

## TOP STORIES

- Global Markets Drop as Coronavirus Keeps Investors On Edge
- US Warns Citizens Against Travel to China
- China Imports of US Soybeans Surged in December
- Trump Acquittal Could Come As Soon As Today

## INDEX FUTURES

Futures	Change	Fair Value
<b>S&amp;P 500</b>	<b>3272.5 (-17.25)</b>	<b>-9.86</b>
<b>Nasdaq</b>	<b>9164 (-52.25)</b>	<b>20.91</b>
<b>Dow</b>	<b>28654 (-137)</b>	<b>-151.44</b>

## GLOBAL INDICES

INDEX	CLOSE	CHANGE
<b>FTSE</b>	<b>7314.24</b>	<b>-0.92%</b>
<b>DAX</b>	<b>13095.16</b>	<b>-0.47%</b>
<b>Nikkei</b>	<b>23205.18</b>	<b>0.99%</b>
<b>Hang Seng</b>	<b>26312.63</b>	<b>-0.52%</b>

## ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
<b>8:30</b>	<b>Personal Income</b>	<b>0.3%</b>
<b>8:30</b>	<b>Employment Cost</b>	<b>0.7%</b>
<b>9:45</b>	<b>Chicago PMI</b>	<b>48.5</b>
<b>10:00</b>	<b>Consumer Sentiment</b>	<b>99.1</b>

## FOREX

<b>EUR/USD</b>	<b>1.1035 (0.05%)</b>
<b>USD/JPY</b>	<b>108.91 (-0.04%)</b>
<b>USD/CAD</b>	<b>1.3233 (0.19%)</b>
<b>GBP/USD</b>	<b>1.312 (0.21%)</b>

## COMMODITY

<b>Oil</b>	<b>52.36 (0.42%)</b>
<b>Natural Gas</b>	<b>1.833 (0.22%)</b>
<b>Gold</b>	<b>1585.1 (-0.26%)</b>
<b>Copper</b>	<b>2.527 (0.12%)</b>

## VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
<b>S&amp;P</b>	<b>VIX</b>	<b>16.31 (-0.49%)</b>
<b>Nasdaq</b>	<b>VXN</b>	<b>19.53 (-0.20%)</b>
<b>Oil</b>	<b>OVX</b>	<b>38.39 (7.44%)</b>
<b>Gold</b>	<b>GVZ</b>	<b>12.18 (0.75%)</b>

## MARKET OUTLOOK

Futures are indicating a weak open for the morning without a lot of notable news. The coronavirus continues to weigh with the US now recommending a full travel ban to China. The US joins a number of other countries that have restricted activity with the country while more companies continue to close temporarily. This comes on the heels of the WHO declaring a global health emergency. Elsewhere, a whole lot of economic data this morning (see below) with nothing surprising out of China while Japan industrial data was better than expected. It's Brexit Day (really) with the UK officially out of the bloc at 6pm EST.

Asian markets were quiet overnight with mainland China re-opening on Monday for the first time in over a week. The Nikkei closed green but still had its worst week in six months as the coronavirus weighed. **Fujitsu** higher by 12% after raising their outlook and announced a buyback. 5G-related play **Anritsu** up 8% on a strong outlook. **Nintendo** down 3.55% and to the rising 200-MA on earnings.

European markets are weak again reversing into the red this morning despite opening higher. Some Spanish banks in focus this morning with **Caixabank** up 3.5% on earnings while **Sabadell** down 10%. **Electrolux** the only notable report today. Shares are down 4.5% after warning on the impact from the coronavirus on sourcing. Healthcare company **Novacyt** up 25% after launching a coronavirus test.

Finally, turning to **economic data** for the morning, it was a busy day to end the week. China manufacturing PMI was in line at 50.0 vs 50.0 while non-manufacturing PMI was higher at 54.1. Composite PMI fell a bit to 53.0 vs 53.4. Eurozone CPI fell a bit to 1.1% vs 1.2%. GDP was also down a bit to 1.0% vs 1.1%. German retail sales were weak at -3.3% vs -0.5% forecast. UK mortgage approvals rose in December while lending also higher.

## S&P TECHNICALS

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



2921 Advancing	Declining 4501
37.3%	57.5%
334 New High	New Low 251
57.1%	42.9%
4104 Above SMA50	Below 3620
53.1%	46.9%
4914 Above SMA200	Below 2810
63.6%	36.4%

**KEY EVENTS**

**Economic Data on Monday:** Iowa Caucus, Construction Spending, Auto Sales, ISM Manufacturing, EU Manufacturing PMI

**Earnings in focus:** ABG, ACM, CHKP, ON, SYI; **After the Close:** BECN, CBT, FN, GOOGL, HIG, HXL, LEG, NXPI, PAHC, SAIL, VVV, WWD

**ANALYST ACTION/COMMENTS**

**Huntington (HBAN)** upgraded to Neutral at BMO

**Altria (MO)** upgraded to Buy at Piper Sandler

**Franklin (BEN)** upgraded to Neutral at Keefe

**Corteva (CTVA)** upgraded to Neutral at JP Morgan

**Deckers (DECK)** upgraded to Buy at Jefferies

**Arena (ARNA), United Therapeutics (UTHR)** upgraded to Buy at JP Morgan

**Deutsche Bank (DB)** upgraded to Hold at SocGen

**Resolute Forest (RFP)** upgraded to Buy at RBC Capital

**PayPal (PYPL)** upgraded to Buy at Guggenheim

**Tractor Supply (TSCO)** upgraded to Buy at BAML

**Western Digital (WDC)** upgraded to Hold at Benchmark

**Penn National (PENN)** downgraded to Hold at Deutsche Bank, \$32 PT

**Kirby (KEX)** downgraded to Hold at Jefferies

**Clarivate (CCC)** downgraded to Neutral at B Riley

**O Reilly (ORLY)** downgraded to Neutral at JP Morgan

**Nucor (NUE)** downgraded to Neutral at Goldman

**Texas Roadhouse (TXRH)** downgraded to Hold at Baird

**Amgen (AMGN)** downgraded to Sell at Baird

**Vertex (VRTX)** downgraded to Neutral at Baird

**WWE** downgraded to Hold at Loop Capital

**ResMed (RMD)** downgraded to Neutral at UBS

**Sherwin Williams (SHW)** cut to Hold at Wells Fargo

**Beazer (BZH)** downgraded to Neutral at Wedbush

**Global Blood (GBT)** downgraded to Hold at Sun Trust

**Uber (UBER)** initiated Buy at JP Morgan, \$51 PT

**MEDIA HIGHLIGHTS**

China's December soybean imports from U.S. soar – Reuters

**EssilorLuxottica's** GrandVision bid faces full-scale EU probe - Reuters

Dating apps under investigation for allowing minors, sex offenders (**MTCH**) – AP

**Nippon Steel** to cut 10% of crude steel capacity - Nikkei

FTC Commissioner: Antitrust Enforcement Isn't Answer to Tech Privacy Concerns – WSJ

**SoftBank** leads latest **Alto Pharmacy** funding round at over \$1 billion valuation – Reuters

Billionaire Lawrence Stroll has agreed to buy up to 20% of **Aston Martin** – Reuters

**SK Hynix** to make deep capex cut; virus spread may threaten chip output – Reuters

**Apple (AAPL)** supplier **Japan Display** gets \$920M bailout from **Ichigo** – Reuters

**Investnet (ENV)** Could Become a Private Company After Founder's Death – Barron's

**Marathon Petroleum (MPC)** Explores Sale of Speedway Division – Bloomberg

**Hilton Grand (HGV)** auction now in doubt – NY Post

**STOCK SPECIFIC NEWS OF NOTE**

**ResMed (RMD)** agreed to acquire SnapWorx

**IBM** names Arvind Krishna as CEO

**WWE** names Frank Riddick as interim CFO, co-Presidents Barris, Wilson step down

**U.S. Steel (X)** cuts dividend

**Volkswagen** offers to acquire all of **Navistar (NAV)** for \$35 per share in cash

**HC2 Holdings (HCHC)** to sell **Global Marine Group** for \$250M cash

**Alnylam (ALNY)** positive CHMP opinion for GIVLAARI

**American Air (AAL)**, TWU-IAM Association reach tentative collective bargaining agreement

**Adient (ADNT)** to sell 30% stake in YFAI to Yanfeng for \$379M cash

**Cott Corp. (COT)** to sell S&D Coffee and Tea to Westrock Coffee for \$405M

**PRE-MARKET MOVERS**

**Moving Higher:** NNVC 45%, AMZN 9.8%, WDC 4.7%, IBM 3.8%

**Moving Lower:** MT -3%, V -2.7%, RIO -2%, BP -2%

**INSIDER TRADING (Form 4 Filings)**

**Buying:** FCX, TRN, APLT, ZYME

**Selling:** GLPI, SNX, AZPN, DDOG, PLMR, TPTX, QURE, CARG, NEM, CTSH, MRNA

**POTENTIAL SYMPATHY TRADES**

**STX, MU** – on WDC earnings

**ATVI, TTWO** – on EA earnings

**MA, DFS, SYF, COF** – on V earnings

**BX, APO** – on KKR earnings

**OPTION HIGHLIGHTS (Prior Day)**

Quidel (QDEL) with buyers of 400 March \$75 calls this afternoon for \$7.50 to \$7.60 and follows some adjustments recently that bought 1,300 March \$65 calls for \$1.6M and 1,000 March \$60 calls for \$1.59M. Shares pulled back recently to December value-area and bouncing back near 52-week highs despite some overall market weakness. QDEL shares moved out of a wide weekly range in early January above \$75 that measures up to \$100. The \$3.45B diagnostics company trades 26.15X earnings and 6.7X sales with low-double digit EPS growth and revenues poised to accelerate 4%+ annually. QDEL provides testing solutions for infectious diseases, cardiology, women's health, toxicology and a vast number of general health conditions. The company could see a boost with a run in testing as the coronavirus spreads as well. QDEL sets up well in the Point-of-Care testing market which is benefiting from a secular shift towards more quick-service healthcare like expanded urgent care, pharmacies, retail clinics, and more. They have a deep pipeline with over 30 FDA approvals since 2011 and their Savannah platform a big potential launch in the next 12-18 months in the high-growth molecular diagnostic segment. Short interest is 4.6% and near multi-year lows. Hedge fund ownership fell 7% in Q3. Analysts have an average target for shares of \$75.25. Canaccord raising their PT to \$75 in November noting that 2020 is a big new product launch year but that 2021 will be even bigger. The firm is positive on how QDEL plans to leverage its large installed base of Sofia analyzers and continue to roll out new assays with the expected rollout of Savannah in 2021 poised to mark another inflection for the company.

**AFTER HOURS MOVERS**

**Gainers:** NAV 51%, FLEX 10%, AMZN 9.9%, WDC 6%, VRTX 5.9%, X 5%, IBM 4.6%

**Losers:** WWE -23%, EA -3%, AMGN -2.5%, V -2.4%

**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
Stock	23.5X	3.66X	6.7X	21.6X	15X
Industry Avg.	21.4X	0.9X	4.7X	13.6X	15X

**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)

Wex (WEX)

Sprint (S)

Bank of Montreal (BMO)

Penn National (PENN)

Intelsat (I)

Cameco (CCJ)

Kirby (KEX)

Kirby (KEX)

Skyline (SKY)

CarGurus (CARG)

Himax (HIMX)

Technip (FTI)

Jabil (JBL)

Sangamo (SGMO)

Ehealth (EHTH)

Adient (ADNT)

Amarin (AMRN)

## Lowest Put/Call Ratio

## Highest Put/Call Ratio

## Implied Volatility Decliner

Nymox (NYMX)

Caleres (CAL)

Stage Stores (SSI)

America Movil (AMX)

Hub Group (HUBG)

Instructure (INST)

Sorrento (SRNE)

Anika (ANIK)

Mallinckrodt (MNK)

Amyris (AMRS)

Rogers (RCI)

Cree (CREE)

AudioCodes (AUDC)

Tenaris (TS)

Cirrus (CRUS)

Sangamo (SGMO)

Kirby (KEX)

Service Now (NOW)

## OTM Calls on Offer

## OTM Puts on Offer

## Elevated IV30

Sangamo (SGMO)

Rio Tinto (RIO)

Cel-Sci (CVM)

Technip (FTI)

Murphy (MUR)

Luckin (LK)

Freeport (FCX)

Barrick (GOLD)

Adverum (ADVM)

Exelixis (EXEL)

Nektar (NKTR)

Alector (ALEC)

Schlumberger (SLB)

Freeport (FCX)

Virgin Galactic (SPCE)

## Positive Net Delta

## Negative Net Delta

## Option Volume Gainers (%)

Microsoft (MSFT)

Nio (NIO)

CarGurus (CARG)

Luckin (LK)

Tesla (TSLA)

Jabil (JBL)

Ford Motor (F)

AT&T (T)

Adient (ADNT)

Alerian (AMLP)

Alibaba (BABA)

Penn National (PENN)

Mosaic (MOS)

GE

Bank of Montreal (BMO)

## Bullish Call Flow

## Bearish Put Flow

## Large Spread Trades

Rio Tinto (RIO)

Alibaba (BABA)

ERI, 1,000 March \$55/\$50 put spreads

Schwab (SCHW)

Synovous (SNV)

SKY, 950 March \$32/\$38 call spreads

Norfolk Southern (NSC)

Diodes (DIOD)

DE, 600 June \$170/\$180 call spreads

Generac (GNRC)

Bed Bath (BBBY)

NTNX, 500 March \$30/\$35 call spreads

TransUnion (TRU)

Colfax (CFX)

SNAP, 5,000 February 14th (W) \$20/\$21.5 call spreads

## Extras

**WestRock (WRK)** hammering today after reporting and late action selling 2,950 March \$37.5 puts to open \$0.70

**Shell (RDS.A)** with 2,400 July \$55 calls bought \$1.05 to \$1.10 today as the \$60 calls adjust back into weakness

**Home Depot (HD)** into the close with 400 Feb. 14th (W) \$232.5 calls being bought \$3.70 offer, earlier buys \$3.90 to \$4, total up to 1500X

**Peloton (PTON)** late day buyers of 2,750 February 7th (W) \$35 calls from \$1.15 to \$1.20 ahead of 2-5 earnings

**Gilead (GILD)** with 2,500 February \$62.50 calls bought up to \$2.60 today, adjusting back some March calls into earnings on 2-4

**Martin Marietta (MLM)** late day buyers of 1000 February \$280 calls for \$2.55 to \$2.70

**Micron (MU)** buyer of 11,000 April \$55 calls to open \$3.94

**Dow Chemical (DOW)** with 1350 January \$42.5 puts sold to open \$3.30

**Best Buy (BBY)** with 500 September \$90 calls opening \$7.30 as March \$87.5 adjusted

**Dollar General (DG)** late day buyer 440 June \$170 calls \$4 offer

**Google (GOOG)** with 1440 March \$1550 calls sold to open \$15.80 to \$15.40 late day into the close

**PagSeguro (PAGS)** with 2,000 March \$35 calls bought yesterday for \$2.15 to open in a stock replacement. PAGS has seen buyers in the February \$35 calls and Feb. \$37.50 calls and shares back around a level popular with put sales between the June \$35 strike and Jan. \$35 strike, the latter over \$900k. PAGS has pulled back from 52-week highs near \$55 and forming a multi-month base under \$38/\$39 which measures up to \$47.50 and a high-volume node from September. A run back above the 200-day at \$38 can also shift sentiment after hitting the 61.8% Fibonacci retracement. The \$11.51B company trades 24.29X earnings and 9X sales with 25%+ EPS growth and 26% revenue growth. PAGS was a hot name to start 2019 that has faded a bit as growth expectations got ahead of itself but remains positioned well in an explosive long-term micro-merchant payments market. A key development late in 2019 was the emergence of PagBank which launched in Q2 as a provider of consumer-focused financial tech solutions like digital bank transfers, high-yield savings accounts, online loans and prepaid and cash debit cards. The service has quickly gained momentum with active users topping 1.9M and the company sees the business generating 30% of revenues from it within 3-5 years. Engagement has been strong with an 70% growth in bill payments and 52% increase in TPV from prepaid cards. It also creates better retention and engagement between users and huge TAM with the low-income population largely underserved in Brazil by big banks. According to the company, nearly 68M people in Brazil are without a bank account and they believe they are less than 1% penetrated currently. PAGS has been investing heavily in the launch and product which has weighed on margins but gaining significant share and now nearly 40% of their sign-ups have evolved into using at least three products from the company. The higher engagement and stickier product will help monetization efforts in late 2020 and early 2021 and better revenue diversification. PAGS foresees monetization from wire transfers, bill payments, and mobile top-ups in the near-future. Analysts have an average target for shares of \$44 with 7 buy ratings and 2 hold. Cantor with a \$46 PT noting that while the company is going through some growing pains it



has the right products in the right market at the right time. Keybank with a \$45 PT and the analyst saying he expects focus to shift to long-term seller growth, momentum with PagBank and the associated investment profile. Short interest is 5.4% and up from around 3.5% in October. Hedge fund ownership fell 17.85% in Q3, Winslow Capital a big seller of 3.5M shares. Polar Capital, Alta Park, Castle Hook and Compass Group notable buyers while Samlyn Capital a top holder.

### Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
AMZN	Amazon	\$6.47	\$3.98	\$87,437.00	\$86,085.64	20.80%	Q1 Above
AMGN	Amgen	\$3.64	\$3.41	\$6,197.00	\$6,035.56	-0.50%	FY Below
ARCB	ArcBest	\$0.56	\$0.45	\$717.40	\$721.85	-7.30%	
AJG	Arthur J. Gallagher	\$0.67	\$0.52	\$1,683.60	\$1,733.52	3.70%	
BZH	Beazer Homes	\$0.09	\$0.08	\$417.80	\$409.30	3.90%	
EPAY	Bottomline Tech	\$0.33	\$0.32	\$111.69	\$109.05	6.50%	
CVCO	Cavco Industries	\$2.25	\$2.02	\$273.70	\$262.34	17.10%	
CE	Celanese	\$1.99	\$2.12	\$1,432.00	\$1,521.65	-15.20%	
CACC	Credit Acceptance Corp.	\$9.22	\$8.91	\$385.90	\$385.34	12.60%	
DECK	Deckers Outdoor	\$7.14	\$6.57	\$938.74	\$900.43	7.40%	
EMN	Eastman Chemical		\$1.33		\$2,195.01		
EW	Edwards Lifesciences	\$1.46	\$1.42	\$1,174.10	\$1,146.12	20.10%	FY In Line
EA	Electronic Arts	\$1.18	\$0.91	\$1,978.00	\$1,952.26	22.90%	Q4 Above
NVST	Envista	\$0.52	\$0.49	\$720.50	\$729.38	-5.10%	
FII	Fed Investors	\$0.81	\$0.68	\$358.02	\$341.89	16.50%	
FICO	FICO	\$1.80	\$1.86	\$298.50	\$287.53	13.80%	
FLEX	Flex	\$0.38	\$0.34	\$6,461.39	\$6,145.34	-6.70%	
HA	Hawaiian Holdings	\$0.99	\$0.77	\$708.13	\$719.51	1.50%	
HAYN	Haynes Intl	\$0.26	\$0.26	\$108.45	\$123.54	1.30%	
HTH	Hilltop Holdings		\$0.38		\$360.49		
LEVI	Levi Strauss	\$0.26	\$0.21	\$1,569.00	\$1,569.02	-1.40%	FY Above
LPLA	LPL Financial	\$1.68	\$1.59	\$1,447.90	\$1,441.91	9.90%	
MATW	Matthews	\$0.47	\$0.45	\$365.00	\$357.52	-2.40%	
MITK	Mitek Systems	\$0.12	\$0.07	\$22.07	\$21.45	24.80%	
NFG	National Fuel Gas		\$0.98		\$534.85		
NATI	Natl Instruments	\$0.56	\$0.50	\$367.47	\$357.87	2.10%	

OTEX	Open Text	\$0.84	\$0.79	\$771.56	\$754.01	4.90%	
POWI	Power Integrations	\$0.82	\$0.78	\$114.46	\$114.24	22.70%	
PFPT	Proofpoint	\$0.52	\$0.47	\$243.40	\$239.11	22.60%	FY Below
RMD	ResMed	\$1.21	\$1.03	\$736.20	\$723.08	13.10%	
RHI	Robert Half	\$0.98	\$0.97	\$1,537.38	\$1,539.43	3.80%	
SIGI	Selective Insurance	\$1.37	\$1.10	\$728.90	\$722.70	13.40%	
SKYW	SkyWest	\$1.43	\$1.41	\$743.59	\$737.39	-7.50%	
X	U.S. Steel		-\$1.15		\$2,767.39		
VRTX	Vertex Pharma	\$1.70	\$1.08	\$1,413.27	\$1,011.57	62.40%	FY Above
V	Visa	\$1.46	\$1.47	\$6,054.00	\$6,077.99	10.00%	FY Affirmed
WDC	Western Digital	\$0.62	\$0.58	\$4,234.00	\$4,225.45	0.00%	

**AMZN – Beat on EPS and Revs** - Net sales increased 21% to \$87.4 billion in the fourth quarter, compared with \$72.4 billion in fourth quarter 2018. Excluding the \$120 million unfavorable impact from year-over-year changes in foreign exchange rates throughout the quarter, net sales increased 21% compared with fourth quarter 2018. "Prime membership continues to get better for customers year after year. And customers are responding — more people joined Prime this quarter than ever before, and we now have over 150 million paid Prime members around the world," said Jeff Bezos, Amazon founder and CEO.

**V – Missed on EPS and Revs** – Payments volume +8%, Cross-border volume +9%, Processed transaction +11%

**EA – Beat on EPS and Revs, Q4 Above** - "It was an excellent third quarter, with our new games and live services delighting more players around the world," said CEO Andrew Wilson. "Our amazing creative teams at Electronic Arts continue to deliver some of the most high-quality, innovative and engaging experiences and content to a growing global audience." "Over the last twelve months, we have delivered record live services revenue, live services net bookings and operating cash flow," said COO and CFO Blake Jorgensen. "Our broad-based business model reduces our dependence on individual titles and enables us to deliver financial results for our shareholders by providing a constant stream of high-quality entertainment for our players. We expect live services to continue to drive growth in fiscal 2021 and for growth to accelerate in fiscal 2022, led by a new Battlefield."

**USAK – Q4 Below** - "Our results were meaningfully impacted by the difficult freight market during the fourth quarter of 2019. The soft spot market and widely reported supply-demand imbalance affected both our contract and spot market opportunities during the quarter. Market rates remained pressured during the quarter and shippers allocated large portions of their freight spend to the lowest cost alternatives. Adding to the near term pressures were organizational changes we expect will enhance our business in the long term, but which resulted in our experiencing the effects of a tough market more severely than our peers."

**RMD – Beat on EPS and Revs** - "We had a strong December quarter with double-digit top-line growth and further gross margin expansion, as well as continued fiscal discipline that resulted in improvements



in operating leverage and double-digit growth at the bottom line. We are seeing continued strong customer demand for our new products, particularly in masks and accessories with another quarter of high-teens growth in that category. ResMed is continuing to lead in digital health as we transform lives in out-of-hospital healthcare, leading the innovation of medical devices and software that improve health outcomes, create efficiencies, and reduce overall healthcare system costs. With over 100 million lives improved in 2019, and strong growth ahead, we're well on our way to improving 250 million lives in out-of-hospital healthcare in 2025."

**WDC – Beat on EPS and Revs** - "The December quarter results reflect strong execution in our product roadmap, success in increasing our hard drive gross margin, and an improving flash market," said Steve Milligan, chief executive officer, Western Digital. "We expect an accelerated recovery in our flash gross margins, which coupled with ongoing strength in demand for both hard drives and flash, positions us well for continued profitable growth in calendar year 2020."

**CE – Missed on EPS and Revs** - "Against significant challenges throughout 2019, underpinned by disappointing global demand, our teams demonstrated great resiliency in delivering the second strongest performance in Celanese history. In this environment, our heightened focus on the factors within our control, including a robust productivity program and high-return capital deployment, has allowed us to weather these challenges and remain positioned to deliver on our long-term growth ambitions in 2020 and beyond," said Lori Ryerkerk, chief executive officer. "As demand levels in the fourth quarter were softer than anticipated, we do not expect any meaningful improvement in the demand landscape across 2020 versus 2019. We are challenging our organization to offset significant incremental turnaround expenses in the year to reach 2020 adjusted earnings of \$11 per share driven by factors within our control. Adjusted earnings per share in 2020 should be back half loaded as a result of cumulative returns from productivity and capital deployment as well as \$70 to \$80 million of turnaround expense in the Acetyl Chain and Engineered Materials occurring almost entirely in the first half. Our teams are hard at work executing on countless projects and initiatives at all levels of the organization that will be critical in delivering this growth target."

**EMN – Beat on EPS and Revs** - "We demonstrated resilience in the fourth quarter despite continued difficult global economic conditions impacting consumer discretionary markets such as transportation," said Mark Costa, Board Chair and CEO. "Notwithstanding the challenging conditions, for the year, we continued to make strong progress growing new business revenue from innovation and market development initiatives, particularly in the Advanced Materials segment. In addition, with full-year free cash flow approaching \$1.1 billion, we once again showed our capability to generate strong cash flow. Although we don't expect global economic conditions to improve in the coming year, we remain confident in our strategy and the strength of our cash flow going forward."

#### Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
ADNT	Adient	\$0.96	\$0.34	\$3,936.00	\$3,817.32	-5.30%	
AON	Aon	\$2.53	\$2.47	\$2,985.00	\$2,852.01	7.80%	
BERY	Berry Global		\$0.51		\$2,904.88		

BAH	Booz Allen Hamilton	\$0.80	\$0.75	\$1,850.00	\$1,817.99	11.20%	FY In Line
CAT	Caterpillar	\$2.63	\$2.38	\$13,144.00	\$13,423.56	-8.40%	FY Light
CHTR	Charter Comm	\$3.28	\$2.22	\$11,761.00	\$11,709.97	4.70%	
CVX	Chevron		\$1.46		\$38,982.14		
CHD	Church & Dwight	\$0.58	\$0.55	\$1,144.20	\$1,141.22	6.50%	FY In Line
CL	Colgate-Palmolive	\$0.73	\$0.73	\$4,015.00	\$3,931.14	5.40%	FY Above
XOM	Exxon Mobil		\$0.45		\$64,575.50		
GNTX	Gentex		\$0.37		\$445.94		
HON	Honeywell	\$2.06	\$2.04	\$9,496.00	\$9,621.88	-2.40%	FY In Line
IDXX	IDEXX Labs	\$1.04	\$0.90	\$605.50	\$600.60	10.20%	FY In Line
ITW	Illinois Tool		\$1.86		\$3,466.19		
JCI	Johnson Controls	\$0.40	\$0.38	\$5,576.00	\$5,589.46	2.00%	
KKR	KKR	\$0.44	\$0.42	\$490.70	\$477.15	-14.00%	
LYB	LyondellBasell	\$1.83	\$2.25	\$8,179.00	\$8,463.96	-7.90%	
MAN	Manpower		\$2.04		\$5,205.24		
PSX	Phillips 66	\$8.05	\$1.64		\$27,302.33		
SPR	Spirit Aerosystems		\$1.67		\$1,954.75		
WY	Weyerhaeuser	\$0.03	\$0.05	\$1,548.00	\$1,551.14	-5.40%	
WETF	WisdomTree	\$0.06	\$0.06	\$68.90	\$67.90	1.50%	