

## TOP STORIES

- US Markets Flat Ahead of FOMC, Expected Rate Cut
- Report: China Balks at \$40-\$50B Agricultural Purchases Demand
- UK Election Set for 12/12
- Schumer Warns Trump May Shut Down Government Over Impeachment
- Eurozone Economic Sentiment Worsens as Gloom Spreads to Services

## INDEX FUTURES

Futures	Change	Fair Value
<b>S&amp;P 500</b>	<b>3035.5 (-0.25)</b>	<b>0.31</b>
<b>Nasdaq</b>	<b>8056 (0.75)</b>	<b>2.49</b>
<b>Dow</b>	<b>27037 (-5)</b>	<b>21.54</b>

## GLOBAL INDICES

INDEX	CLOSE	CHANGE
<b>FTSE</b>	<b>7299.61</b>	<b>-0.09%</b>
<b>DAX</b>	<b>12914.18</b>	<b>-0.20%</b>
<b>Nikkei</b>	<b>22843.12</b>	<b>-0.57%</b>
<b>Hang Seng</b>	<b>26667.71</b>	<b>-0.44%</b>

## ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
<b>8:15</b>	<b>ADP Employment</b>	<b>125k</b>
<b>8:30</b>	<b>GDP</b>	<b>1.7%</b>
<b>2:00</b>	<b>FOMC Announcement</b>	
<b>2:30</b>	<b>Powell Presser</b>	

## FOREX

<b>EUR/USD</b>	<b>1.1124 (0.13%)</b>
<b>USD/JPY</b>	<b>108.83 (-0.04%)</b>
<b>USD/CAD</b>	<b>1.3076 (-0.07%)</b>
<b>GBP/USD</b>	<b>1.2887 (0.17%)</b>

## COMMODITY

<b>Oil</b>	<b>55.53 (-0.02%)</b>
<b>Natural Gas</b>	<b>2.641 (0.08%)</b>
<b>Gold</b>	<b>1492.7 (0.13%)</b>
<b>Copper</b>	<b>2.6755 (-0.59%)</b>

## VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
<b>S&amp;P</b>	<b>VIX</b>	<b>13.27 (1.22%)</b>
<b>Nasdaq</b>	<b>VXN</b>	<b>17.58 (4.58%)</b>
<b>Oil</b>	<b>OVX</b>	<b>35.70 (0.17%)</b>
<b>Gold</b>	<b>GVZ</b>	<b>13.39 (-2.84%)</b>

## MARKET OUTLOOK

Futures are indicating a flat open for the morning ahead of FOMC later today where a cut is widely expected. The impeachment inquiry continues to move forward in the House as Democrats position for formal proceedings. US/China trade sentiment took a hit in the last 24 hours with concerns now that a Phase 1 signing won't be ready for APEC (11/16). However, while a delay may be a risk both sides appear set to sign off on something soon. There's also a Reuters report that China is pushing back at the \$40-\$50B ag purchases number Trump keeps putting out there. In the UK, elections are set for 12/12 while Brexit getting done this year seems unlikely.

Asian market were weak across the board this morning with the Nikkei falling the most in three weeks. Some trade doubts hitting sentiment where it's been quiet lately. **Nomura** jumped to a new 11-year high after profits jumped to their best levels in 17 years. **Sony (SNE)** was down 1.2% ahead of earnings. Japanese retail sales jumped 9.1% in September, better than the 6.9% forecast.

European markets are slightly lower in early trading. It was a very busy morning for earnings. **Deutsche Bank (DB)** fell 5% after costs weighed again on results. **Airbus** is up 1.5% despite cutting production targets. They landed a big deal with IndiGo and pulled ahead of **Boeing (BA)** in new orders. **Bayer** is higher by 2% on earnings and strong sales. **Credit Suisse (CS)** higher after trading strength helped boost results. **De La Rue**, a maker of paper and security printed products like banknotes and passports, issued an ugly profit warning and shares hit a 10-year low. **EssilorLuxottica** up 1% after affirming their FY outlook behind strength in North America. **L'Oreal** jumping 7% this morning after strong earnings which is also helping ease concerns about a slowdown in China. Biotech **Morphosys** is flat on the morning after opening higher on earnings. **Pirelli** is down 6.5% after cutting guidance and delaying the roll out of its new business plan. **Santander** is down 6.7% this morning after getting hit by a number of one-time charges for their UK business. **Standard Chartered** getting a boost today up 3% after earnings. **Total** is down marginally after earnings and boosting their output expectations. **Volkswagen** is marginally higher despite lowering their outlook. Eurozone industrial sentiment fell in October to -9.5 vs -8.9 forecast.

## S&P TECHNICALS

**Levels:** Support 2,825/2,800; Resistance 3,050/3,100



**KEY EVENTS**

**Notable Earnings AMC:** AAPL, ADTN, AGNC, AKS, ALSN, APA, BOOT, CACI, CATM, COLM, CONE, CREE, CRUS, CTSH, DDD, EGHT, EQIX, ETSY, EVTC, FB, FLS, H, KLAC, LNC, LM, LYFT, MC, MET, MGM, MSI, MUSA, NUVA, OLED, PCTY, PKI, PS, QLYS, RDN, RGA, RSG, SBUX, SFM, SPXC, SWI, TDOC, TRMB, TTMI, TWLO, VIAV, WDC, WMB, ZGNA

**Tomorrow...** BOJ Decision, PCE, Chicago PMI

**Earnings BMO:** ADM, AMCX, AMT, APO, ARW, BLL, BMY, BWA, Carlsberg, CDW, CG, CHD, CI, CLX, CRAI, DD, DLPH, DNKN, EL, EXC, FLR, GOLF, HBI, HGV, ICE, IMAX, IP, IRM, IT, KHC, LAZ, LITE, MAC, MO, MPC, MUR, PENN, PH, SABR, SIRI, SPR, TEN, TEX, TFX, TPX, W, WCC, WLTW, WWE, YETI

**ANALYST ACTION/COMMENTS**

**Biogen (BIIB)** upgraded to Outperform at Bernstein

**Nu Skin (NUS)** upgraded to Hold at Stifel

**Digital Realty (DLR)** raised to Outperform at William Blair

**Microchip (MCHP)** upgraded to Strong Buy at Raymond James; **ADI** upgraded to Outperform

**National Oilwell (NOV)** upgraded to Buy at Goldman

**Fiat (FCAU)** upgraded to Buy at Commerzbank

**QEP Resources (QEP)** upgraded to Buy at Stephens

**Revance (RVNC)** upgraded to Buy at Wells Fargo

**GrubHub (GRUB)** downgraded to Neutral at Goldman

**Ingersoll Rand (IR)** downgraded to Hold at Deutsche Bank

**Corning (GLW)** downgraded to Hold at Deutsche Bank

**Xerox (XRX)** downgraded to Sell at JP Morgan

**Molina (MOH)** downgraded to Hold at Jefferies

**Werner (WERN)** downgraded to Hold at Stifel

**Nordstrom (JWN)** downgraded to Sell at UBS

**Marine Max (HZO)** downgraded to Neutral at Longbow

**Silica (SLCA)** downgraded to Neutral at Piper

**Cabot Micro (CCMP)** downgraded to Neutral at Seaport

**CH Robinson (CHRW)** downgraded to Sell at BAML; **XPO** downgraded to Neutral

**AMC Entertainment (AMC)** cut to Neutral at BAML

**Crane (CR)** downgraded to Hold at Vertical

**MEDIA HIGHLIGHTS**

**Carbonite (CARB)** could be valued in low \$20s in sale, says Dealreporter – Bloomberg

**Nestle** considering sale of two Chinese brands - Bloomberg

**AT&T (T)** to pay roughly \$500M for 'South Park' rights (pos. **VIAB**) – Bloomberg

**HBO Max (T)** aims for 70M-90M subscribers worldwide by 2025 – CNBC

Telecom supply chain rules under review by U.S amid China squabble (**JNPR, CIEN, CSCO**) – Reuters

**Citigroup (C)** plans withdrawal from two-thirds of FX platforms – FT

**Samsung** to ship more handsets built by ODM partners in 2020 – Digitimes

China Steelmaker **Xiwang Group's** Default Sparks Debt Contagion Fear – Bloomberg

**Bayer's** headache grows as Roundup lawsuits surge, no settlement soon – Bloomberg

**Soho China** Considers \$8b Office Tower Sales – Bloomberg

**Marathon Petroleum (MPC)** Plans New CEO to Win Investor Truce – Bloomberg

**Ctrip (CTRP)** Eyes Further International Expansion Amidst Trade War, Slowdown – Bloomberg

**STOCK SPECIFIC NEWS OF NOTE**

Tinder founders' lawsuit against **IAC /Match Group (mtch)** to proceed to trial

**Nike (NKE)** sells Hurley brand to Bluestar Alliance

**Huawei** smartphone shipments in China rose 66% in Q3, made up 42% market share; **AAPL** shipments fell 28%, lowest in five years, says Canalys

**Walmart (WMT), Green Dot (GDOT)** extend relationship, form fintech accelerator

Nine FDA panel members voted to pursue withdrawal of **AMAG Pharma's (AMAG)** Makena approval

**Veoneer (VNE)** to divest Japan, China operations of brake system JV

**Facebook (FB)** reaches agreement with U.K. regulator over suspected data misuse

**Catalyst Pharmaceuticals (CPRX)** CMS-001 Phase 3 study did not meet endpoints

**PRE-MARKET MOVERS**

**Moving Higher:** PCG 15%, GE 4%, GLPG 3.5%

**Moving Lower:** DB -5.5%, NVS -1%

**INSIDER TRADING (Form 4 Filings)**

**Buying:** F, AAL, LLY, ANGO

**Selling:** GTNX, AXP, NUE, CY, FB, CAT, MORN, MSFT

**POTENTIAL SYMPATHY TRADES**

**CTB, GT** – on Pirelli earnings (neg.)

**NAV** – on VW outlook cut

**ABC, CAH** – on MCK beat/raise

**ATVI, TTWO** – on EA strong beat

**OPTION HIGHLIGHTS (Prior Day)**

**Air Products (APD)** buyer 1500 November \$220 calls to open \$3.30 offer, earnings 11-7, and been a quiet name for flows but does have 1000 December \$230 calls in open interest. APD shares were a top performer in the first half of 2019 and since have moved sideways with a recent pullback and base just above its rising 200 day MA, and today showing strength out of that base back above short-term moving averages. The \$46B provider of specialty gases trades 22.5X Earnings, 14.4X EBITDA and yields 2.2%. APD expects to see 9.6% EBITDA growth this year and 12.2% in FY20. The CEO bought \$4.54M in stock back in July at \$227.16/share. APD continues to see strong cash flow and they're investing to expand capacity. They've seen strong volumes with a number of new plants coming online and better pricing helped them hit record EBITDA margins. APD generates 52% of revenues from On-Site & Pipeline, 30% from Liquid Bulk, 12% from Packaged Gas, and 6% from Equipment/Services. Its gasification technologies has a number of benefits and increasing usages. Analysts have an average target of \$240 and short interest is low at 1.2% of the float. SIG downgraded shares to Neutral from Positive in August on valuation though increasingly confident on the sustainability of APD's earnings momentum and future growth. Wells Fargo started coverage at Perform with a \$240 target on 10/15, while Barclays one of the more bullish firms with a \$260 target. Hedge Fund ownership fell 23.7% in Q2 filings, Findlay Park a top holder reducing its position while King Luther Capital added more.

**AFTER HOURS MOVERS**

**Gainers:** OSPN 20%, MAT 20.5%, GDOT 15.5%, UIS 14%, IPHI 10%, MXIM 6.7%, CXO 5.5%, HLF 4.6%, ZEN 4%

**Losers:** ENPH -12%, AJRD -8.5%, EXAS -8%, CHRW -6%, FEYE -3.8%, SYK -3.4%, EIX -2%, DLR -2%

**MARKET SENTIMENT / INTERNALS**

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.665	Declining
CBOE Index Put/Call Ratio	1.33	Elevated – Cautious
CBOE Skew Index	125.7	Elevated
VIX Curve	Contango	Normal
CNN Fear & Greed Index	62	Greed
NYMO	23.4	Neutral
NYSE New Highs – New Lows	80.61	Rising
McClellan Summation	640.26	Above 8-EMA
Univ. of Michigan Consumer Sentiment	95.5 (September Final)	Fading

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

**IPO MONITOR**

**Fangdd Network (DUO)** issuing 7M shares at \$13-\$15; China-based developer of online and mobile real estate platform

**Oyster Point Pharma (OYST)** issuing 5M shares at \$16-\$18; Clinical stage biopharmaceutical company developing therapies to treat ocular surface diseases

**SECONDARY MONITOR**

**DTE Energy (DTE)** prices 23M share secondary at \$126

# TRADE

## WEEKLY TECHNICAL BREAKOUT

**NICE:**



**NICE (NICE)** shares are coiled in a multi-month bull flag under \$156 with a breakout targeting a move up to \$170+. MACD is nearing a bull crossover while RSI is improving and back near 60.

## FUNDAMENTAL TRADE OF THE WEEK

**Stock:** Five Below (FIVE)

**Price:** \$129.50

**Valuation:** Undervalued

**Key Ratios:**

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

**Analysis:** The \$7.2B retailer trades cheap at 34X earnings and 4.25X sales with mid-20% growth. FIVE is moving into a historically seasonally strong period as one of the more 'Holiday driven' retailers. The company been focusing on unit expansion while moving into new verticals like in-store gaming. The release of Frozen 2 will also be a notable catalyst with merchandise a driver.

# IDEAS

## WEEKLY TECHNICAL BREAKDOWN

**CYBR:**



**Cyber-Ark (CYBR)** shares are consolidating in a bear flag above the September lows with a breakdown under \$95 having room back to \$85. Shares have been unable to push past the declining 20- and 50-MA.

## PAIR TRADE OF THE WEEK

**Industry:** Packaging

**Long/Short:** Long **Packaging Corp (PKG)**; Short **Tupperware (TUP)**

**Analysis:** PKG is showing nice relative strength with a fair valuation at 15.7X earnings and 11.3X FCF. Recent fear of containerboard cuts is overblown with the company not expecting as deep of discounts as feared. TUP continues to face headwinds from FX while their massive turnaround plan isn't expected to make a major impact until 2020.

## SMALL CAP TRADE OF THE WEEK

**ICF International (ICFI)** is a \$1.57B company which focuses on marketing and policy consulting to government clients in the US. They offer a range of services from social impact statements, data collection and analysis, cyber security solutions, and more. Shares trade 18X earnings and 1.1X sales with double-digit growth. They are coming off a strong quarter and Sun Trust with a \$110 PT seeing potential for another \$1B in contract wins.

## DAILY OPTIONS REPORT

### Unusual Call Activity

### Unusual Put Activity

### Implied Volatility Riser

Party City (PRTY)

Tupperware (TUP)

Solid Bio (SLDB)

EQT Corp (EQT)

Hexcel (HXL)

Mallinckrodt (MNK)

Nexstar (NXST)

Brinker (EAT)

Viking (VKTX)

Texas Roadhouse (TXRH)

Uniti (UNIT)

Nio (NIO)

Quanta (PWR)

Ryder (R)

Real Real (REAL)

Ascendis (ASND)

Fortive (FTV)

Party City (PRTY)

### Lowest Put/Call Ratio

### Highest Put/Call Ratio

### Implied Volatility Decliner

Agile Therapeutics (AGRX)

Immersion (IMMR)

Mirati (MRTX)

BRF SA (BRFS)

Kontoor (KTB)

Xunlei (XNET)

Navient (NAVI)

Gerdau (GGB)

Beyond Meat (BYND)

Rogers (ROG)

Dean Foods (DF)

PG&E (PCG)

Harmonic (HLIT)

Nlight (LASR)

Diebold (DBD)

Oasis Petroleum (OAS)

MSC Industrial (MSM)

Intel-Sat (I)

### OTM Calls on Offer

### OTM Puts on Offer

### Elevated IV30

NY Times (NYT)

Apache (APA)

Assembly Bio (ASMB)

Party City (PRTY)

Dean Foods (DF)

Solid Bio (SLDB)

Mattel (MAT)

RR Donnelly (RRD)

Axsome (AXSM)

Sonos (SONO)

Antero (AM)

Overstock (OSTK)

Quanta (PWR)

Pinduoduo (PDD)

Fibrogen (FGEN)

### Positive Net Delta

### Negative Net Delta

### Option Volume Gainers (%)

Cameco (CCJ)

AMD

Uniti (UNIT)

BRF SA (BRFS)

Fitbit (FIT)

Ryder (R)

Newell (NWL)

Apple (AAPL)

Fortive (FTV)

Merck (MRK)

Yelp (YELP)

Quanta (PWR)

Facebook (FB)

Apache (APA)

Ascendis (ASND)

### Bullish Call Flow

### Bearish Put Flow

### Large Spread Trades

Amazon (AMZN)

Lattice (LSCC)

TIF, 2,049 December \$115/\$100 put spreads

J&J (JNJ)

Digital Realty (DLR)

SNE, 1500 November \$58.5/\$50 put spreads

Entegris (ENTG)

Kontoor (KTB)

SAM, November \$420/\$440 ratio call spread 350X700

Armstrong (AWI)

Factset Data (FDS)

CSX, 4,000 November 22nd (W) \$72/\$66 bull risk reversals

EQT Corp (EQT)

Reliance Steel (RS)

W, 2,000 November \$104/\$125 call spreads

## Stock Specific News

**Apple (AAPL)** mobilizes suppliers to launch first 5G iPhone range – Nikkei

**Apple (AAPL)** Pay service is coming under scrutiny in Europe – Reuters

**Fiat Chrysler (FCAU)** Confirms Merger Talks With **PSA**, Maker of Peugeot – NYT

**Novartis' (NVS)** Zolgensma study halted by FDA amid safety questions – Reuters

**Sony (SNE)** Retreats From Video But Still Plans to Win the Game – WSJ

Cloud spending jumped 27% in Q3 to \$18.9B (**GOOGL, AMZN, MSFT**) – WSJ

**Commerzbank** to buy remaining 18% of **comdirect** – Reuters

**Anixter (AXE)** to be acquired by Clayton, Dubilier & Rice for \$81.00/share

Former **Juul** exec says company shipped tainted pods – BuzzFeed

**Carlyle Group (CG)** to acquire insurance broker **The Hilb Group**

## Extras

**Silver (SLV)** afternoon buyer of 5000 January 2022 \$20 calls to open for \$2

**Affiliated Managers (AMG)** with 2500 December \$80 puts being bought \$2.35 to \$2.45 late

**Kohl's (KSS)** buyer of 5000 Nov. 22nd (W) \$51 puts \$1.60 to \$1.70 in a sweep, captures 11-19 earnings

**Macquarie Infrastructure (MIC)** with 5,000 November \$40/\$45 call spreads bought for \$0.70 into earnings tomorrow afternoon

**Tandem (TNDM)** with 5500 November \$60/\$55 put spreads opening late for \$1.15, earnings 11-4

**Yum Brands (YUM)** trade opened 1000 January/April \$110 put calendar spreads for \$2.15 debit

**Kornit Digital (KRNT)** unusual spread sold 500 each of the May \$30 and \$25 puts to buy 1000 May \$35 calls and also sold 500 each of the \$40 and \$45 calls

**JP Morgan (JPM)** buyer of 1000 June 2021 \$130/\$125 strangles

**Madison Square Garden (MSG)** late day IV surge with 500 May \$330 calls opening at \$4

**Hasbro (HAS)** buyer of 500 November 22<sup>nd</sup> (W) \$95 calls to open \$4.40 to \$4.90 offer

**Uber (UBER)** spread bought 4000 January \$34 calls at \$2.55 and sold 2000 of the \$30 puts at \$5.70

**eBay (EBAY)** with 1500 June 2020 \$35 calls bought \$3.65 and 1000 of the \$36 calls bought for \$3.10

**Quanta (PWR)** active options in the afternoon ahead of 10-31 earnings with the May \$45 calls bought 1850X at \$2.10 and the \$50 calls opening 2,775X at \$0.85 while the December \$40 puts open 2,775X at \$0.95

**Nextstar (NXST)** seeing adjustment trades with 10,000 November \$110 calls adjusting to January \$110 that are bought \$4.42 while January risk reversals also adjusting and the \$100 puts sold \$4.80 to open 3000X. Shares are trading in a wide inverted head and shoulders under \$110 targeting \$130 on a move higher. NXST has been on a strong run since May 2018 and pulled back to the 50% retracement level this year at \$90 where it held. The \$4.5B broadcaster trades 6.2X earnings, 1.72X sales, and 11X FCF with a 1.75% yield. NXST expects EPS to double next year with revenues up 60% after the close of their deal for Tribune which closed in early September. The deal makes them the largest US broadcaster in the space with reach into 39% of homes as well as some interesting properties like WGN America and a 33% stake in Food Network. It's expected to boost FCF by 51%. For NXST, the boost in scale is significant ahead of the 2020 Presidential election where ad spending is expected to be at an all-time high. Short interest is 7.5%. Benchmark has a \$150 PT for shares citing the company's upwardly revised synergies and free cash flow guidance. They think 2020 EBITDA should be well north of \$2B when factoring in the Food Network cash distribution and he sees greater than anticipated upside from retrans through next year. Hedge fund ownership rose 10.4% in Q2. Park West a sizable call position as well as stock holding.

### Earnings Previews

**Alnylam Pharma (ALNY)** an interesting Biotech set to report 10/31 before the open with 1000 November \$100 calls, 1500 December \$80 calls, 1000 December \$85 calls, and 3,500 December \$90 calls all bought in open interest as well as 600 January \$80 calls in a \$1.1M trade back on 12/17/18. The \$9.8B Biotech broke out of its 2018 downtrend in September and weekly RSI gaining strength, a name that traded above \$150 in early 2018 and the next two retracement levels are \$96 and \$107. ALNY is trading 5X cash and sees 2019 as a year when revenues jump 170% to \$202.5M and FY20 expectations at \$425M, entering a strong commercial cycle with longer term estimates seeing \$2.2B in sales by FY23. ALNY is involved with RNAi Therapeutics as a new class of innovative medicines with transformational potential. Onpattro is the first approved RNAi Therapeutic targeting ATTR Amyloidosis. ALNY is partnered with Medicine Co (MDCO) on Inclisiran with Phase 3 results due in 2019, partnered with Sanofi (SNY) with Fitusiran with Phase 3 results due in 2019, and also partnered with Regeneron (REGN) on a few programs. Onpattro is off to a strong launch and sell-side estimates are around \$45M this quarter while Phase 3 ILLUMINATE-A data on lumasiran is also due in adults and children by year end which could support ALNY's 3rd RNAi drug approval late next year. As an additional catalyst ALNY will be hosting a R&D day on 11-22-19. Analysts have an average target of \$113 on shares and short interest at 5.8% of the float has risen 20% Q/Q back near a two-year high. Piper out in September with a \$145 target confident in FDA approval by the February 4th PDUFA data for Givosiran. Stifel has a Buy rating and \$116 target noting ALNY will receive up to 20% royalty on MDCO's Inclisiran sales. Hedge Fund ownership surged 65% in Q2 filings, Maverick Capital adding to a large position.

**Universal Display (OLED)** will report earnings tonight after the close with the Street looking for \$0.61 on \$85.88M in sales. Next quarter is guided to \$0.57 and \$91.8M (+30.9%) while the FY is \$2.72 and \$383.28M (+54.9%). Shares have closed higher four of the last six with an average closing move of

13.3%. This quarter is pricing in an 11.8% move with IV30 elevated in the 84th percentile. The \$8.29B company trades 44.15X earnings, 23.5X sales, and 15X cash with a small yield. OLED has seen estimates rise all year with EPS settling into a 40% growth range the next two years with revenues up sharply from \$383.28M in FY19 to \$622.5M by FY21. OLED is coming off a strong quarter with demand continuing to grow. The company did note that \$15-\$20M of sales were pulled forward from the 2H by Chinese customers due to trade issues. OLED has a massive market opportunity with growth in mobile, TV, and wearables and expects a greater than \$45B TAM by 2023. The overall market has long-term advantages to LCD due to better image quality, lower power usage, and ease of manufacturing. They have exposure to a lot of the smart phone market (Google Pixel, Xiaomi Black Shark, Samsung Note, Huawei P30, Apple Iphone XS Max) as well as LG automotive displays and Dell PCs. Analysts have an average target for shares of \$188.50. Roth Capital with a \$206 PT but Neutral rating noting that while the global OLED opportunity is huge and nascent, valuation for shares remains unattractive. Deutsche Bank positive with a \$220 PT as demand for high end smartphone remains soft but OLED continues to benefit from preproduction of several new OLED fabs. Short interest is 2.8% and the lowest level since in more than 15 years, down from 20% in January. Hedge fund ownership fell 13.75% in Q2.

### Earnings Review

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
ACCO	ACCO Brands	\$0.32	\$0.34	\$505.70	\$517.63	-0.30%	
ATGE	Adtalem Global Education	\$0.34	\$0.46	\$254.60	\$301.66	7.50%	FY In Line
ADSW	Advanced Disposal	\$0.19	\$0.14	\$419.50	\$419.81	4.70%	
AMD	Advanced Micro	\$0.18	\$0.18	\$1,801.00	\$1,806.53	9.00%	
AJRD	Aerojet Rocketdyne	\$0.35	\$0.44	\$481.80	\$505.47	-3.40%	
AMED	Amedisys	\$1.15	\$0.90	\$494.63	\$494.14	18.50%	FY In Line
AFG	American Fincl	\$2.25	\$2.00	\$1,442.00	\$1,312.60	8.70%	
AMGN	Amgen	\$3.66	\$3.53	\$5,737.00	\$5,634.64	-2.80%	FY In Line
AM	Antero Midstream	\$0.39	\$0.21	\$243.80	\$269.56	544.60%	
AR	Antero Resources	-\$0.49	-\$0.30	\$1,118.88	\$988.92	3.90%	
AGR	AVANGRID	\$0.40	\$0.52	\$1,487.00	\$1,544.24	-3.80%	
AXS	AXIS Capital	-\$0.34	\$0.29	\$856.08	\$927.73	-6.90%	
AX	Axos Financial	\$0.68	\$0.67	\$124.84	\$124.87	21.40%	
SAM	Boston Beer Co	\$3.27	\$2.89	\$378.50	\$369.04	23.30%	FY In Line
BVN	Buenaventura SA	\$0.02	\$0.12	\$230.20	\$224.91	-14.40%	
CHRW	C.H. Robinson	\$1.07	\$1.14	\$3,856.13	\$3,919.32	-10.20%	
CAI	CAI Intl	\$0.74	\$0.71	\$107.60	\$108.04	-6.80%	
CCS	Century Communities	\$0.87	\$0.88	\$573.90	\$567.22	3.80%	



CAKE	Cheesecake Factory	\$0.59	\$0.55	\$586.50	\$597.76	2.00%	FY Above
CHE	Chemed	\$3.46	\$3.31	\$480.61	\$478.89	8.20%	
CB	Chubb	\$2.70	\$2.61	\$8,010.00	\$7,821.00	6.10%	
CYH	Community Health	-\$0.29	-\$0.59	\$3,246.00	\$3,143.39	-5.90%	FY In Line
CXO	Concho Resources	\$0.61	\$0.68	\$1,115.00	\$1,091.00	-6.50%	FY In Line
TCS	Container Store	\$0.08	\$0.09	\$236.40	\$231.99	6.90%	
DENN	Denny's	\$0.18	\$0.16	\$124.30	\$126.62	-21.30%	
DLR	Digital Realty Trust	\$1.67	\$1.64	\$806.50	\$814.47	4.90%	
EA	Electronic Arts	\$2.89	\$2.00	\$1,277.00	\$1,246.27	4.50%	
ENPH	Enphase Energy	\$0.30	\$0.25	\$180.06	\$176.49	130.80%	FY Above
EPR	EPR Properties	\$1.46	\$1.35	\$184.90	\$175.82	4.80%	
EXAS	Exact Sciences	-\$0.31	-\$0.41	\$218.81	\$216.14	85.00%	
EXR	Extra Space Storage	\$1.23	\$1.24	\$290.92	\$285.72	9.10%	
FNF	Fidelity National	\$1.10	\$0.91	\$2,241.00	\$2,188.50	2.10%	
FEYE	FireEye	\$0.02	\$0.01	\$225.91	\$220.09	6.70%	FY In Line
FMC	FMC Corp	\$0.94	\$0.81	\$1,000.00	\$978.47	-3.50%	FY In Line
GNW	Genworth Financial	\$0.24	\$0.30	\$2,020.00	\$2,135.00	3.50%	
HLF	Herbalife Nutrition	\$0.73	\$0.73	\$1,244.50	\$1,209.85	0.10%	
HURN	Huron Consulting	\$0.79	\$0.66	\$219.30	\$211.59	10.50%	
HY	Hyster-Yale	\$0.76	\$0.73	\$766.00	\$857.90	-2.30%	
IEX	IDEX Corp	\$1.52	\$1.46	\$624.20	\$641.66	0.20%	
IPHI	Inphi	\$0.45	\$0.37	\$94.23	\$90.09	20.80%	
INVH	Invitation Homes	\$0.29	\$0.31	\$443.33	\$446.66	2.10%	
KAI	Kadant	\$1.41	\$1.27	\$173.50	\$172.94	4.70%	
KBR	KBR		\$0.43		\$1,415.00		
LSCC	Lattice Semi	\$0.17	\$0.15	\$103.47	\$103.06	2.00%	FY Below
LDL	Lydall	\$0.19	\$0.38	\$205.30	\$218.77	3.70%	
MTDR	Matador Resources	\$0.32	\$0.22	\$279.40	\$227.69	34.90%	
MAT	Mattel	\$0.26	\$0.19	\$1,481.60	\$1,435.11	3.10%	
MXIM	Maxim Integrated	\$0.51	\$0.49	\$553.00	\$530.99	-13.30%	
MGRC	McGrath RentCorp	\$1.32	\$1.04	\$173.60	\$150.77	21.30%	
MDU	MDU Resources	\$0.69	\$0.61	\$1,563.80	\$1,500.00	22.10%	
MRCY	Mercury	\$0.44	\$0.41	\$177.30	\$168.36	23.10%	
MSTR	MicroStrategy	\$0.94	\$0.66	\$119.69	\$123.02	-2.00%	

MOH	Molina Healthcare	\$2.80	\$2.73	\$4,243.00	\$4,145.14	-9.70%	
MDLZ	Mondelez Int'l	\$0.64	\$0.60	\$6,355.00	\$6,343.48	1.10%	
NBR	Nabors Industries	-\$0.31	-\$0.22	\$758.08	\$777.69	-2.70%	
NATI	Natl Instruments	\$0.44	\$0.46	\$340.44	\$338.95	-1.60%	
NWE	NorthWestern	\$0.50	\$0.61	\$274.84	\$295.48	-1.80%	
OSPN	OneSpan	\$0.36	\$0.15	\$79.73	\$63.12	51.90%	
PAYC	Paycom Software	\$0.70	\$0.67	\$175.00	\$171.46	31.30%	
PSMT	PriceSmart	\$0.67	\$0.50	\$801.30	\$812.34	3.00%	
PTCT	PTC Therapeutics	-\$1.06	-\$0.87	\$71.40	\$72.03	33.20%	
PSA	Public Storage	\$2.73	\$2.75	\$729.33	\$732.26	3.30%	
RNR	RenaissanceRe	\$0.29	\$1.03	\$704.13	\$574.66	55.30%	
RPAI	Retail Properties	\$0.27	\$0.26	\$119.71	\$118.71	0.50%	
REXR	Rexford Industrial Realty	\$0.31	\$0.31	\$68.06	\$67.50	23.30%	
RXN	Rexnord	\$0.51	\$0.47	\$521.30	\$524.39	-0.70%	
RRD	RR Donnelley & Sons	\$0.31	\$0.22	\$1,619.40	\$1,609.15	-1.80%	
RYI	Ryerson	\$0.24	\$0.63	\$1,104.00	\$1,113.90	-11.70%	
SGEN	Seattle Genetics	-\$0.55	-\$0.32	\$213.26	\$211.85	25.90%	
SIMO	Silicon Motion	\$0.69	\$0.57	\$110.50	\$112.08	-20.30%	FY Above
SILK	Silk Road Medical	-\$0.26	-\$0.30	\$17.00	\$15.93	77.10%	FY Above
SYK	Stryker	\$1.91	\$1.90	\$3,587.00	\$3,578.88	10.60%	
TCO	Taubman Centers	\$0.86	\$0.88	\$162.50	\$166.01	2.10%	
TENB	Tenable	-\$0.07	-\$0.11	\$91.90	\$88.79	32.40%	
TX	Ternium S.A.	\$0.48	\$0.43	\$2,419.50	\$2,569.27	-19.30%	
UDR	UDR	\$0.53	\$0.52	\$295.40	\$285.45	11.00%	
UIS	Unisys	\$0.49	\$0.47	\$757.60	\$714.85	10.10%	FY Above
UNM	Unum Group	\$1.36	\$1.38	\$2,960.00	\$3,015.95	1.10%	
VRSK	Verisk Analytics	\$1.12	\$1.13	\$652.70	\$650.34	9.00%	
VNOM	Viper Energy Partners	\$0.46	\$0.14	\$71.79	\$73.40	-7.60%	
WRI	Weingarten Realty	\$0.53	\$0.52	\$117.38	\$117.85	-6.50%	
YUMC	Yum China	\$0.58	\$0.54	\$2,319.00	\$2,371.11	4.80%	
ZEN	Zendesk	\$0.12	\$0.06	\$210.48	\$207.57	35.90%	

**CAI – Cautious Guidance** - For the quarter, CAI reported modest year-over-year growth in revenue from continuing operations despite weak demand conditions that have persisted as a result of the ongoing trade disputes between the United States and China. These geopolitical dynamics and softening

economic conditions continue to challenge the overall market for container leasing, impacting the demand for new containers and new factory equipment. We expect this demand profile to continue into the fourth quarter, which is typically a slower time of year.

**FEYE – Beat on EPS and Revenues** - We continued to execute on our long-term plan to transform FireEye from our origins as a network security product vendor to a comprehensive security platform company. Record third quarter billings for our platform, cloud subscription and managed services as well as professional services categories demonstrate our progress.

**EA – Beat on EPS and Revenues** - Looking ahead, we are doubling down on live services combined with our core franchises. We're investing in games that people play for longer and engage with much more deeply. This focus will continue to drive growth and profitability for the company through the remainder of this year and beyond.

**MAT – Beat on EPS and Revenues** - We are executing very well on our strategy to restore profitability, delivering the fifth consecutive quarter where we achieved improvements in Reported Operating Income, EBITDA, gross margin and EPS. We are starting to see positive revenue trends with growth for the second quarter in a row as reported, and for the third straight quarter in constant currency. And we continue to make meaningful progress in laying the groundwork to capture the full value of our IP.

**CXO – Missed on EPS and Revenues Beat** - We achieved our production targets and materially reduced well costs, enabling us to surpass our well cost targets for the year and generate operating cash flow that exceeded capital spending. We also made significant progress on other important initiatives, including the sale of our New Mexico Shelf assets. The transaction was an important step in high-grading our portfolio, and we will use the proceeds to achieve our debt reduction target and accelerate the return of capital to shareholders.

**CSII – Beat on Revenues** - Worldwide coronary revenue grew 26% driven by our coronary procedure support product offering domestically and the continued adoption of orbital atherectomy in targeted accounts internationally. Peripheral revenue increased 10% driven by the introduction of new peripheral orbital atherectomy devices resulting in strong unit growth domestically. We look to build on these initiatives throughout fiscal 2020 as we expand our offering of both coronary and peripheral procedure support products in the United States and launch orbital atherectomy in new geographies.

**CB – Beat on EPS and Revenues** - We benefited from an improved pricing and underwriting environment and a flight to quality from commercial insurance buyers who are more often choosing Chubb. Pricing continued to firm in the quarter - in many cases at double or greater the rate of the first quarter - with rate increases accelerating and spreading to more classes of business. We are also benefiting from our many product, customer and distribution-related growth initiatives in the U.S., Asia and Latin America.

**ATEN – Missed on EPS and Beat on Revenues** - We also saw continued strength in 5G security in South Korea, Japan, and the Middle East. We are optimistic as we look to the fourth quarter and beyond, due to improving demand signals from several key North America accounts, expanded 5G security infrastructure deployments on the part of service providers across the globe, an ongoing positive mix

shift toward more recurring maintenance and subscription revenue, and the fact that the company is laser-focused on making progress to accelerate operating income

**RRD – Lowering FY Sales Outlook** - The revised net sales estimate reflects the continued pressure in Logistics and Commercial Print products, as well as the October sale of the GDS business. Despite lower sales performance in Logistics, the Company believes the business, as well as the overall Logistics market, has stabilized.

**CHRW – Missed on EPS and Revenues, Outlook Weak** - Our net revenues, operating income, and EPS results finished below our long-term expectations. We anticipated an aggressive industry pricing environment coming into the second half of this year driven by excess capacity and softening demand and knew we faced difficult comparisons versus our strong double-digit net revenue growth in the second half of last year. Our results were negatively impacted by truckload margin compression in North America

**LDL – Missed on EPS and Revenues** - Third quarter sales declined 2% organically as on-going global trade tensions drove uncertainty in key markets. Third quarter sales were negatively impacted by a significant drop in demand in China, global weakness in sealing product markets and lower volume due to the strike at General Motors. From a profitability standpoint, adjusted EBITDA was negatively impacted by higher labor and overhead costs in the Thermal Acoustical Solutions segment and lower gross margin in the Performance Materials segment.

**AGR – Missed on EPS and Revenues** - The third quarter results reflected positive performance in Renewables, with improved production due to better wind resource and new assets in service. Year-to-date earnings benefited from Forward 2020+ Mid-period Assessment achievements helping to offset lower wind production and pricing in Renewables, as well as higher outage restoration and staging costs in Networks.

**RXN – Beat on EPS and Missed on Revenues** - Both platforms delivered significant margin expansion while advancing our organic growth strategies and execution of the third phase of our Supply Chain Optimization and Footprint Repositioning initiatives. The progress we've made over the past several years to reduce our fixed cost structure while investing in more stable growth areas gives us confidence that we are well-positioned to generate strong free cash flow over the balance of this year and beyond, and to create shareholder value across an increasingly wider range of end-market environment

**SAM – Beat on EPS and Revenues, Shipments Up 19.1%** - In our first quarter as a combined company we reported depletions growth of 30%, of which 24% is from historic Boston Beer brands and 6% is from the addition of Dogfish Head brands following the closing. I am tremendously proud of the efforts of all of our coworkers in achieving our sixth consecutive quarter of double-digit growth, while maintaining a focus on quality and innovation.

**AMD – Beat on Revenues, Guidance In Line with Margins Positive** - Computing and Graphics segment revenue was \$1.28 billion, up 36 percent year-over-year and sequentially. Enterprise, Embedded and Semi-Custom segment revenue was \$525 million, down 27 percent year-over-year and 11 percent sequentially.

### Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
AXE	Anixter	\$1.92	\$1.65	\$2,222.20	\$2,241.57	2.00%	
AIT	Applied Industrial	\$1.02	\$1.02	\$856.40	\$850.45	-0.90%	
APTV	Aptiv	\$1.27	\$1.26	\$3,559.00	\$3,611.44	2.10%	FY Below
ARCC	Ares Capital	\$0.48	\$0.46	\$387.00	\$370.17	13.20%	
AAWW	Atlas Air Worldwide		\$1.02		\$699.08		
AUO	AU Optronics	-\$0.41	-\$0.24	\$70,050.00	\$71,948.23	-13.60%	
ADP	Automatic Data	\$1.34	\$1.33	\$3,495.70	\$3,517.46	5.60%	FY In Line
BKR	Baker Hughes	\$0.21	\$0.24	\$5,882.00	\$6,113.02	2.40%	
BDC	Belden		\$1.41		\$632.68		
EAT	Brinker	\$0.41	\$0.42	\$786.00	\$802.16	4.20%	
BG	Bunge	\$1.41	\$0.40	\$10,323.00	\$11,141.58	-9.50%	
CLH	Clean Harbors		\$0.71		\$875.51		
CME	CME Group	\$1.90	\$1.75	\$1,277.30	\$1,265.57	41.30%	
CRTO	Criteo	\$0.54	\$0.50	\$221.00	\$221.76	-0.90%	
CROX	Crocs	\$0.57	\$0.39	\$312.80	\$302.06	19.80%	FY Above
DAN	Dana Inc	\$0.74	\$0.73	\$2,164.00	\$2,155.69	9.40%	
DIN	Dine Brands		\$1.52		\$224.13		
ETR	Entergy	\$2.52	\$2.21	\$36,717.00	\$3,420.79	-1.10%	FY In Line
EXTR	Extreme Networks	\$0.08	\$0.03	\$255.51	\$253.26	6.50%	FY In Line
GRMN	Garmin		\$0.97		\$869.02		
GLOP	GasLog Partners	\$0.43	\$0.48	\$96.49	\$96.30	-0.70%	
GE	General Electric	\$0.15	\$0.12	\$23,360.00	\$22,932.07	-0.10%	
HTLD	Heartland Express		\$0.26		\$147.02		
HES	Hess		-\$0.31		\$1,517.91		
INSM	Insmid		-\$0.67		\$35.89		
IQV	IQVIA	\$1.60	\$1.57	\$2,769.00	\$2,762.24	6.70%	
JHG	Janus Henderson Group	\$0.64	\$0.61	\$536.00	\$533.94	-7.80%	
KFRC	Kforce		\$0.67		\$340.32		
LHX	L3Harris	\$2.58	\$2.39	\$4,431.00	\$4,430.10	187.40%	
LECO	Lincoln Electric		\$1.24		\$750.21		
LFUS	Littelfuse	\$1.78	\$1.56	\$362.00	\$372.14	-17.60%	FY Below

LIVN	LivaNova	\$0.84	\$0.75	\$268.60	\$273.41	-1.30%	
MAS	Masco	\$0.68	\$0.69	\$1,947.00	\$2,130.81	2.30%	FY Below
MCK	McKesson	\$3.60	\$3.59	\$57,616.00	\$55,057.24	8.60%	
MLCO	Melco Resorts		\$0.24		\$1,408.75		
TAP	Molson Coors Brewing	\$1.48	\$1.51	\$2,842.00	\$2,874.15	-3.10%	
MCO	Moody's	\$1.99	\$1.99	\$1,240.50	\$1,175.31	14.80%	
NYCB	New York Community	\$0.19	\$0.19	\$260.03	\$255.13	-4.60%	
NVT	nVent Electric	\$0.49	\$0.47	\$559.80	\$554.44	-0.70%	
ORBC	Orbcomm	-\$0.05	-\$0.03	\$69.19	\$71.43	-2.60%	
OSK	Oshkosh	\$2.17	\$1.88	\$2,195.70	\$2,107.98	6.70%	FY In Line
RCL	Royal Caribbean		\$4.32		\$3,220.12		
SAIA	Saia		\$1.28		\$464.97		
SC	Santander Consumer	\$0.67	\$0.67	\$1,197.85	\$1,189.33	4.70%	
ST	Sensata Tech	\$0.90	\$0.90	\$849.72	\$858.24	-2.70%	FY Below
SPG	Simon Properties	\$3.05	\$3.05	\$1,416.00	\$1,400.83	0.90%	FY Above
SITC	SITE Centers	\$0.30	\$0.29	\$109.70	\$111.73	-15.00%	
SITE	SiteOne Landscape	\$0.81	\$0.75	\$652.80	\$642.97	12.80%	
SNE	Sony	\$148.60	\$122.16	\$2,122,259.00	\$2,164,561.16	-3.00%	FY In Line
SO	Southern	\$1.34	\$1.14	\$5,995.00	\$6,010.43	-2.70%	
FLOW	SPX FLOW	\$0.59	\$0.47	\$383.50	\$365.37	-5.70%	
SMP	Standard Motor		\$0.92		\$311.11		
SF	Stifel Financial	\$1.50	\$1.47	\$821.50	\$798.53	11.30%	
SUM	Summit Materials	\$0.50	\$0.73	\$665.85	\$674.18	6.50%	
TMHC	Taylor Morrison Home	\$0.63	\$0.65	\$1,105.11	\$1,117.72	6.60%	
TEL	TE Connectivity	\$1.33	\$1.31	\$3,300.00	\$3,268.01	-6.00%	
TNC	Tennant		\$0.45		\$285.90		
MDCO	The Medicines Co	-\$0.72	-\$0.66		\$1.12		
TUP	Tupperware	\$0.43	\$0.63	\$418.10	\$437.29	-13.90%	FY Below
UMC	United Micro	\$0.25	\$0.22	\$37,738.40	\$37,551.18	-4.20%	
UTHR	United Therapeutics	\$3.83	\$2.90	\$401.50	\$342.28	-2.70%	
WCG	WellCare	\$5.50	\$3.87	\$7,140.20	\$6,785.79	41.20%	
WING	Wingstop		\$0.17		\$49.26		
WYND	Wyndham Destinations	\$1.57	\$1.47	\$1,105.00	\$1,108.15	4.00%	FY In Line
YUM	Yum! Brands	\$0.80	\$0.94	\$1,339.00	\$1,345.53	-3.70%	

