

TOP STORIES

- Ross: US Likely Won't Proceed with Auto Tariffs on Europe
- Ross: US, China Phase 1 Should Be Ready for APEC in November
- China Hands Out More Agricultural Waivers for US Ag Goods
- Hong Kong Withdraws Extradition Bill

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2991.75 (-2.75)	-3.54
Nasdaq	7856.5 (-2.25)	-27.12
Dow	26702 (-61)	-41.10

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7245.11	0.45%
DAX	12785.63	0.24%
Nikkei	22625.38	0.34%
Hang Seng	26566.73	-0.82%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
9:00am	FHFA Housing Index	

FOREX

EUR/USD	1.1112 (-0.11%)
USD/JPY	108.46 (-0.01%)
USD/CAD	1.3094 (0.02%)
GBP/USD	1.2871 (-0.01%)

COMMODITY

Oil	53.93 (-1.01%)
Natural Gas	2.263 (-0.40%)
Gold	1495.3 (0.52%)
Copper	2.629 (-0.15%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	14.53 (3.79%)
Nasdaq	VXN	18.37 (5.64%)
Oil	OVX	35.52 (-3.11%)
Gold	GVZ	13.67 (-2.7%)

MARKET OUTLOOK

Futures are indicating a lower open for the day with earnings weighing a bit -- cautious guidance out of **TI (TXN)** is hurting sentiment in tech while **Caterpillar (CAT)** is dragging down the Dow. Prior, the focus overnight was comments from Wilbur Ross in the FT where he said that the US is likely not to impose auto tariffs on the EU as alternatives exist. He also said that Phase 1 of the US/China talks should be ready to be formalized at APEC in November. In Washington, the President continues to face more impeachment questions. Testimony from US envoy to Ukraine William Taylor directly refutes the idea of no quid pro quo. In the UK, PM Johnson won his Brexit vote yesterday but the EU is reportedly ready to grant an extension until 1/31.

Asian markets were mixed overnight with China (HSI, Shanghai) lagging. The Nikkei edged slightly higher. As expected, semis hit with **Renesas** and **Tokyo Electron** down 4-5% after **TXN's** report. **Softbank** was down 2.5% with the continuing WeWork drama. **Eisai** up 18% after **BIIB's** shock Alzheimer's news. It was a quiet night for new data. In HK, the government officially pulled the extradition bill but it's just one piece of many that is driving the protests. There was also a report out in the FT that China is drawing up plan to replace Hong Kong leader Carrie Lam. New Zealand exports rose slightly in September. Singapore CPI was in line with street estimates.

European markets gapped lower this morning but have bounced back strong and now firmly in the green. Tech stocks on pace early for their worst day in two weeks with the TXN warning – **Dialog**, **Infineon**, **ST Micro**, etc. all down. **Heineken** down 2.5% after lowering profit forecasts. Chemicals company **Covestro** up 2% after strong FY guidance. **Akzo Nobel** up 2% after earnings with a strong report despite end-market softness. **ABB** is higher by 3.5% despite weak market conditions in their robotics and automation business. **Carrefour** up 2.5% as their overhaul plan remains on track. **Norsk Hydro** up 5% after earnings as they continue to ramp up in Brazil. French business confidence slipped in October.

S&P TECHNICALS

Levels: Support 2,825/2,800; Resistance 3,020/3,060



3812 Advancing	Declining 3558
48.5%	45.2%
389 New High	New Low 128
75.2%	24.8%
4684 Above SMA50	Below 3090
60.3%	39.7%
4378 Above SMA200	Below 3396
56.3%	43.7%

KEY EVENTS

Earnings After the Close: AKR, AEM, ALGN, AMP, ASGN, BMRN, BCOV, CP, CLB, CLGX, EBAY, ECHO, EW, EFX, FFIV, F, FBHS, GGG, ICLR, NVGT, KALU, KRC, KNL, KRA, LRCX, LSTR, LVS, LMAT, MSFT, MKSI, NTGR, ORLY, PKG, PYPL, PLXS, PTC, QEP, RJF, SLM, RHI, NOW, SAVE, FTI, TSLA, TRN, VMI, VAR, WPG, XLNX

Analyst Days: RIGL, HPE

Conferences: Mobile World Congress Americas

Tomorrow... MMM, ALLE, ADS, AIMC, AAL, AZN, AEP, AXTA, BAX, BGCP, BC, CTXS, CMS, COLB, CMCSA, COWN, DHR, CTS, DOW, ENTG, GNC, GPI, HEES, HSY, HBAN, IART, KIM, LH, MTRN, MNRO, MSM, NOK, NOC, ODFL, ONDK, PATK, PTEN, PDS, PRLB, RTN, RS, QSR, ROP, SCHN, SAH, LUV, SWK, STM, TROW, TAL, TECK, TSCO, TRTN, TWTR, VLO, VC, GRA, WST, XEL

ANALYST ACTION/COMMENTS

Travelers (TRV) upgraded to Hold at Detusche Bank

Kimberly Clark (KMB) upgraded to Hold at Deutsche Bank

Arch Coal (ARCH) upgraded to Buy at Jefferies

Snap (SNAP) upgraded to Overweight at JP Morgan

ING Group (ING) upgraded to Neutral at Barclays

Coca Cola (KO) upgraded to Buy at UBS, \$63 PT

Biogen (BIIB) upgraded to Buy at Guggenheim

PPL Corp (PPL) upgraded to Neutral at Macquarie

Walgreens (WBA) downgraded to Neutral at JP Morgan

Service Now (NOW) downgraded to Neutral at Mizuho

Lamar (LAMR) downgraded to Neutral at Imperial

Fresenius (FMS) downgraded to Hold at Redburn

Kohls (KSS) downgraded to Neutral at Evercore

Resideo (REZI) downgraded to Neutral at OpCo

Dexcom (DXCM) started at Buy at Stifel, \$190 PT

Endava (DAVA) initiated Buy at Susquehanna

Verint (VRNT) initiated Buy at Needham, \$53 PT

Papa Johns (PZZA) initiated Buy at CL King, \$65 PT

CrowdStrike (CRWD) initiated Buy at Nomura

Apple (AAPL) PT raised to \$289 at MSCO, bull case \$407

MEDIA HIGHLIGHTS

NY AG's office says **Exxon (XOM)** should pay up to \$1.6B in climate trial – NYP

Zelle posts 58% Y/Y growth in payment volumes – Bank Innovation

State AGs plan **Google (GOOGL)** antitrust meeting next month – Reuters

DOJ antitrust chief says breaking up big tech is 'perfectly on the table' (**AMZN, FB, GOOGL**) – WSJ

Disney (DIS) discusses succession planning - WSJ

Saudi Aramco looking to line up anchor investors for IPO, would own 40% of deal – Reuters

New. Sec of Defense recuses himself from Pentagon's massive cloud contract decision (**ORCL, MSFT, AMZN**) – FT

Reynolds Consumer Products pursuing IPO, could fetch \$7B valuation – Bloomberg

Semi equipment billings slip to 5-month low – Digitimes

SSD prices continue to fall in China – Digitimes

Malaysia Privately Discusses Lighter **Goldman (GS)** Penalty of Just \$2 Billion Over 1MDB - Bloomberg

LG Display cutting 2019 CapEx to stem losses – Reuters

Apple (AAPL) supplier **Japan Display** says 'client' has promised additional support – Reuters

Bank of NY (BK) Vice Chair leaves after 5 months – WSJ

STOCK SPECIFIC NEWS OF NOTE

Arena Pharmaceuticals (ARNA) presents new data from Phase 2 OASIS trial

Nike (NKE) names ServiceNow CEO John Donahoe as new CEO; **Service Now (NOW)** names former **SAP** CEO McDermott as CEO

Moderna (MRNA) receives FDA fast track designation for mRNA-3927

MacroGenics (MGNX) says first primary endpoint of PFS achieved in Phase 3 SOPHIA study

Resideo (REZI) CFO to depart, company to undergo comprehensive financial review

Amgen (AMGN) CFO to retire

Boeing (BA) President of commercial airplanes to depart

Verizon (VZ) signs partnerships in 5G, IoT with **Corning (GLW), SAP**

PRE-MARKET MOVERS

Moving Higher: ABB 3%, PUK 1.7%

Moving Lower: CAT -4.5%, CNHI -1.5%

INSIDER TRADING (Form 4 Filings)

Buying: AGO, UNFI

Selling: MEDP, SAM, JBHT, PNC, PPG, SNX, KO, SLB, JBHT, EPAY, FB, OMCL

POTENTIAL SYMPATHY TRADES

FUN – lower on SIX guidance

INTC, ADI, ON, STM, QCOM, MXIM, NVDA – on TXN weak quarter, guidance

MAR, H, WH – on HLT weak guidance

DE, CNHI – on CAT weakness

GPI, KMX, SAH, AN – on LAD earnings

THO, PATK, LCII – on WGO earnings

OPTION HIGHLIGHTS (Prior Day)

Huntington Ingalls (HII) a real quiet options name but seeing 2,000 December \$230 calls bought to open today from \$2.60 to \$2.80. Today's action is running around 40X average with the only other notable open interest some small put sales in the December \$210 strike. Shares are moving back above their 8- and 20-MA today with a short-term downtrend just above at \$215. HII has been building a bullish wedge on the weekly since early 2018 and tightening around this \$220-level for much of the last nine months. A move higher has long-term potential up to \$375. The \$8.79B defense contractor trades 12.5X earnings and 1X sales with a 1.6% yield. HII focuses on the design, build, and repair of ships in the US, and the Navy earlier this year saying they'll boost spending in the upcoming budgets to \$5B to accommodate new programs like Columbia (~up from \$2.3B). HII sees 20% EPS growth in FY20 and 3% revenue growth and has been raising estimates all year. HII is seeing better volumes in their Newport News business (focus on aircraft carriers and Navy nuclear support) while technical services are growing due to recent M&A deals. Analysts have an average target for shares of \$246. CSFB out previewing earnings on 10-17 noting they expecting some mild margin improvement while Q4 sets up strong with a better slate of retirement events including the launch of John Kennedy (CVN 79). Short interest is 2.2% and the lowest in 18-months. Insiders were active in May 2018 around current prices with three different people buying over \$600k cumulatively at \$215-\$220.

AFTER HOURS MOVERS

Gainers: MANH 7%, TER 6.3%, CSL 5%, OC 2.6%

Losers: REZI -35%, IRBT -20%, TXN -10%, NOW -9.5%, SIX -5.5%, WHR -5%, SKX -4%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.68	Rising – Cautious
CBOE Index Put/Call Ratio	1.33	Rising – Cautious
CBOE Skew Index	126.24	Rising
VIX Curve	Contango	Normal
CNN Fear & Greed Index	50	Neutral
NYMO	16.41	Neutral
NYSE New Highs – New Lows	56	Neutral
McClellan Summation	500.40	Above 8-EMA
Univ. of Michigan Consumer Sentiment	93.2 (September)	-6.9%

SMART MONEY (13g/13d Filings)

IPO MONITOR

Brp Group (BRP) issuing 16.4m shares at \$14-\$16; independent insurance distribution platform

Youdao (DAO) issuing 5.6m Shares at \$15-\$18; China-based provider of online learning content and applications

HYLETE (HYLT) issuing 1.7m Shares at \$8-\$10; premium performance apparel and gear

OneWater (ONEW) issuing 3.2m Shares at \$18-\$20; Retailer of recreational boats in the U.S

Progyny (PGNY) issuing 10m Shares at \$14-\$16; Benefits management company specializing in fertility and family building benefits

SECONDARY MONITOR

TRADE

WEEKLY TECHNICAL BREAKOUT

CTAS:



Cintas (CTAS) shares are consolidating in a multi-week bull flag under \$270 with a breakout targeting a move higher to \$300. Shares are narrowly coiled above the 8- and 20-MA with long-trend relative strength.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Carlisle (CSL)

Price: \$143

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	59.5X	10.6X	100X	40.3X	88.5X
Industry Avg.	39.8X	4X	4.4X	21X	42.1X

Analysis: CSL is a \$8.05B maker of construction materials such as polyolefin, rubbers, and polyvinyl chlorideroofing membranes with exposure to Aerospace, Medical, Transport and Food-Service markets. CSL is executing well on a six-year plan to boost margins through cost-cutting, build scale with M&A, and return capital through buybacks and dividends. They will report on 10/22 and higher five of the last six. In Sept. a director bought over \$100k in stock at \$147.27.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

BIG:



Big Lots (BIG) shares are forming a large head and shoulders near new 1-year lows with a breakdown under \$20 targeting a move to \$16. Shares were rejected last week at the declining 20-MA while cloud resistance at \$22 also a bit of a wall.

PAIR TRADE OF THE WEEK

Industry: Home Improvement

Long/Short: Long **Lowe's (LOW)**, Short **Lumber Liquidators (LL)**

Analysis: LOW is a best-of-breed name in the space with a strong outlook for 2020 in home remodel and gaining share in flooring specialties. LL faces an outsized impact from tariffs with 45% of its products from China while a debt-heavy balance sheet makes it unattractive in the competitive space.

SMALL CAP TRADE OF THE WEEK

ANI Pharma (ANIP) is an \$898M company which focuses on production of both branded and generic drugs. They have two drugs launch in the 2H which should be notable drivers. The first is vancomycin for the treatment of bacterial infections. The second is gAggrenox. Shares trade 12.6X earnings and 4.2X sales with steady long-term growth. Earlier this year, a director bought \$175k in stock at \$69.30

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Zagg (ZAGG)	Navient (NAVI)	Mallinckrodt (MNK)
8x8 (EGHT)	Gossamer (GOSS)	Genworth (GNW)
Biogen (BIIB)	Biogen (BIIB)	Sea (SE)
Acuity (AYI)	Fresh Pet (FRPT)	Zagg (ZAGG)
Harley Davidson (HOG)	Manhattan Asc. (MANH)	Virnet (VHC)
Gossamer (GOSS)	Hasbro (HAS)	8x8 (EGHT)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Sprouts (SFM)	Gardner Denver (GDI)	Cision (CISN)
Senior Housing (SNH)	Altra Industrial (AIMC)	Pareteum (TEUM)
Zagg (ZAGG)	Life Storage (LSI)	Hasbro (HAS)
Evolent (EVH)	Allot (ALLT)	Plug Power (PLUG)
Cimarex (XEC)	Freshpet (FRPT)	Polaris (PII)
Tri Pointe (TPH)	Brighthouse (BHF)	Harley (HOG)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
XPO Logistics (XPO)	Navient (NAVI)	Axxome (AXSM)
Int'l Game (IGT)	Genworth (GNW)	Solid Bio (SLDB)
Grub Hub (GRUB)	PG&E (PCG)	Wave Life Sci (WVE)
Mylan (MYL)	Amarin (AMRN)	Mirati (MRTX)
Fitbit (FIT)	Snap (SNAP)	Overstock (OSTK)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Freeport (FCX)	Facebook (FB)	Fresh Pet (FRPT)
Gamestop (GME)	Micron (MU)	Manhattan Asc. (MANH)
Fire-Eye (FEYE)	MGM Resorts (MGM)	Hasbro (HAS)
Snap (SNAP)	Bed Bath (BBBY)	Harley Davidson (HOG)
Alcoa (AA)	Twitter (TWTR)	Gossamer (GOSS)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Sea (SE)	Wheaton Metals (WPM)	ORLY, 400 November \$390/\$410 call spreads
Bausch (BHC)	ThermoFisher (TMO)	FTDR, 800 November \$48/\$40 put spreads
O'Reilly (ORLY)	Cardinal (CAH)	PYPL, 2500 January \$97.5/\$110 call spreads
Deciphera (DCPH)	Coupa (COUP)	CAT, 2000 December \$135 straddles
Crown (CCK)	CH Robinson (CHRW)	ZEN, 970 January \$77.50/\$87.50 call spreads

Stock Specific News

Apollo Global (APO) to buy 48.67% stake in Italian gaming company **Gamenet** – Reuters

Western Union (WU) expands in Asia

Linde (LIN) acquires minority stake in **ITM Power**, agrees to form JV

Stage Stores (SSI) announces in-store package pick-up with **Amazon** Hub Counter

Bausch Health (BHC) acquires exclusive license for Xipere from Clearside Biomedical

Scorpio Bulkers (SALT) declares one-time special stock dividend

Boeing (BA) to cut monthly 787 production rate to 12 units in late 2020

Extras

Anaplan (PLAN) with 2,000 November \$41 puts bought this afternoon from \$1.50 to \$1.70, shares set to close under the 200-MA

Under Armour (UAA) a leading mover today up 6.5% after the CEO change and 3000 January 2021 \$15 puts sold to open \$1.22

Corteva (CTVA) with 7,250 December \$23 puts sold to open \$0.43

Gamestop (GME) with 40,000 January \$7 puts bought for \$1.65 as some of the \$6 puts start to roll back in strikes

Pan American (PAAS) opening sales of 1200 January 2021 \$20 ITM puts \$5.80

Gardner Denver (GDI) with the November \$31/\$28 ratio put spreads opening 7000X14000

Middleby (MIDD) buyer of 1000 November \$125/\$135 call spreads \$2.10 closes 500 of the \$115 calls

Regeneron (REGN) with 500 December \$300 puts opening \$13.70 to \$14.10 with buyers

Analog Devices (ADI) with 1000 March \$115 calls sold \$6.10 to open in a buy-write

Alcoa (AA) buyers active yesterday for more than 10,000 November \$22 calls yesterday, same spot where 10,000 bought on 10-18 and follows buyers of 2,000 Jan. 2021 \$25 calls on Monday around \$2.80. AA has seen accumulation in the November \$21.50 calls recently as well. AA has been in a steady downtrend since hitting \$60 but nice basing action lately under \$24.25 and the 200-MA with a move higher targeting \$32. The \$3.86B company trades 19.67X earnings, 0.34X sales, and 4.6X cash. AA is targeting a return to profitability in FY20 and then 59.6% growth in FY21 with revenues up low-single digits. AA affirmed their outlook for alumina/aluminum and bauxite last week expecting benefits from higher volumes and lower costs. They continue to see an overhang from the global trade issues which is causing manufacturing activity to contract. The company did announce another portfolio review to reduce costs and targeting up to \$1B in non-core asset sales. AA also has tailwinds from a secular shift in the food/beverage industry away from plastic containers towards cans, a market which has

potential to be massive. Analysts have an average target for shares of \$28.25. Gabelli downgrading to Neutral on 10-21 seeing aluminum as "challenged" amid increased Chinese scrap and against 1%-2% "capacity creep." Argus cautious noting that slowing global growth is impacting profitability. They see a strong long-term case as management works on costs. Short interest is 4.7%. Hedge fund ownership fell 5.5% in Q2. Elliott Management adding 2.5M share equivalent in call options.

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
BYD	Boyd Gaming	\$0.39	\$0.39	\$819.57	\$829.22	33.90%	
CNI	Canadian Nat'l Rail	\$1.66	\$1.62	\$3,810.00	\$3,873.35	3.30%	FY Below
CSL	Carlisle Cos	\$2.40	\$2.29	\$1,280.60	\$1,293.36	8.40%	
CMG	Chipotle Mexican Grill	\$3.82	\$3.22	\$1,403.70	\$1,378.23	14.60%	
CSGP	CoStar Group	\$2.61	\$2.52	\$352.81	\$353.16	15.50%	FY In Line
DFS	Discover Financial Services	\$2.36	\$2.27	\$2,900.00	\$2,886.13	6.50%	
EEFT	Euronet	\$2.84	\$2.80	\$787.0	\$819.69	10.1%	
FULT	Fulton Fincl	\$0.37	\$0.35	\$221.07	\$222.21	4.70%	
HA	Hawaiian Holdings	\$1.72	\$1.33	\$755.15	\$755.85	-0.50%	
HCSG	Healthcare Services Group	\$0.25	\$0.28	\$455.60	\$451.31	-10.10%	
IRBT	iRobot	\$1.24	\$0.54	\$289.40	\$259.31	9.40%	
LRN	K12	-\$0.25	-\$0.20	\$257.12	\$253.94	2.30%	
MANH	Manhattan Assoc	\$0.51	\$0.36	\$162.27	\$151.64	14.00%	Raising FY
MTH	Meritage	\$1.79	\$1.49	\$940.90	\$930.41	6.40%	
MPWR	Monolithic Power	\$1.08	\$1.06	\$168.80	\$165.00	5.50%	
NAVI	Navient	\$0.62	\$0.57		\$294.50		
SIX	Six Flags	\$2.11	\$2.32	\$621.18	\$643.90	0.20%	
SKX	Skechers USA	\$0.67	\$0.69	\$1,354.00	\$1,340.29	15.10%	FY In Line
SNAP	Snap	-\$0.04	-\$0.05	\$446.20	\$436.00	49.90%	FY In Line
TER	Teradyne	\$0.77	\$0.70	\$582.04	\$565.43	2.70%	Raising FY
TXN	Texas Instruments	\$1.40	\$1.42	\$3,771.00	\$3,819.48	-11.50%	FY Below
USNA	USANA	\$1.09	\$0.87	\$260.60	\$256.22	-12.20%	
WRB	W.R. Berkley	\$0.85	\$0.67	\$1,676.81	\$1,669.45	4.60%	
WHR	Whirlpool	\$3.97	\$3.90	\$5,100.00	\$5,142.72	-4.20%	

CVTI – Q3 Misses EPS - The freight environment was much weaker compared with the 2018 quarter, as excess industry-wide trucking capacity and weak shipping demand combined to pressure both freight rates and volumes. In addition, new and incumbent freight brokers placed additional pressure on the irregular route truckload market by competing for market share based on what we view as unsustainable pricing.

SKX – Missed on EPS but Revenues Slightly Beat - Comparable same store sales increased 7.7 percent, including increases of 6.8 percent domestically and 9.9 percent internationally. "Skechers is firing on all cylinders. Our global marketing efforts are creating awareness and generating demand. Our product is innovative, relevant and comfortable. Importantly, we achieved a new sales record of \$1.354 billion in the third quarter," stated Robert Greenberg, chief executive officer of Skechers.

IRBT – Beat on EPS and Revenues, Largely Due to One Order Pulled Forward - We delivered 9% total revenue growth primarily due to 25% international growth and a large shipment to a major U.S. retailer that was previously planned for the fourth quarter. Higher revenue in combination with favorable gross margins and disciplined spending enabled us to deliver strong quarterly operating income and EPS. During the quarter, we executed our planned international product launches of the Roomba s9 and Braava jet m6 mop, made excellent progress with our manufacturing diversification initiative and began undertaking a series of strategic actions aimed at fortifying our robotic vacuum cleaner leadership.

MANH – Beat on EPS and Revenues - Due to robust demand across all of our core solutions, Manhattan Associates posted strong organic growth in the quarter, resulting in an all-time record revenue quarter. Cloud, License and Services revenue momentum exceeded our expectations driving exceptional operating results in our ongoing Cloud transition

CMG – Beat on EPS and Revenues - Comparable restaurant sales increased 11.0%, net of 10 basis points from loyalty deferral, and included nearly 7.5% of comparable restaurant transactions growth. Digital sales grew 87.9% and accounted for 18.3% of sales for the quarter. Restaurant level operating margin was 20.8%, an increase of 210 basis points. We're pleased with our overall results in the quarter, which reflects further progress on our key strategic initiatives to provide a great guest experience and position Chipotle to deliver above industry growth for many years to come

REZI – Cuts FY Outlook - The company's new generation security products and connected thermostats have experienced solid growth. However, with the transition, these products have yet to benefit from lifecycle value engineering, adversely impacting full-year 2019 Products & Solutions segment gross margins. The company is actively investing in its value engineering team and expects meaningful improvement to gross margins over the next 18 months.

TER – Raising Q4 Outlook - In Q4, our strong outlook is driven mainly by continued 5G and memory related Semiconductor Test demand and improved storage test shipments," said CEO Mark Jagiela. Jagiela added . "For the full year, at the mid-point of our guidance, we expect our year-over-year sales to grow more than 7%

SNAP – Beat on EPS and Revenues, DAU up 13% - Community grew to 210M daily active users, an increase of 13% year-over-year and growth in business this year has put the company on a clear path to Q4 adjusted EBITDA profitability. SNAP has more than doubled the number of media partners distributing content on Discover since redesign last year and more than 100 Discover channels reached

a monthly audience of over 10M viewers in Q3. The company expects to invest significantly in both maps and gaming over the coming years.

TXN – Missed on EPS and Revenues, Lowers Outlook - Revenue decreased 11% from the same quarter a year ago, as most markets weakened further. In our core businesses, Analog revenue declined 8% and Embedded Processing declined 19% from the same quarter a year ago.

DFS – Beat on EPS and Revenues - We had a strong third quarter, achieving key objectives for loan growth, margin expansion and credit performance, against the backdrop of continued stability in the consumer sector of the U.S. economy

Earnings BMO

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
ABB	ABB Ltd	\$0.33	\$0.25	\$6,892.00	\$6,952.72	-2.90%	
ALXN	Alexion Pharma	\$2.79	\$2.47	\$1,263.10	\$1,237.97	23.00%	FY Above
ALKS	Alkermes	-\$0.04	-\$0.21	\$255.24	\$252.65	2.60%	
APH	Amphenol		\$0.87		\$1,980.49		
ANTM	Anthem	\$4.87	\$4.82	\$26,444.00	\$25,877.06	15.10%	FY Above
AVY	Avery Dennison	\$1.66	\$1.61	\$1,760.00	\$1,751.02	0.00%	
BANC	Banc of California	-\$0.45	-\$0.19	\$62.10	\$69.70	-19.40%	
BX	Blackstone	\$0.58	\$0.55	\$1,735.11	\$1,308.49	-9.90%	
BA	Boeing		\$2.12		\$20,002.58		
BSX	Boston Scientific	\$0.39	\$0.38	\$2,707.00	\$2,675.06	13.10%	FY In Line
BCO	Brinks		\$1.04		\$931.08		
CADE	Cadence Bancorp	\$0.34	\$0.50		\$189.77		
CAT	Caterpillar	\$2.66	\$2.90	\$12,758.00	\$13,487.42	-5.60%	FY Below
CLF	Cleveland-Cliffs	\$0.33	\$0.24	\$555.60	\$544.88	-25.10%	
CMC	Commercial Metals	\$0.76	\$0.70	\$1,543.01	\$1,573.07	17.90%	
CSTM	Constellium	\$0.00	\$0.22	\$1,461.00	\$1,453.61	2.30%	
LLY	Eli Lilly	\$1.48	\$1.41	\$5,477.00	\$5,495.74	3.20%	FY In Line
EVR	Evercore	\$1.26	\$1.63	\$408.50	\$475.91	5.90%	
FSV	FirstService		\$1.04		\$672.71		
FCX	Freeport-McMoRan		\$0.00		\$3,494.45		
GD	General Dynamics	\$3.14	\$3.06	\$9,761.00	\$9,754.74	7.30%	
GWW	Grainger		\$4.40		\$2,944.99		
HTLD	Heartland Express		\$0.26		\$147.02		

HRI	Herc Holdings	\$1.48	\$1.63	\$508.10	\$539.18	-1.60%	
HLT	Hilton	\$1.05	\$1.02	\$2,395.00	\$2,386.71	6.30%	FY Light
IVZ	Invesco	\$0.70	\$0.57	\$1,229.00	\$1,224.10	27.10%	
KNX	Knight-Swift		\$0.48		\$1,231.33		
LAD	Lithia Motors	\$3.39	\$3.09	\$3,332.40	\$3,251.03	7.80%	
MHO	M/I Homes		\$0.99		\$604.31		
MKTX	Marketaxess	\$1.42	\$1.38	\$131.60	\$130.00	29.80%	
NDAQ	NASDAQ	\$1.27	\$1.21	\$632.00	\$627.44	5.30%	
NSC	Norfolk Southern		\$2.59		\$2,855.01		
NTRS	Northern Trust		\$1.63		\$1,520.35		
OC	Owens Corning	\$1.63	\$1.50	\$1,883.00	\$1,855.16	3.60%	
PNR	Pentair	\$0.58	\$0.55	\$713.60	\$719.07	0.30%	FY In Line
RCI	Rogers Comms	\$1.19	\$1.31	\$3,754.00	\$3,869.84	-0.40%	FY Light
ROL	Rollins		\$0.24		\$547.92		
RES	RPC	-\$0.08	\$0.00	\$293.20	\$336.48	-33.40%	
SALT	Scorpio Bulkers	-\$0.03	-\$0.08	\$63.20	\$60.63	1.10%	
SLGN	Silgan Holdings	\$0.76	\$0.76	\$1,321.03	\$1,324.96	1.10%	FY Below
SLAB	Silicon Labs	\$0.96	\$0.84	\$223.30	\$217.97	-3.00%	
SCL	Stepan Company	\$1.20	\$1.14	\$451.60	\$489.40	-11.10%	
TDY	Teledyne Tech	\$2.84	\$2.46	\$802.20	\$786.55	10.60%	FY Above
TMO	Thermo Fisher	\$2.94	\$2.88	\$6,272.00	\$6,189.13	5.90%	Affirms FY
TZOO	Travelzoo	\$0.03	\$0.02	\$25.51	\$25.80	0.80%	
VNE	Veoneer	-\$1.20	-\$1.34	\$462.00	\$475.33	-12.20%	
WM	Waste Mgmt	\$1.19	\$1.15	\$3,967.00	\$4,002.61	3.80%	
WGO	Winnebago	\$1.01	\$1.00	\$530.40	\$520.84	-1.10%	

Earnings Preview

Las Vegas Sands (LVS) will report earnings tonight after the Close with the Street looking for \$0.75 on \$3.28B (-2.6%) with the FY at \$3.18 and \$13.7B. Shares have alternated higher and lower the last six quarters with an average closing move of 2.7%. The market is pricing 3.13% move right now with 30-da IV in the 37th percentile of its average range, very moderate. Skew is bearish with the delta 20.5% vs 11.4%. The \$44.5B casino and resorts company trades 17.4X earnings, 3.22X sales, and 11X cash with a 5.3% yield. LVS has taken down estimates all year and now sees low-single digit EPS growth in FY20. Las Vegas strip data has been positive in September and follows strength in July and August. Macau

may be weak and a big area of focus for the company. LVS has been aggressive with their investments in Asia with their Four Seasons Tower Suites opening later this year, Marina Bay expansion, and properties in Singapore. They're also pursuing the Japanese licenses. Overall, LVS likely a more muted story in the near-term but a lot of potential catalysts into 2020. Analysts have an average target for shares of \$67. MSCO cutting estimates in September on Macau concerns although within the group they prefer LVS as its the most defensive and with potential Japan upside. Deutsche upgrading to Buy with a \$70 PT in September citing its strong balance sheet and capital return story. On 10/17, BAML out noting strength in Vegas in Q3 with RevPAR likely to beat easy comps and a better event/convention calendar tailwinds while gaming (through August) improved as well. They see Macau Q3 GGR down 4.1%, worse than expected amid trade concerns, but LVS should have fairly solid results amid growing share. They have a \$69 PT. CFSB out previewing earnings on 10-11. They are neutral-rated with a \$62 PT and think the next few months could be volatile given macro, geopolitical, licensing, and other risks. However, China macro risks are well known, and China is easing monetary conditions and stimulating. The firm's credit indicators which both lead Macau by 12-15 months suggest growth decelerating for the remainder of the year, but turns positive in early 2020. Short interest is 1.1%. Alpine Global, Melvin Capital, Maplelane Capital, and D1 Capital notable buyers of shares last quarter. Sheldon Adelson also bought another 1.7M shares. The last notable insider buying was in 2018 when the COO bought \$711k at \$71.13. Shares are working higher out of a downtrend this week from the July highs with a move above \$60 targeting \$62.50.

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paid
10/18/2019	LVS 100 (Weeklys) 25 OCT 19 59 CALL	1,796	228	\$0.72	0.34	37.21%	31.63%	\$125,720
10/11/2019	LVS 100 15 NOV 19 60 CALL	2,157	4,702	\$1.17	0.33	32.64%	29.26%	\$260,997
10/11/2019	LVS 100 18 OCT 19 56 PUT	4,206	293	\$0.56	-0.33	31.55%	34.37%	\$260,772
10/7/2019	LVS 100 15 JAN 21 50 PUT	1,279	454	\$6.35	-0.35	33.29%	52.63%	\$850,535
10/7/2019	LVS 100 15 JAN 21 52.5 PUT	500	351	\$7.30	-0.4	32.43%	57.67%	\$390,000
10/4/2019	LVS 100 (Weeklys) 11 OCT 19 58 PUT	5,002	246	\$2.42	-0.831	24.73%	84.12%	\$1,210,484
10/4/2019	LVS 100 (Weeklys) 11 OCT 19 56 PUT	1,506	159	\$1.44	-0.65	26.28%	68.97%	\$249,996
10/3/2019	LVS 100 15 NOV 19 55 CALL	1,064	526	\$3.29	0.54	39.03%	48.45%	\$350,056
10/3/2019	LVS 100 15 NOV 19 55 PUT	1,044	810	\$2.47	-0.46	34.08%	51.03%	\$267,264
9/30/2019	LVS 100 15 NOV 19 57.5 CALL	1,250	2,823	\$2.95	0.53	37.28%	47.36%	\$393,750
9/27/2019	LVS 100 17 JAN 20 60 CALL	1,462	10,734	\$3.50	0.46	32.09%	39.59%	\$497,080
9/27/2019	LVS 100 15 NOV 19 57.5 PUT	1,375	418	\$3.05	-0.508	32.94%	56.04%	\$419,375
9/27/2019	LVS 100 18 OCT 19 57 PUT	1,824	5	\$1.78	-0.481	32.06%	51.35%	\$324,672
9/27/2019	LVS 100 18 OCT 19 54 PUT	1,639	34	\$0.82	-0.248	35.04%	27.73%	\$134,398
9/26/2019	LVS 100 17 JAN 20 57.5 PUT	6,300	7,950	\$4.95	-0.54	30.79%	61.64%	\$3,150,000
9/26/2019	LVS 100 17 JAN 20 57.5 CALL	6,325	8,723	\$3.35	0.46	33.71%	38.74%	\$2,118,875
9/25/2019	LVS 100 17 JAN 20 55 CALL	13,506	15,141	\$4.75	0.57	35.26%	49.45%	\$6,753,000
9/19/2019	LVS 100 19 JUN 20 57.5 PUT	905	36	\$6.54	-0.45	31.02%	58.03%	\$597,300
9/19/2019	LVS 100 18 OCT 19 60 CALL	3,130	5,070	\$1.03	0.34	28.62%	31.13%	\$325,520
9/19/2019	LVS 100 18 OCT 19 57.5 PUT	1,230	774	\$1.59	-0.45	26.45%	48.59%	\$196,800
9/17/2019	LVS 100 17 JAN 20 60 CALL	13,877	1,830	\$3.30	0.45	33.09%	37.32%	\$4,585,480
9/17/2019	LVS 100 18 OCT 19 60 CALL	4,056	2,719	\$1.30	0.36	31.93%	32.99%	\$531,336
9/17/2019	LVS 100 20 MAR 20 62.5 CALL	534	50	\$3.05	0.39	32.34%	30.59%	\$176,220
9/16/2019	LVS 100 20 DEC 19 60 CALL	3,027	2,537	\$3.07	0.48	29.13%	42.42%	\$929,289

