Macro Stress Map: Energy, Credit & Risk Aversion

S&P 500 Exposure Analysis - MFERM Exposures as of 27 February 2026 | QI_US_MACRO_MT_1

Objective: To quantify how a simultaneous positive shock to: WTI crude, CDX HY credit spreads, Implied volatility (VIX), would transmit through S&P 500 constituents using MFERM exposures as of 27 Feb 2026.

340 stocks are hurt by both higher oil and wider spreads. Only 11 benefits from both. E&P names rally on crude but give back on credit. This playbook quantifies all three scenarios.

Energy vs. Corporate Credit: The Full Map

X-axis = Energy (WTI) exposure. Y-axis = Corporate Credit (CDX HY) exposure. Red dashed lines = average negative exposure thresholds. Shaded zones highlight the most actionable quadrants.

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Key Findings

- **Bottom-Left — The Double Losers –** 340 out of 497 S&P 500 names have negative exposure to both Energy and Corporate Credit. Airlines (UAL, DAL) and cruise lines (CCL, NCLH) are the most extreme. The surprise is semiconductors — MPWR, AMD, LRCX carry heavy credit sensitivity plus meaningful negative Energy exposure. In a risk-off oil spike, the cross-factor cascade hits them hard.

- **Top-Right — Natural Hedges –** Only 11 names benefit from both higher oil and wider spreads. CF Industries is the standout (0.83 Energy exposure). CME and CBOE thrive as exchanges that benefit from volatility. Defensives like MO, KR, KO, and utilities (ED, DUK) round out the set - the classic “where to hide” list when geopolitics flares.

- **The Nuanced Trade –** E&P names (APA at 1.65, DVN, FANG, OXY, HAL) rally hard on crude but are still credit-sensitive. In a pure supply shock that’s fine. In a broader risk-off event where spreads blow out, the credit drag partially offsets the oil tailwind. That’s the trade-off MFERM quantifies. These are the yellow dots where there is positive WTI exposure but below the mean universe credit exposure.

- **The Triple Whammy –** Almost every name across all quadrants carries negative Risk Aversion exposure (short vol). A geopolitical event doesn’t just move crude and credit — VIX spikes. TSLA (-1.11), CIEN (-1.09), and AMD (-1.06) are the most exposed to this third leg.

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The Playbook: Losers, Hedges & E&P Winners

All exposures in % return per 1 SD move higher in factor. Combined = Energy + Credit.

Ticker	Name	Sector	Energy	Credit	Risk Av.	Combined
DOUBLE LOSERS (BOTTOM-LEFT)						
UAL	United Airlines	Airlines	-0.734	-1.361	-0.924	**-2.095**
DAL	Delta Air Lines	Airlines	-0.614	-1.382	-0.675	**-1.996**
MPWR	Monolithic Power	Semis	-0.234	-1.642	-0.990	**-1.876**
SWK	Stanley Black & Decker	Consumer	-0.193	-1.399	-0.558	**-1.592**
DECK	Deckers Outdoor	Consumer	-0.200	-1.354	-0.444	**-1.554**
CCL	Carnival Corp	Travel	-0.326	-1.212	-0.783	**-1.538**
LULU	lululemon	Consumer	-0.431	-1.091	-0.457	**-1.522**
CIEN	Ciena Corp	Tech	-0.334	-1.165	-1.094	**-1.499**
NATURAL HEDGES (TOP-RIGHT)						
CF	CF Industries	Defensives	+0.825	+0.021	-0.066	**+0.846**
CME	CME Group	Defensives	+0.226	+0.258	-0.288	**+0.484**
KVUE	Kenvue	Defensives	+0.164	+0.270	-0.593	**+0.434**
EXE	Expand Energy	Defensives	+0.276	+0.024	-0.766	**+0.300**
CBOE	Cboe Global Markets	Defensives	+0.116	+0.179	-0.179	**+0.295**
MO	Altria Group	Defensives	+0.165	+0.109	-0.049	**+0.274**
KR	Kroger	Defensives	+0.015	+0.195	-0.109	**+0.210**
PM	Philip Morris	Defensives	+0.145	+0.030	-0.190	**+0.175**
ED	Consolidated Edison	Utilities	+0.073	+0.075	-0.028	**+0.148**
DUK	Duke Energy	Utilities	+0.082	+0.057	-0.084	**+0.139**
KO	Coca-Cola	Defensives	+0.043	+0.008	-0.175	**+0.051**
E&P OIL WINNERS						
APA	APA Corp	E&P	+1.653	-0.542	-0.451	**+1.111**
DVN	Devon Energy	E&P	+1.200	-0.460	-0.477	**+0.740**
FANG	Diamondback Energy	E&P	+1.188	-0.536	-0.441	**+0.652**
OXY	Occidental Petroleum	E&P	+1.154	-0.240	-0.189	**+0.914**
HAL	Halliburton	E&P	+1.139	-0.564	-0.459	**+0.575**
COP	ConocoPhillips	E&P	+0.989	-0.392	-0.228	**+0.597**
EOG	EOG Resources	E&P	+0.897	-0.319	-0.143	**+0.578**
XOM	Exxon Mobil	E&P	+0.773	-0.093	-0.084	**+0.680**
CVX	Chevron	E&P	+0.580	-0.228	-0.117	**+0.352**

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Sector Clusters

- **Airlines (UAL, DAL, LUV):** Direct fuel cost sensitivity + leveraged balance sheets = maximum exposure to the oil-credit vortex. UAL's combined score of -2.10 is the worst in the index.

- **Cruise Lines (CCL, NCLH, RCL):** Fuel-intensive operations with high leverage. CCL's Risk Aversion exposure of -0.78 adds a meaningful vol kicker.

- **Semiconductors (MPWR, AMD, LRCX, NXPI, ON):** Dominated by credit sensitivity rather than energy. High-beta growth names where credit widening is the primary transmission channel.

- **Exchanges (CME, CBOE):** Benefit from volatility directly. Positive to both Energy and Credit — rare in the S&P 500.

- **Defensives (MO, KR, KO, PM):** Low beta, positive to both factors. The "where to hide" basket when macro risk spikes.

- **E&P (APA, DVN, FANG, OXY, HAL):** Massive oil upside but credit-sensitive. Net winners in a pure supply shock; partially offset in a broad risk-off event.

Do you know which names in your book are sitting on macro landmines if Iran escalates? And which ones are natural hedges? MFERM maps the full playbook - losers, winners, and the nuanced trades in between.

Methodology

All data sourced from Quant Insight MFERM (Macro Factor Equity Risk Model), QI_US_MACRO_MT_1. Energy factor = WTI Crude Oil. Corporate Credit = CDX HY (US High Yield Credit Default Swaps). Risk Aversion = VIX implied volatility. Exposures represent % return per 1 daily standard deviation move higher in the factor (250-day lookback via Partial Least Squares Regression). Chart generated from full S&P 500 exposure dataset dated 27 February 2026.

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