing up against a key resistance zone around 13.

While some short-term cooling wouldn't be surprising, the path of least resistance remains higher toward the prior cycle highs near 21.

RTX Corp \$RTX

Our second setup is the \$185B American defense giant formerly known as Raytheon.

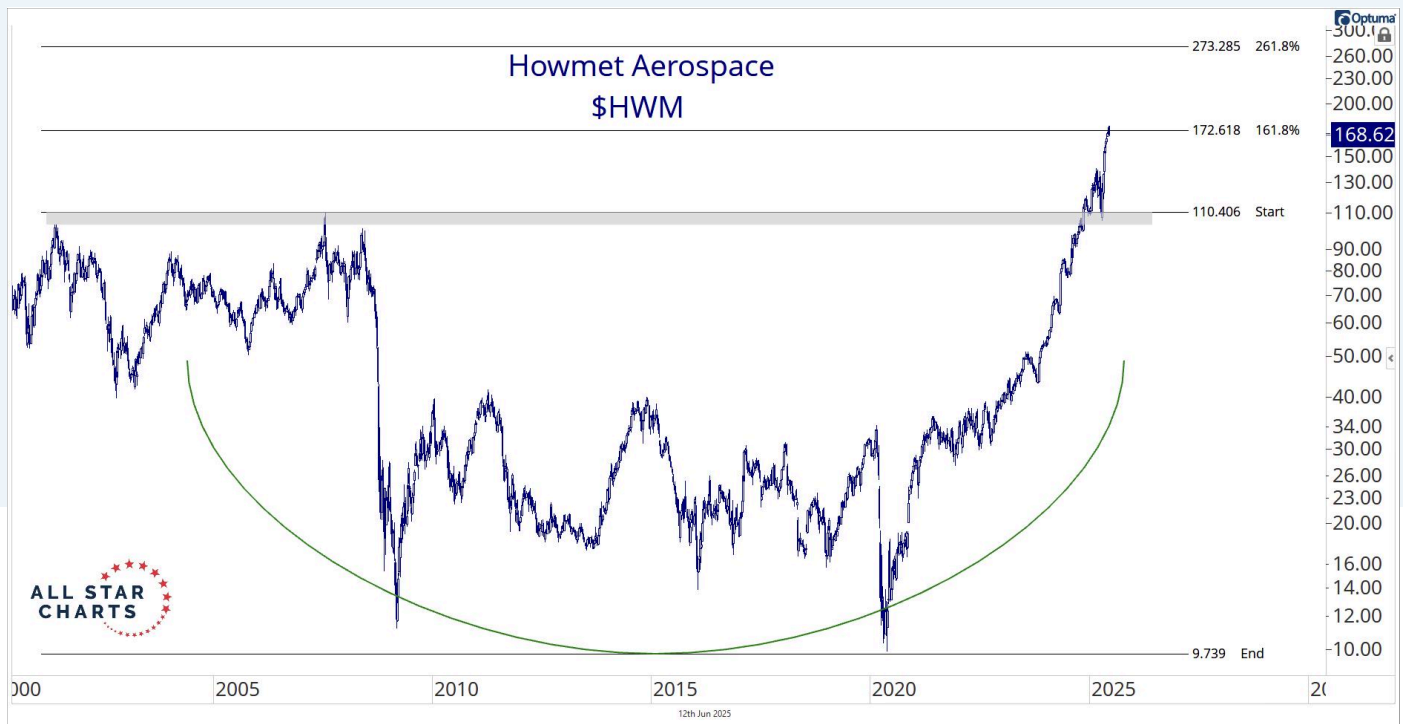


RTX completed a five-year basing pattern last summer and is consolidating in a tight band around the 161.8 % extension at 134.

If price can stick the breakout above that level, the next logical waypoint sits near 190—the 261.8 % extension of the 2020 - 2024 base. We want to be buyers on strength above 134, targeting 190.

Howmet Aerospace \$HWM

Up next is the \$70.5B American firm involved in the manufacturing of engine products, fastening systems, engineered structures, and forged wheels.

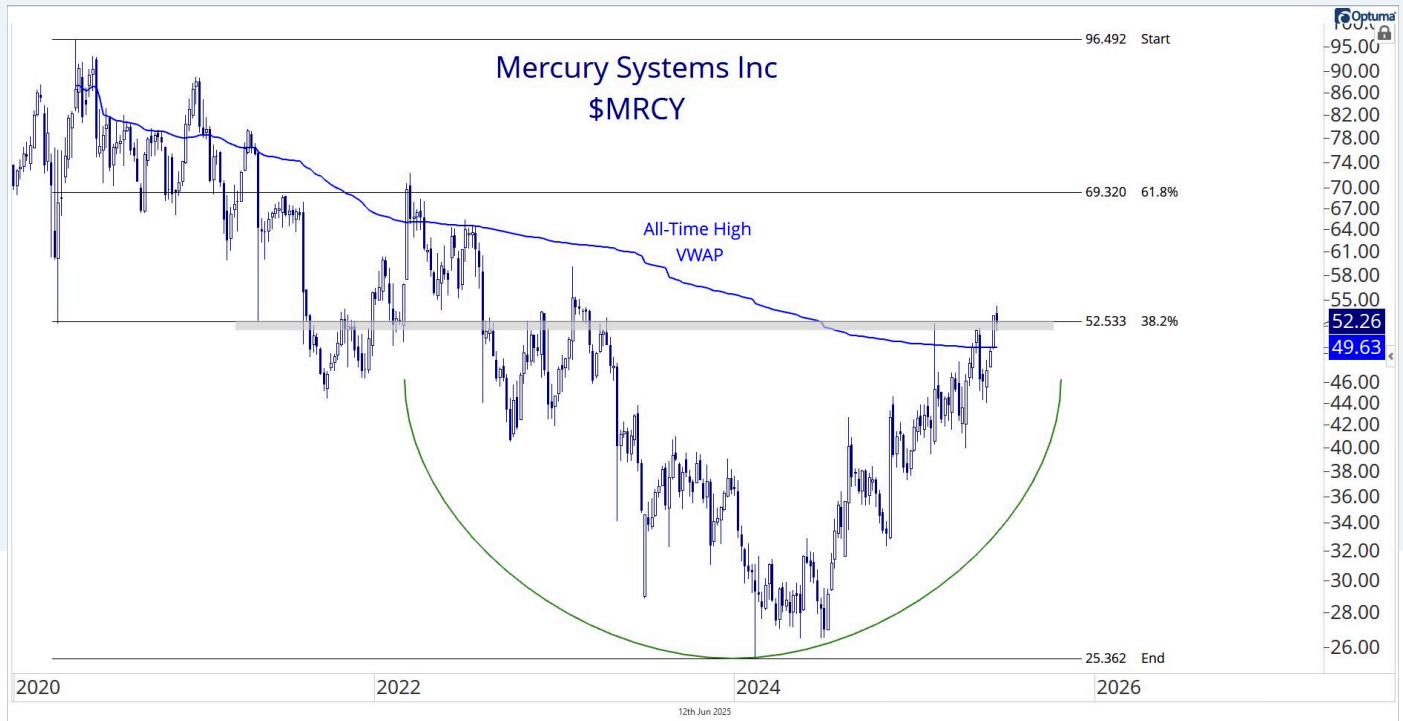


HWM has been stair-stepping higher in a nearly vertical line after breaking out of a monster base last year.

As long as HWM holds 172, the path of least resistance remains higher, and we're in for the ride to 273.

Mercury Systems Inc \$MRCY

MRCY has been carving a bearish-to-bullish reversal base for the past two years.

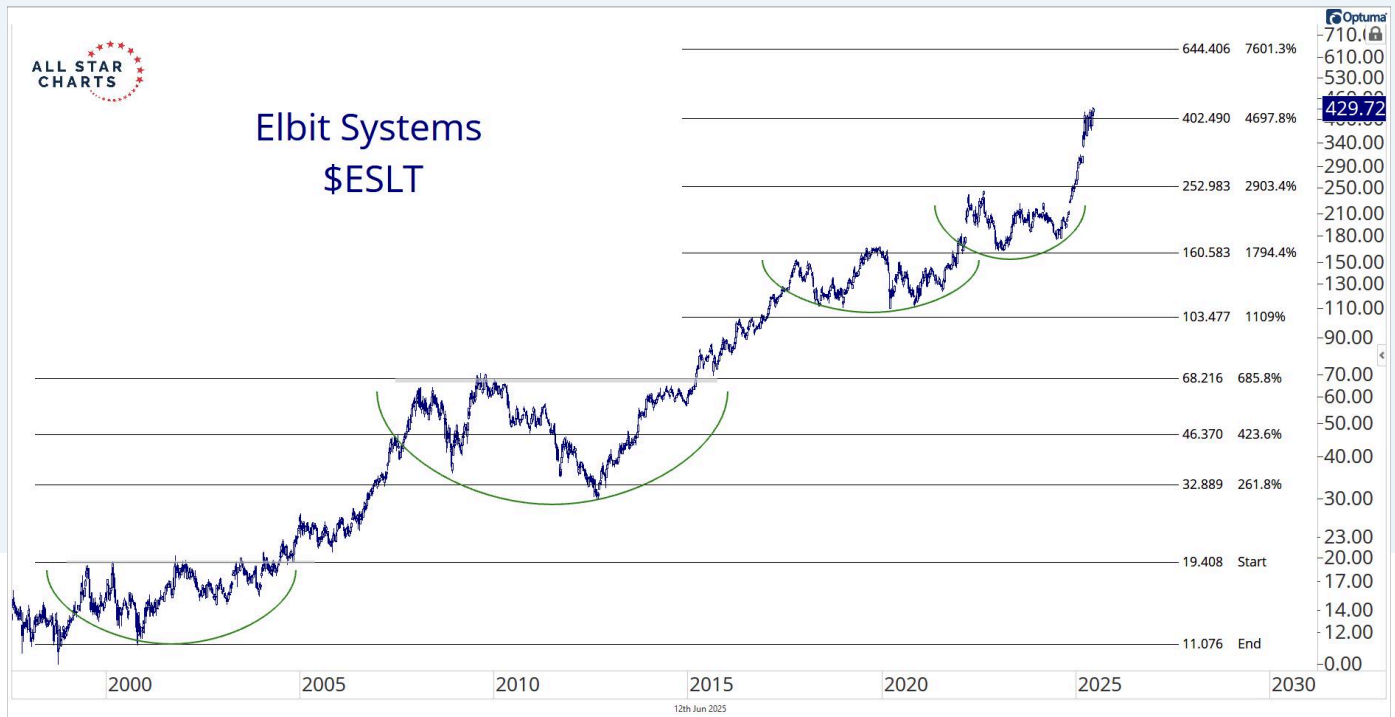


Price is currently reclaiming both the upper bounds of the range and the anchored VWAP from all-time highs. Now, buyers are back in control, and we want to be involved on the long side.

Above 52, we own MRCY and ride it toward 69. Over longer timeframes, we're targeting 94.50.

Elbit Systems \$ESLT

Next up is the \$19.50B Israeli defense conglomerate focused on homeland security.



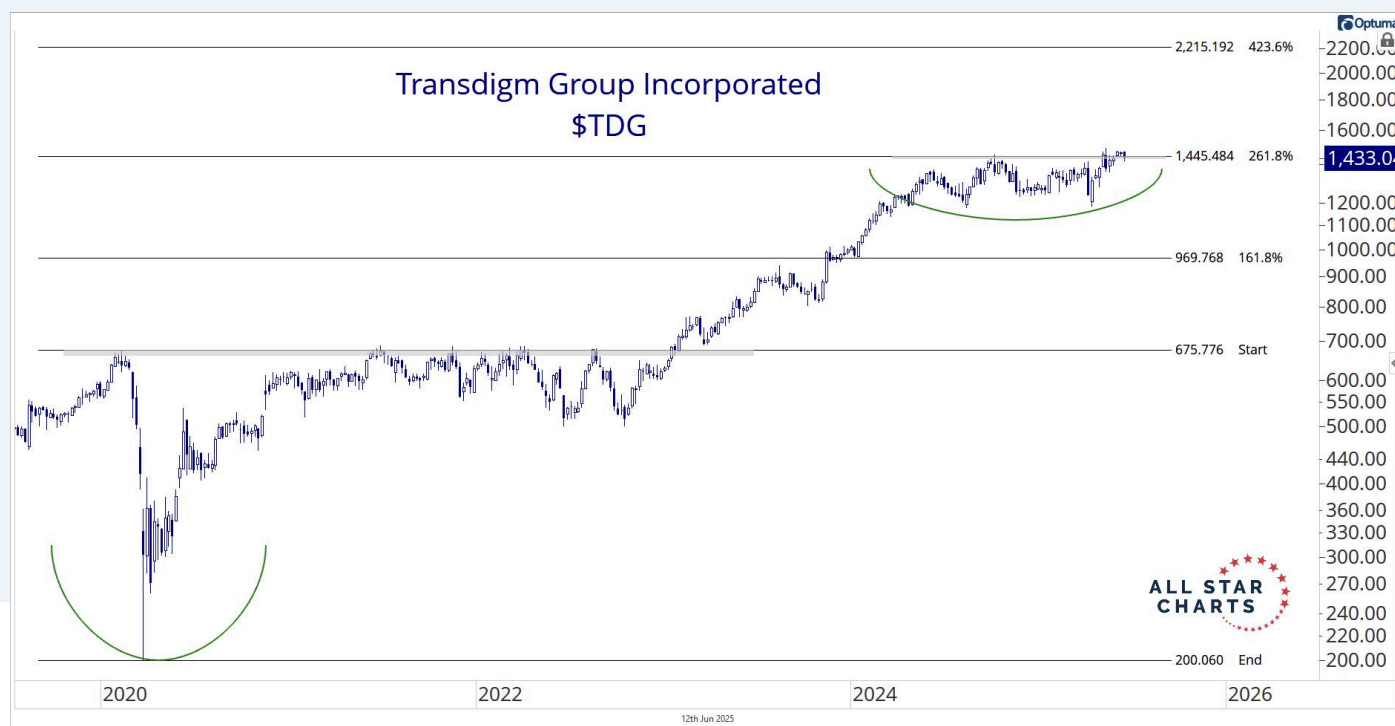
ESLT has sported a strong primary uptrend for decades, stair-stepping higher and consolidating constructively along the way.

We have no reason to think this secular uptrend will end any time soon.

We're buyers above 402 with a target of 644.

Transdigm Group Inc **\$TDG**

Last but not least is the \$82B American aircraft component manufacturer.



We recently wrote about TDG for our [Hall of Famers report](#). Because the setup remains intact, we'd like to reiterate it.

TDG has spent a year digesting gains beneath the 261.8% extension of its 2020 base—around 1,445.

A breakout here would trigger the next leg higher, and the next logical objective would be at 2,215.

We hope you enjoyed this report!
All Star Charts Team