

## TOP STORIES

- Markets Fall as Virus Death Toll Rises
- WHO to Meet Today to Decide Whether to Declare ‘Global Emergency’
- German Unemployment Falls as Industry Outlook Starts to Brighten

## INDEX FUTURES

Futures	Change	Fair Value
<b>S&amp;P 500</b>	<b>3249.25 (-23.25)</b>	<b>-22.95</b>
<b>Nasdaq</b>	<b>9037.5 (-61)</b>	<b>-71.11</b>
<b>Dow</b>	<b>28510 (-200)</b>	<b>-173.45</b>

## GLOBAL INDICES

INDEX	CLOSE	CHANGE
<b>FTSE</b>	<b>7412.08</b>	<b>-0.96%</b>
<b>DAX</b>	<b>13208.51</b>	<b>-1.02%</b>
<b>Nikkei</b>	<b>22977.75</b>	<b>-1.72%</b>
<b>Hang Seng</b>	<b>26449.13</b>	<b>-2.62%</b>

## ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
<b>8:30</b>	<b>GDP</b>	<b>2.1%</b>
<b>8:30</b>	<b>Weekly Claims</b>	
<b>10:30</b>	<b>EIA Nat Gas Report</b>	

## FOREX

<b>EUR/USD</b>	<b>1.102 (0.10%)</b>
<b>USD/JPY</b>	<b>108.86 (-0.12%)</b>
<b>USD/CAD</b>	<b>1.3221 (0.19%)</b>
<b>GBP/USD</b>	<b>1.306 (0.31%)</b>

## COMMODITY

<b>Oil</b>	<b>52.16 (-2.19%)</b>
<b>Natural Gas</b>	<b>1.838 (-1.45%)</b>
<b>Gold</b>	<b>1585 (0.58%)</b>
<b>Copper</b>	<b>2.5465 (-0.29%)</b>

## VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
<b>S&amp;P</b>	<b>VIX</b>	<b>15.75 (-3.26%)</b>
<b>Nasdaq</b>	<b>VXN</b>	<b>19.26 (-1.78%)</b>
<b>Oil</b>	<b>OVX</b>	<b>35.93 (-1.35%)</b>
<b>Gold</b>	<b>GVZ</b>	<b>12.01 (1.01%)</b>

## ECONOMIC DATA

A moderate morning of releases although nothing huge. Eurozone unemployment fell to 7.4% in December vs 7.5% forecast. Industrial sentiment improved as well while consumer confidence was flat and business climate expectations were flat. German unemployment was better than expected in January. The BOE kept rates unchanged, as expected, with a 7-2 vote.

## MARKET OUTLOOK

Futures are indicating a weak open for the morning with Asian markets leading to the downside. Taiwan re-opened weak today (see below) and its causing some domino-effect selling across the region. There's some heightened fear around the virus today as the WHO meets to determine whether to declare a global emergency. The economic impact of the virus remains to be seen but estimates continue to get cut as travel bans spread and business closures continue. Earnings the big focus today with an endless amount of big names reporting. Some big tech reports again from mega-cap names like MSFT while solid reports from CRUS, LRCX, NOW, and others standout. TSLA will be a big focus today after jumping above \$650 AH on their report.

Asian markets were very weak overnight with Taiwan re-opening for the first time in over a week for the New Year. The main stock index fell 5.75% and the lowest close in three months. The Nikkei and Chinese markets followed suit as fears over the spread of coronavirus are exacerbated a bit by the upcoming WHO meeting. **Screen Holdings** was limit down and off by 19% while **Advantest** down 6.5%. **Nintendo** raising their FY Switch sales outlook. **Samsung** guiding to improvement in their semi unit but shares down 3% on earnings anyway.

European markets lower with Asia today as a slew of earnings hit the tape this morning. Miners were down over 1.5% with their reliance to China. **Shell** shares down on earnings after reporting a sharp drop in profits due to weak oil/gas prices. **BT Group** shares are down 6.5% after earnings and warning that restrictions on using Huawei would raise costs. **Diageo** down 2.2% after lowering their expectations for FY sales to 4% from 5%. Renewable energy company **Siemens Gamesa** down 9% after pre-announcing a weak quarter and margin cut. **Swatch** down 4.35% to a decade-low as they face struggles from HK, the coronavirus, and smart watch competition. **Deutsche Bank** up 3.2% with results in line while management confident in their outlook. **H&M** higher by 9% after a strong report and CEO/Chairman stepping down. **Unilever** up 1.5% after earnings despite a weak guide. The company will explore options for their tea business. **Volvo** up 8% after strong earnings and raising their dividend.

## S&P TECHNICALS

**Levels:** Support 3,100/3,000; Resistance 3,350/3,400



**KEY EVENTS**

**Earnings After the Close:** AMZN, AMGN, AIV, ARCB, AJG, BZH, EPAY, CPT, CVCO, CE, CACC, DECK, EMN, EW, EA, NVST, FII, FICO, FLEX, HA, LEVI, LPLA, MATW, MTX, MITK, NFG, NATI, OTEX, POWI, PFPT, RMD, RHI, SIGI, SKYW, X, VRTX, V, WDC

**Tomorrow...** Core PCE at 8:30, Personal Spending at 8:30, Consumer Sentiment at 10:00

**Earnings:** Electrolux, BBVA, Caixabank, Ubisoft **and in the US...** ADNT, AON, BERY, BAH, BR, CAT, CHTR, CVX, CHD, CL, XOM, GNTX, HTH, HON, IDXX, ITW, IMO, JCI, KKR, LYB, MAN, PSX, PSXP, PFS, SBSI, VRTS, WY, WETF

**ANALYST ACTION/COMMENTS**

**Hess (HES)** upgraded to Buy at Scotiabank

**Apple (AAPL)** upgraded to Buy at DZ Bank

**Ruth's Hospitality (RUTH)** upgraded to Buy at RayJay

**Santander (SAN)** upgraded to Buy at Ray Jay

**Silicom (SILC)** upgraded to Buy at Needham

**Lam Research (LRCX)** upgraded to Positive at Susquehanna

**Stitch Fix (SFIX)** upgraded to Buy at DA Davidson

**Skyline (SKY)** downgraded to Hold at Jefferies

**Facebook (FB)** downgraded to Hold at Pivotal

**Arista Networks (ANET)** downgraded to Neutral at Barclays

**Expedia (EXPE)** downgraded to Neutral at Goldman

**I dex (IEX)** downgraded to Sell at Janney

**AT&T (T)** downgraded to Neutral at UBS

**Dow (DOW)** downgraded to Neutral at RBC

**Sprouts Farmers (SFM)** downgraded to Neutral at UBS

**CH Robinson (CHRW)** cut to Neutral at Suquehanna

**Madrigal (MDGL)** initiated Buy at Canaccord

**Ceridian (CDAY)** initiated Buy at Cowen, \$85 PT

**Xencor (XNCR)** initiated Buy at RBC Capital

**Tesla (TSLA)** PT to \$710 at Wedbush, long-term bull case is now \$1,000

**MEDIA HIGHLIGHTS**

**Apple (AAPL), Broadcom (AVGO)** ordered to pay \$1.1B over patent infringement - Law360

**Apple (AAPL)** TV could become the new home of NFL Sunday Ticket – The Athletic

**Unilever (UN)** Reviews Future of Lipton Tea – Bloomberg

**Diageo (DEO)** Lowers Sales Forecast on Slowdown in India, Travel Retail – Bloomberg

OPEC May Call Early Meeting as Virus Puts Oil Demand at Risk – Bloomberg

**Samsung** Expects Improvements in 2020 – Bloomberg

**Nike (NKE)** faces SEC probe over illicit payment claim from Avenatti - Bloomberg

**Jaguar Land Rover** CEO to Step Down in September- FT

**Pegatron** to further ramp up capacity in 2020 – Digitimes

**UPS** inks electric van deal with Arrival, to test **Waymo (GOOG)** automation – Reuters

**Blackstone's (BX)** Permian oil producer **Guidon** explores sale, could fetch \$2.5b – Reuters

Europe wants single data market to break U.S. tech giants' dominance (**FB, GOOG, AMZN**) – Reuters

**Japan Display** shares suspended after fresh report of Ichigo stake – Reuters

Chinese woman with fever on cruise ship, 6,000 blocked (**RCL, CCL, NCLH**) – ANSA

**STOCK SPECIFIC NEWS OF NOTE**

**AMN Health (AMN)** to acquire **Stratus Video** for \$475M

**I dex (IEX)** to Acquire **Flow Mgmt. Devices** for \$125M

**Facebook (FB)** announces \$10B increase to buyback

**United Rentals (URI)** announces \$500M buyback

**Sunrun (RUN)** to join S&P 600

**Core Laboratories (CLB)** chairman and CEO to retire

**Eli Lilly (LLY), Incyte (INCY)** announce results from Phase 3 BREEZE-AD5 study

**Altria Group (MO)** revises terms for investment in JUUL

**Kirby (KEX)** to acquire inland tank barge fleet of Savage for approx. \$278M

**PRE-MARKET MOVERS**

**Moving Higher:** TSLA 11.5%, LRCX 7%, NOW 6.5%

**Moving Lower:** CCL -7.5%

**INSIDER TRADING (Form 4 Filings)**

**Buying:** ZYME, DFS, ADAP

**Selling:** CTXS, QURE, SQ, PHR, REGN, JBL, CBOE, EPZM, AXNX, MU, PETQ

**POTENTIAL SYMPATHY TRADES**

**AAWW, ATSG, FDX** - on UPS earnings

**LH** - on DGX earnings

**PEP, MNST** - on KO earnings

**GPK, IP, WRK** - on PKG cutting guidance

**SQ** - on PYPL earnings

**OPTION HIGHLIGHTS (Prior Day)**

**Vicor (VICR)** shares coiled in a flag after a strong run and over 500 December \$50 ITM calls bought for \$12.50 to \$12.90. VICR has seen buyers in the February ITM \$40 calls on 1-17 and 1,000 April \$60 calls on 1-15. Shares pulled back to their rising 20-day MA this week, a rare pullback in the name that is up over 85% since October. VICR is back around the 2018 highs near \$60/\$65 with the 23.6% Fibonacci at \$49.25 near-term support to watch while the 50-day is below at \$45.50. The \$2.14B company trades 7.8X sales and 26X cash with accelerating profitability seeing \$1.45/share in earnings power by FY21, up from \$0.45 this year. They're guiding to mid-teens revenue growth as they benefit from an industry-wide shift to 48V power configurations. VICR designs and manufacturers modular power components for use in a number of end-markets from aerospace and industrial automation to telecom, networking, and test equipment. They see a big opportunity with energy efficient components for data center, AI processing, cloud and other high-intensity computing applications. They have some notable customers including Google (GOOG), Nvidia (NVDA). VICR sees an \$8B TAM as data centers undergo refreshes or new builds and exchange out legacy PDN racks. Analysts have an average target for shares of \$44.75 but limited coverage, four buy ratings. Needham raising their PT to \$57 on 1-7 expecting the launch of several advanced GPUs and AI accelerators to drive increasing adoption of 48V power management solutions for compute-intensive applications in the hyperscale data center and high performance computing markets in 2020. Craig Hallum with a Buy rating as well, positive on long-term topline growth and a 'blue sky' scenario of \$150/share. Short interest is 4%. Hedge fund ownership fell sharply in Q3 but a lightly held name overall and buyers in S-Squared and Apis Capital.

**AFTER HOURS MOVERS**

**Gainers:** TSLA 11.5%, QRVO 10%, RUN 8.9%, MTH 7%, NOW 6.8%, LRCX 6%, CRUS 6%, LLNW 5%

**Losers:** FB -7%, AZPN -6%, ALGN -5.7%, ILMN -5%, CREE -4%, HOLX -3%, PYPL -2.5%

**MARKET SENTIMENT / INTERNALS**

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.55	Curling Higher
CBOE Index Put/Call Ratio	1.59	Jumping Higher
CBOE Skew Index	127.02	Falling
VIX Curve	Contango	Normal
CNN Fear & Greed Index	62	Greed
NYMO	-33.8	Nearing Oversold
NYSE New Highs		
McClellan Summation	952.05	Below 8-EMA
Cumulative AD	194643	Below 8-EMA
VXV:VIX	1.10	Low
Lipper Fund Flows	\$69M	First Inflows of 2020
Univ. of Michigan Consumer Sentiment	99.1 (January)	+8.7% Y/Y

**SMART MONEY (13g/13d Filings)**

**IPO MONITOR**

**Reynolds Consumer (REYN)** issuing 47.2M shares at \$25-\$28; Consumer products company selling cooking, waste and storage, and tableware products

**1Life Health (ONEM)** issuing 17.5M shares at \$14-\$16; Developer of a membership-based primary care platform using digital and in-office healthcare

**SECONDARY MONITOR**

# TRADE

## WEEKLY TECHNICAL BREAKOUT

**AVY:**



**Avery Dennison (AVY)** forming a weekly bull flag into earnings under \$134.50 and above a big range breakout from October. A move higher targets \$145. Shares are back at the 20-day MA and cloud support with RSI and MACD both setting up well.

## FUNDAMENTAL TRADE OF THE WEEK

**Stock:** Gartner (IT)

**Price:** \$160.50

**Valuation:** Undervalued

**Key Ratios:**

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
<b>Stock</b>	<b>23.5X</b>	<b>3.66X</b>	<b>6.7X</b>	<b>21.6X</b>	<b>15X</b>
<b>Industry Avg.</b>	<b>21.4X</b>	<b>0.9X</b>	<b>4.7X</b>	<b>13.6X</b>	<b>15X</b>

**Analysis:** Gartner (IT) is a \$14.2B tech company that specializes in research and consulting on industry trends and data analytics. IT is seeing better revenue growth and high contract values as the importance of their data for CIO and other c-suite decision making grows. IT has been a subscription transition story with a number of legacy contracts shifting.

# IDEAS

## WEEKLY TECHNICAL BREAKDOWN

**LIVN:**



**Livanova (LIVN)** with a big weekly bear flag forming near support at \$69 and room back to \$64 initially but longer-term downside to \$55. Weekly MACD just crossed over bearish and RSI about to turn back under 40 and plenty of room before it's oversold.

## PAIR TRADE OF THE WEEK

**Industry:** Restaurants

**Long/Short:** Long **Texas Roadhouse (TXRH)**; Short **Jack in the Box (JACK)**

**Analysis:** TXRH is seeing better comps, especially vs the overall industry which is flat, while also executing on strong unit growth. JACK is a \$1.96B restaurant operator that trades rich with the company in the early stages of a turnaround. Comps fell in Q4 and facing tougher numbers in the 2H.

## SMALL CAP TRADE OF THE WEEK

**Unifirst (UNF)** is a \$3.95B apparel company that focuses on workplace uniforms and protective work wear. Shares trade 24.25X earnings and 2.25X sales with double-digit EPS growth. UNF is seeing better revenue growth and margin expansion as they get costs under control and see some inputs fall.

## DAILY OPTIONS REPORT

### Unusual Call Activity

### Unusual Put Activity

### Implied Volatility Riser

Penn National (PENN)

Santander (SC)

Lee Enterprises (ELE)

Clearwater (CLW)

Qurate (QRTEA)

Clovis (CLVS)

Vistra (VST)

Chemours (CC)

Clearwater (CLW)

Quest Diagnostics (DGX)

Ryder (R)

Intelsat (I)

Dynatrace (DT)

PPG Industries (PPG)

Fabrinet (FN)

Santander (SC)

Textron (TXT)

Penn National (PENN)

### Lowest Put/Call Ratio

### Highest Put/Call Ratio

### Implied Volatility Decliner

Evergy (EVRG)

CECO Environmental (CECE)

Novavax (NVAX)

Berry Global (BERY)

Webster (WBS)

Extreme Networks (EXTR)

Evoqua (AQUA)

Qurate (QRTEA)

Dynatrace (DT)

Ebix (EBIX)

Ryder (R)

Plug Power (PLUG)

Vistra (VST)

Qivi (QIWI)

Ebay (EBAY)

Xylem (XYL)

Chemours (CC)

Textron (TXT)

### OTM Calls on Offer

### OTM Puts on Offer

### Elevated IV30

Datadog (DDOG)

Ford Motor (F)

Cel-Sci (CVM)

Melco (MLCO)

Stamps.com (STMP)

Luckin (LK)

US Steel (X)

Nio (NIO)

Adverum (ADVM)

Nio (NIO)

Pinduoduo (PDD)

Alector (ALEC)

Smile Direct (SDC)

GE

Virgin Galactic (SPCE)

### Positive Net Delta

### Negative Net Delta

### Option Volume Gainers (%)

Apple (AAPL)

Ford Motor (F)

Quest Diagnostics (DGX)

GE

Bank of America (BAC)

Dynatrace (DT)

Fire-Eye (FEYE)

Beyond Meat (BYND)

Santander (SC)

Square (SQ)

Starbucks (SBUX)

PPG Industries (PPG)

Smile Direct (SDC)

Intelsat (I)

Textron (TXT)

### Bullish Call Flow

### Bearish Put Flow

### Large Spread Trades

AMD

Seagate (STX)

FIVE, 1,150 February \$114/\$110 put spreads

Marvell (MRVL)

Match (MTCH)

DISCA, 1000 July \$32.50/\$35 call spreads

Melco (MLCO)

Alibaba (BABA)

TSN, 1,000 February 7th (W) \$85/\$90 call spreads

GE

Sprouts (SFM)

CERN, June \$75/\$65 put spread bought 1,000X2,000

Biohaven (BHVN)

NetApp (NTAP)

MMM, 4000 March \$160/\$150 put spreads

## Extras

**JP Morgan (JPM)** midday sweep buys of 5000 September \$160 calls \$1.34 offer

**Tesla (TSLA)** afternoon buyers of 3500 July \$900 calls \$14.75 offer into earnings

**Fact-Set (FDS)** unusual 900 February \$300 calls bought \$1.10 to \$1.45 to open

**Steris (STE)** buyer of 500 February \$155 calls \$3 into earnings 2-10

**Cummins (CMI)** sweep buyer 370 September \$155 puts for \$8 offer, earnings 2-4

**Yeti (YETI)** afternoon buyer 720 July \$30 ITM calls to open \$8.70 offer

**Alteryx (AYX)** buyer 300 January \$160 puts \$34.70 offer to open

**Microchip (MCHP)** with 1,800 March \$105 calls bought yesterday for \$4.50 and follows buyers in mid-January in the June \$110 and \$120 calls, over 8,000 April \$115 calls, and the January ITM \$105 calls. Shares have pulled back just above the rising 50-day MA and the 50% retracement of the rally since November. MCHP is also back around the big weekly breakout level from December and name with a massive long-term target up to \$135. The \$24.21B company trades 16X earnings and 4.5X sales with a 1.45% yield. MCHP sees mid-teens EPS growth and revenues up 6% in both 2021 and 2022. MCHP raised their outlook on 1-7 seeing strength from all geographies and calling for a bottom to the cycle. They remain one of the more consistent names in the space with exposure to a number of mega-trends within tech. Short interest is 14.3%. Hedge fund ownership rose 4.8% in Q3. Point72 a notable buyer of shares and now near 1.4M shares. Analysts have an average target for shares of \$111 with 12 buy ratings and 5 hold. BAML raising to Buy on 1-10. The firm thinks MCHP is well positioned to benefit when demand returns given extremely lean channel inventory (2nd lowest level in 15 years) and diverse exposure to a number of secular megatrends as well as growth in defense spending where their exposure has increased significantly since its acquisition of MSCC last year. Keybank upgrading to Buy in October as they like MCHP's increasing diversity and long-term sustainable growth prospects in auto, industrial, defense & aerospace, and computing. MCHP will report on 2-4 and higher 3 of last 4.

## Earnings Preview

**Decker Outdoors (DECK)** will report earnings tonight after the close and a strong history higher eight of the last eleven and an average closing move of 7%. DECK has seen bullish flows lately with 400 February \$160 calls bought on 1-10 and 500 March \$175 calls bought on 1-7, smaller size but big dollar contracts. The Street is looking for \$6.55 on \$900.43M in sales while the FY is \$9.17/\$2.14B. 30-day IV is in the 77th percentile of its range and market implying an 8.25% move. The \$5B retailer trades 17.8X earnings, 2.4X sales, and 28.3X cash with high-single digit EPS growth. The company is hoping for a strong Holiday season from their UGG brand despite warmer weather and tough comps to last Winter which was unseasonably cold. But, DECK has consistently executed well against difficult comps and guidance has always been mildly conservative so potential for upside. Their HOKA brand is also an interesting emerging brand to watch. DECK has some exposure to Australia where they source sheepskin for their UGG brands, so on watch for supply chain issues from the fires. Analysts have an average target for shares of \$187. Pivotal raising their PT to \$207 on 1-27 seeing Q3 at the high end of guidance and believes sales and earnings upside seems likely for a variety of reasons. 1) The weather this year was less favorable than last but better than what was baked into the Deckers' outlook, 2) the

UGG brand performed better than what the weather might otherwise have dictated, 3) while the company's outlook reflects strong HOKA growth, the brand continues to gain momentum and performed better than expected in the quarter. They also note, "Separately, we suspect that DECK will raise its FY20 guidance, but by less than its 3Q20 beat, which is typical for the company. DECK will likely note warm weather through the first few weeks of January as a concern. That said, the company's current implied 4Q20 outlook already reflects y/y GM pressure, so we'd be surprised if DECK's 4Q20 guidance falls well below consensus." Citi upgrading to Buy on 1-24 with a \$230 PT. The firm thinks Hoka, Deckers' "fast growing" running brand, is on track to achieve over \$400M in revenue next year and represents "hidden value" within the current share price. Hoka could be valued at ~\$2.8B. They also think DECK is an attractive M&A target in retail for someone like PVH, VFC, or CPRI. Short interest is 6.6% and its lowest levels since 2010. Hedge fund ownership fell 13.85% in Q3.

### Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
ALGN	Align Tech	\$1.53	\$1.40	\$649.80	\$646.75	21.70%	FY Below
ALGT	Allegiant Travel	\$3.72	\$3.82	\$461.10	\$458.54	11.90%	FY In Line
AMP	Ameriprise Financial	\$4.20	\$4.25	\$3,287.00	\$3,046.26	3.40%	
ADM	Archer-Daniels	\$1.42	\$0.73	\$16,329.00	\$16,305.45	2.40%	
AZPN	Aspen Tech	\$0.66	\$0.80	\$124.73	\$135.46	-11.20%	FY In Line
AXS	AXIS Capital	\$0.08	\$0.18	\$786.15	\$741.78	4.40%	
CACI	CACI Intl	\$3.11	\$2.78	\$1,395.47	\$1,376.51	18.10%	
CLS	Celestica	\$0.18	\$0.15	\$1,491.70	\$1,474.26	-13.60%	
CMPR	Cimpress	\$6.81	\$2.24	\$820.33	\$840.82	-0.60%	
CRUS	Cirrus Logic	\$1.41	\$1.14	\$374.67	\$345.33	15.50%	FY Above
CNMD	CONMED	\$0.90	\$0.89	\$264.90	\$264.83	9.30%	FY Above
CLB	Core Labs	\$0.38	\$0.37	\$157.00	\$155.31	-9.40%	FY In Line
CREE	Cree	-\$0.10	-\$0.10	\$239.90	\$236.33	-14.50%	FY In Line
DLB	Dolby Labs	\$0.64	\$0.49	\$291.88	\$285.81	-3.50%	
FB	Facebook	\$2.56	\$2.58	\$21,082.00	\$20,897.21	24.60%	
FBHS	Fortune Brands	\$1.00	\$0.97	\$1,470.50	\$1,485.37	3.50%	FY In Line
HOLX	Hologic	\$0.61	\$0.61	\$850.50	\$849.40	2.40%	FY In Line
IEX	IDEX Corp	\$1.33	\$1.35	\$606.00	\$614.66	-1.30%	FY Below
ILMN	Illumina	\$1.70	\$1.58	\$953.00	\$950.16	9.90%	
KLIC	Kulicke & Soffa		\$0.17		\$139.96		
LRCX	Lam Research	\$4.01	\$3.14	\$2,583.50	\$2,509.30	19.30%	FY Above

LSTR	Landstar System	\$1.27	\$1.42	\$994.90	\$993.93	-15.80%	FY In Line
LVS	Las Vegas Sands	\$0.88	\$0.78	\$3,510.00	\$3,371.79	1.00%	
LM	Legg Mason	\$1.03	\$0.95	\$753.90	\$730.76	7.00%	
LLNW	Limelight Networks	\$0.05	\$0.05	\$60.13	\$58.79	36.70%	
MLNX	Mellanox Tech	\$2.31	\$1.70	\$380.00	\$333.35	31.00%	
MTH	Meritage	\$2.65	\$1.92	\$1,103.74	\$1,036.84	10.80%	
MEOH	Methanex	\$0.13	-\$0.04	\$659.00	\$666.88	-32.50%	
MSFT	Microsoft	\$1.51	\$1.27	\$36,906.00	\$35,683.27	13.70%	FY In Line
MAA	Mid-America Aptmt	\$1.68	\$1.64	\$416.82	\$417.43	4.70%	FY In Line
MDLZ	Mondelez Int'l	\$0.61	\$0.60	\$6,913.00	\$6,842.52	2.10%	
MUSA	Murphy USA	\$1.54	\$1.46	\$3,460.20	\$3,569.53	-1.20%	
EGOV	NIC Inc	\$0.15	\$0.16	\$87.10	\$85.26	10.70%	
PKG	Packaging Corp	\$1.71	\$1.70	\$1,720.00	\$1,701.59	-1.50%	FY Below
PYPL	PayPal	\$0.86	\$0.83	\$4,961.00	\$4,941.94	17.40%	
QRVO	Qorvo	\$1.86	\$1.35	\$869.10	\$852.62	4.40%	FY Above
SEIC	SEI Investments	\$0.84	\$0.85	\$423.23	\$421.50	4.50%	
NOW	ServiceNow	\$0.96	\$0.87	\$951.77	\$940.14	33.00%	
TSLA	Tesla	\$2.14	\$0.61	\$7,384.00	\$7,053.91	2.20%	
TTEK	Tetra Tech	\$0.84	\$0.77	\$614.02	\$615.07	11.00%	FY In Line
URI	United Rentals	\$5.60	\$5.31	\$2,456.00	\$2,408.48	6.50%	FY In Line
VAR	Varian Medical	\$1.16	\$1.20	\$828.90	\$829.36	11.90%	FY In Line

**CRUS – Beat on EPS and Revs** - "Cirrus Logic's revenue for the December quarter exceeded guidance as we experienced higher-than-anticipated volumes for certain components shipping into smartphones," said Jason Rhode, chief executive officer. "During the quarter, development activities across existing and new product categories progressed, and the company continued to execute on key strategic initiatives. With a compelling pipeline of products addressing audio, voice and other signal-processing applications, we believe Cirrus Logic is well positioned for long-term success."

**CREE – Beat on EPS and Revs** - "We continue to see growing momentum for silicon carbide as demonstrated by our robust opportunity pipeline and recent customer wins," said Cree CEO Gregg Lowe. "While we continue to navigate a challenging operating environment in the short-term, we continue to invest for the future to support several growth opportunities across multiple sectors."

**MDLZ – Beat on EPS and Revs** - "2019 was a major step forward for the company: Execution of our strategy, including investments in global and local brands, enabled us to deliver strong top-line performance and to meet or exceed all of our financial targets. We are increasingly confident that our incremental investments in brands and capabilities, emphasis on volume leverage and profit dollar



growth will create a virtuous cycle that consistently delivers attractive top- and bottom- line growth and sustained free cash flow generation," said Dirk Van de Put, Chairman and CEO

**FBHS – Beat on EPS and Missed on Sales** - "Our teams delivered sales and profit growth despite continued market and tariff headwinds," said Fink. "We believe there will be a better home products market in 2020. We have put in place a prudent plan to generate solid EPS growth in 2020 and could have upside to that plan should U.S. new construction growth exceed expectations, or we generate meaningful additional share gains from the current effects of anti-dumping and countervailing duties on Chinese cabinet imports."

**ADM – Beat on EPS and Missed on Revs** - "Looking ahead, we're excited about the opportunities we see in 2020 and beyond. Our industry-leading array of products and solutions from nature is helping us give our customers an edge in meeting global demand in fast-growing consumer trend areas - from alternative proteins, to foods and beverages that enhance health, to unique products for pets. We expect market conditions to improve as the year progresses, particularly as impacts from the U.S.-China Phase 1 trade deal take hold. More importantly, another year of expected 20-plus percent growth in Nutrition profitability, combined with our work to improve business performance, advance Readiness, and harvest our growth investments, give us confidence in strong results in 2020 and the years to come."

**PYPL – Beat on EPS and Revs** - "PayPal delivered strong results in 2019, achieving many records including revenue, net income and operating margin performance. We added 37.3 million net new active accounts, bringing total active accounts to 305 million, up 14% year over year. In Q4 alone, we processed nearly \$200 billion of TPV and engagement grew 10% to 40.6 transactions per active account. We strengthened our value proposition for consumers and merchants, expanded our international scope and scale, and announced transformative strategic acquisitions, investments and commercial partnerships," said Dan Schulman, President and CEO of PayPal

**MTH – Beat on EPS and Revs** - We delivered another quarter of strong results in the fourth quarter, capping off a solid performance for the full year 2019. The housing market remained strong through a traditionally quiet quarter, and with our strategic shift to entry-level fully implemented, Meritage was well positioned to capitalize on healthy demand, growing our sales volume, improving profitability and strengthening our balance sheet, while also positioning the company for long-term growth," said Steven J. Hilton, chairman and chief executive officer of Meritage Homes. "Our fourth quarter results continued the momentum we had achieved over the prior three quarters, producing the strongest quarterly year-over-year growth in orders all year; the highest home closing gross margin, which was very close to our underwriting target; the most efficient overhead leverage; and nearly a 40% increase in diluted earnings per share.

**ALGN – Beat on EPS and Revs** - "Our fourth quarter was a strong finish to a great year with record revenues and volumes. Q4'19 Invisalign shipments increased 23.9% year-over-year and marked another major milestone with our 8 millionth Invisalign patient who started treatment in December. Q4'19 iTero scanner and services revenues increased 20.2% year-over-year with strong growth especially from international doctors. For the full year, revenues of \$2.4 billion reflect record revenues and volumes for both Invisalign clear aligners and iTero scanners. During the year, over 1.5 million people started treatment with Invisalign clear aligners, including 447 thousand teens and younger patients which increased 34.1%." **China is one of our largest country markets and represents roughly 8% of our total revenues. The situation in China is very fluid and we are closely monitoring it.**

**PKG – Cutting Q1 Guidance** - In our Packaging segment we expect lower prices as the remaining impact of the published domestic containerboard price decreases from last year work through our system as well as the negative impact from the recent January decreases in the published prices for linerboard and medium. We also expect lower export prices. Containerboard volumes will be lower due to scheduled outages at our three largest mills during the quarter, but we do expect higher corrugated products shipments. In our Paper segment, volumes will be lower due to the better than expected levels in the fourth quarter as well as the scheduled outage we have at our Jackson Mill. Scheduled outage costs will be significantly higher with four scheduled in the first quarter versus just one in the fourth quarter of 2019. Freight costs will be higher due to rail rate increases in certain areas and scheduled outage-related increases. Labor and benefits costs will be higher with annual wage increases and other timing-related expenses. There will be inflation with purchased electricity and most of our chemical and repair and materials costs, while seasonally colder weather will increase energy and wood costs.

**FB – Missed on EPS and Beat on Revs** - Facebook daily active users (DAUs) -- DAUs were 1.66 billion on average for December 2019, an increase of 9% year-over-year. Facebook monthly active users (MAUs) -- MAUs were 2.50 billion as of December 31, 2019, an increase of 8% year-over-year. Family daily active people (DAP) -- DAP was 2.26 billion on average for December 2019, an increase of 11% year-over-year. Family monthly active people (MAP) -- MAP was 2.89 billion as of December 31, 2019, an increase of 9% year-over-year. Sees Q1 rev growth deceleration in the low to mid digits % from 25% vs. +23.4% consensus. See revenue headwinds from targeting and measurement: GDPR/CCPA, mobile browser product changes and privacy changes on Fb. Q4 ad rev growth is higher overseas; ad revenue up 24% in Europe and 22% in US/Canada. Ad impressions grew 31% with price per ad down 5%.

**MSFT – Beat on EPS and Revs** - Revenue in Productivity and Business Processes was \$11.8 billion and increased 17% (up 19% in constant currency), with the following business highlights: Office Commercial products and cloud services revenue increased 16% (up 18% in constant currency) driven by Office 365 Commercial revenue growth of 27% (up 30% in constant currency). Office Consumer products and cloud services revenue increased 19% (up 20% in constant currency) with continued growth in Office 365 Consumer subscribers to 37.2 million. LinkedIn revenue increased 24% (up 26% in constant currency). Dynamics products and cloud services revenue increased 12% (up 15% in constant currency) driven by Dynamics 365 revenue growth of 42% (up 45% in constant currency). Revenue in Intelligent Cloud was \$11.9 billion and increased 27% (up 28% in constant currency), with the following business highlights: Server products and cloud services revenue increased 30% (up 32% in constant currency) driven by Azure revenue growth of 62% (up 64% in constant currency). Enterprise Services revenue increased 6% (up 7% in constant currency)

**Samsung** - "Fourth quarter profit dropped from a year earlier due to the continued fall in memory chip prices and weakness in display panels," the company said. "Improving demand for memory used in servers and mobile products, as well as solid sales of flagship smartphones, helped ease the decline in overall earnings. The Memory Business reported a year-on-year decline in profit as DRAM prices continued its downward trend despite rising shipments. However, earnings increased from the previous quarter, underpinned by increasing demand from data centers and other major applications as well as cost reduction. The logic chip business posted a YoY profit growth on demand for high-resolution image sensors and HPC (high performance computing) chips. The Display Panel Business suffered weak demand for some premium mobile screens and saw widened losses from the large panel business. Quarterly earnings improved significantly for the Mobile Business in annual terms, thanks to solid sales of flagship Galaxy smartphones and lineup changes to improve profitability for mass-market models.

Profit fell from the previous quarter, however, due to the fading effect from a new flagship product launch."

### Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
FLWS	1-800-FLOWERS	\$1.12	\$1.08	\$605.60	\$611.01	6.00%	
ALXN	Alexion Pharma	\$2.71	\$2.46	\$1,384.30	\$1,317.06	22.70%	
ADS	Alliance Data	\$4.12	\$4.17	\$1,461.00	\$1,491.82	-0.20%	
MO	Altria	\$1.02	\$1.02	\$4,802.00	\$4,885.16	0.30%	
ABC	AmerisourceBergen	\$1.76	\$1.67	\$47,864.74	\$47,843.99	5.40%	FY Above
APO	Apollo Global	\$0.59	\$0.70		\$419.42		
APTIV	Aptiv	\$1.15	\$1.02	\$3,596.00	\$3,539.86	-1.10%	FY Below
AXTA	Axalta Coating Systems	\$0.42	\$0.43	\$1,098.40	\$1,126.21	-5.80%	
BIIB	Biogen	\$8.34	\$7.90	\$3,671.00	\$3,512.66	4.10%	FY In Line
BX	Blackstone	\$0.71	\$0.66	\$2,091.50	\$1,553.38	314.20%	FY In Line
BGG	Briggs & Stratton	-\$0.20	-\$0.13	\$437.90	\$458.87	-13.40%	FY In Line
BC	Brunswick	\$0.82	\$0.75	\$917.60	\$905.55	-26.50%	FY In Line
CRS	Carpenter Tech		\$0.87		\$575.83		
CMS	CMS Energy	\$0.68	\$0.64	\$1,795.00	\$1,932.41	-1.90%	
CNXM	CNX Midstream	\$0.76	\$0.53	\$81.50	\$73.90	15.10%	
CNX	CNX Resources	-\$1.45	-\$0.02	\$508.99	\$386.35	16.90%	
KO	Coca-Cola	\$0.44	\$0.44	\$9,100.00	\$8,877.69	28.20%	
CTVA	Corteva	\$0.07	-\$0.12	\$2,983.00	\$2,908.48	6.00%	
CFR	Cullen/Frost		\$1.57		\$360.12		
DHR	Danaher	\$1.28	\$1.25	\$4,868.40	\$4,797.83	5.70%	
DOV	Dover	\$1.54	\$1.45	\$1,776.00	\$1,799.69	-1.80%	
DD	DuPont	\$0.95	\$0.95	\$5,204.00	\$5,235.60	-4.60%	FY Below
LLY	Eli Lilly	\$1.73	\$1.52	\$6,114.00	\$5,923.01	8.40%	
EPD	Enterprise Products	\$0.50	\$0.54	\$8,005.30	\$8,575.56	-12.80%	
BEN	Franklin Resources		\$0.67		\$1,430.07		
GWW	Grainger		\$4.04		\$2,851.69		
HSY	Hershey Foods	\$1.28	\$1.24	\$2,068.13	\$2,063.93	4.00%	FY In Line
IP	Int'l Paper	\$1.09	\$1.03	\$5,498.00	\$5,602.82	-7.60%	

KIM	Kimco Realty	\$0.37	\$0.37	\$291.80	\$280.45	3.50%	
KEX	Kirby	\$0.58	\$0.59	\$655.90	\$651.81	-9.10%	FY Below
LAZ	Lazard	\$0.91	\$0.82	\$721.34	\$685.22	5.00%	
MMP	Magellan Midstream		\$1.16		\$840.57		
MMC	Marsh McLennan	\$1.19	\$1.18	\$4,264.00	\$4,336.70	14.90%	
MDC	MDC Holdings	\$1.42	\$1.27	\$1,074.90	\$1,069.32	25.20%	
MTOR	Meritor	\$0.64	\$0.57	\$901.00	\$919.38	-13.20%	FY Below
MIXT	MiX Telematics	\$0.10	\$0.11	\$536.60	\$527.90	4.30%	
MNRO	Monro Muffler	\$0.60	\$0.61	\$329.30	\$338.04	6.20%	FY Below
MSCI	MSCI	\$1.67	\$1.59	\$406.61	\$398.15	12.40%	
MUR	Murphy Oil	\$0.16	\$0.17	\$757.00	\$759.75	9.40%	
NTCT	NetScout Systems	\$0.73	\$0.58	\$260.02	\$249.85	5.70%	
NOC	Northrop Grumman	\$5.61	\$4.72	\$8,721.00	\$8,843.17	6.90%	FY In Line
PH	Parker-Hannifin	\$2.54	\$2.27	\$3,497.97	\$3,450.13	0.70%	FY In Line
DGX	Quest Diagnostics	\$1.67	\$1.60	\$1,926.00	\$1,918.10	4.70%	FY In Line
RTN	Raytheon	\$3.16	\$3.11	\$7,842.00	\$7,999.42	6.50%	
RFP	Resolute Forest	-\$0.59	-\$0.32	\$668.00	\$704.00	-28.30%	
ROP	Roper	\$3.39	\$3.34	\$1,400.00	\$1,395.48	1.60%	FY Below
RDS.A	Royal Dutch Shell	\$0.37	\$0.38	\$84,006.00	\$79,500.00	-17.80%	
SHW	Sherwin-Williams	\$4.27	\$4.38	\$4,114.40	\$4,190.48	1.20%	FY In Line
SPB	Spectrum Brands	\$0.20	\$0.33	\$871.50	\$900.21	-1.00%	
SF	Stifel Financial	\$1.88	\$1.61	\$944.30	\$857.35	19.00%	
TMO	Thermo Fisher	\$3.55	\$3.52	\$6,830.00	\$6,778.89	5.00%	
TSCO	Tractor Supply		\$1.23		\$2,246.25		
TFC	Truist	\$1.12	\$1.01		\$3,546.50		
UPS	UPS	\$2.11	\$2.11	\$20,568.00	\$20,661.44	3.60%	FY In Line
VLO	Valero Energy	\$2.13	\$1.61	\$27,879.00	\$26,388.96	-3.00%	
VLY	Valley National		\$0.23		\$264.98		
VZ	Verizon	\$1.13	\$1.15	\$34,775.00	\$34,623.62	1.40%	FY Above
WEC	WEC Energy Group	\$0.77	\$0.72	\$1,947.50	\$2,197.48	-6.20%	
WCC	Wesco	\$1.32	\$1.34	\$2,099.00	\$2,105.12	4.40%	
WRK	WestRock	\$0.58	\$0.59	\$4,423.70	\$4,379.67	2.20%	
WRLD	World Acceptance	\$0.29	\$0.48	\$147.10	\$152.64	6.90%	
XEL	Xcel Energy	\$0.56	\$0.51	\$2,798.00	\$3,040.33	-2.80%	

