

TOP STORIES

- US Markets Await Jobs Data
- German Industrial Output and Exports Fall Sharply in April
- US Dollar Headed for Worst Week Since December
- OPEC Seen Extending Output Cuts, Oil Rebounds
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INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2,856 (10.25)	2,844.2 (-1.5)
Nasdaq	7,318 (35.75)	7,280.9 (-1.3)
Dow	25,833 (88)	25,727.66 (-17)

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7,323.44	0.88%
DAX	12,046.1	0.78%
Nikkei	20,884.7	0.53%
Hang Seng	26,965.3	0.26%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30am	US Nonfarm Payrolls	190,000
10am	Wholesale Inventories	0.7%
3pm	Consumer Credit	\$12B

FOREX

EUR/USD	1.1266 (-0.1%)
USD/JPY	108.55 (0.14%)
USD/CAD	1.3351 (-0.08%)
GBP/USD	1.272 (0.25%)

COMMODITY

Oil	53.1 (1%)
Natural Gas	2.347 (1%)
Gold	1337.8 (-0.36%)
Copper	2.639 (-0.43%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	15.93 (-1%)
Nasdaq	VXN	20.35 (-2.5%)
Oil	OVX	40.65 (-10%)
Gold	GVZ	11.6 (3.2%)

MARKET OUTLOOK

Stocks are indicating a higher open this morning continuing momentum this week as some risk appetite returns to global markets on accommodative Central Bank policy looking to offset some weak Macro data. On the trade front investors are optimistic on US/Mexico progress while China remains a wildcard with some talks set to take place at the G20 this weekend. Oil is higher by 1% this morning while Gold is pulling back after a recent rally. The US Jobs Report in focus this morning for May numbers expected to show growth and wage gains. Expectations are looking for 185,000 to 190,000 nonfarm payroll rise, though Wednesday's ADP report came in very weak. The US Dollar is headed for its worst week since December.

An interview by Bloomberg with the PBOC Chief indicates plenty of room left for China to ease on the fiscal and monetary fronts to counteract the Trade War. We got further weak data out of German on Exports and Industrial Output for April showing the impact of weakening global trade.

Looking ahead to next week the schedule will be very quiet on all fronts with very few earnings reports and economic data. We have some inflation data due next week that could cause further inferences for the Fed's action, and on Friday we get Retail Sales and Industrial Production.

On the technical front the S&P (SPX) continues to work on a weekly bull engulfing pattern highlighted earlier this week, one that held firm right at key intersecting supports, the 89 week rising MA, the weekly cloud, a 38.2% Fibonacci Retracement, and the March lows.

S&P TECHNICALS

Levels: Support 2,775/2,750; Resistance 2,830/2,850



KEY EVENTS TO WATCH

Conferences: Jefferies Healthcare Conf.

Earnings BMO: LOVE, THO

ANALYST ACTION/COMMENTS

Exelon (EXC) Raised to Buy at Goldman Sachs, \$52 Target

Anaplan (PLAN) Raised to Overweight at KeyBanc

Helmerich and Payne (HP) Raised to Overweight at Piper

Schlumberger (SLB) Raised to Buy at Stifel

Ryanair (RYAAY) Raised to Buy at Deutsche Bank

Sabre (SABR) Started Buy at Mizuho, \$25 Target

Quaker (KWR) Raised to Buy at Janney Montgomery

Matador (MTDR) Raised to Overweight at JP Morgan

Glu Mobile (GLUU) Raised to Outperform at Wedbush

Garmin (GRMN) Raised to Neutral from Underweight at JP Morgan

Alteryx (AYX), HubSpot (HUBS), Tableau (DATA), ZenDesk (ZEN) Started Buy at Goldman; **Shopify (SHOP), Splunk (SPLK), Veeva (VEEV)** Started Neutral; **Talend (TLND), New Relic (NEWR)** Started Sell

American Tower (AMT), SBA Comm. (SBAC) Cut to Neutral from Buy at UBS

Mirati (MRTX) Cut to Neutral from Buy at Guggenheim

SkyWorks (SWKS) Cut to Hold from Buy at Argus

QEP Resources (QEP) Cut to Underweight at JP Morgan

MEDIA HIGHLIGHTS

Caesar's (CZR) Rebuffs **El Dorado (ERI)** Takeover Offer – NY Post

Netflix (NFLX) Testing Social Media Feed Called Extras – Tech-Radar

Gucci Parent Kering Moves to Tighten Grip on E-Commerce – Reuters

Sanofi (SNY) Names Novartis Drug Executive Hudson Next CEO – Bloomberg

STOCK SPECIFIC NEWS OF NOTE

Revolve (RVLV) Prices 11.8M Share IPO at \$18, Top of Range

Vertex (VRTX) to Acquire Exionics Therapeutics for \$245M

Columbia Financial (CLBK) to Acquire **Stewardship (SSFN)** for \$137M, \$15.75/Share Cash

Norwegian Cruise (NCLH) Sees \$0.35-\$0.45 EPS Impact to Cuba Travel Regulations

Barnes and Noble (BKS) to be Acquired \$6.50/Share Cash by Elliott Mgmt.

PRE-MARKET MOVERS

Moving Higher: SNY 6%, BTI 3.2%, AMD 1%, TSLA 1%, CZR 6%

Moving Lower:

INSIDER TRADING (Form 4 Filings)

Buying: REZI, TREC, PE, FTK, TTS, HIL, BAS, FCX

Selling: AKAM, OC, NEWR, GSHD, STE, EPAY, THRM, FIVN, GGG, SQ, RNG, RP, DXCM, ALLK, CDLX

POTENTIAL SYMPATHY TRADES

OPTION HIGHLIGHTS (Prior Day)

Dell Tech (DELL) continuing to trade weak with a major three week correction with shares down around 25% but are hitting potential support at a 61.8% Fibonacci and former support. DELL this morning is seeing buyers of 2,500 October \$60 calls to open up to \$3 and has seen 12,800 of the \$62.50 calls bought and 4,000 of the \$65 calls bought. DELL does have a lot of June puts now deep ITM in OI but also 8,000 July \$52.5 and 10,000 July \$60 calls. The \$39B Tech company now trades 7.35X Earnings, 5.6X FCF and 8.1X EV/EBITDA. Dell continues to be seen as a sum of the parts story with its stakes in VMware (VMW), Pivotal (PVTI), and Secure-Works (SCWX), and Elliott raising its ownership in February noting shares should be worth at least \$70. They expect mid-single digit growth in FY20 and double-digit growth in FY21 with earnings power of nearly \$8/share. DELL sees 11% revenue growth in the coming years driven by secular themes across connected devices and big data while IT spending growth is also favorable. They see big cross-sell opportunities across storage, security, servers, and virtualization. They are a leader in managed cloud as well, an \$80B market. DELL recently beat on EPS while missing on revenues. Analysts have an average target of \$73 and short interest low at 2.4% of the float. Evercore ISI out last night starting shares Outperform with a \$75 target. BAML has a \$70 target positive on the quarter with strong CSG growth and margins while Server revenues were weak. We reiterate Buy on broad Dell's product portfolio, growth faster than the market, share gains, competitive advantage with VMWare, and opportunity to increase margins over the next several years on higher mix of storage. Elliott Mgmt. has a \$658M stake, its 9th largest position.

AFTER HOURS MOVERS

Gainers: ZUMZ 18%, BYND 15%, ZM 9.5%, PRSP 6.8%, PD 2.8%, SENS 20%, CRSP 10%, ELGX 4%, BKS 1.7%, HOME 1%

Losers: DOCU -20%, DOMO -19%, OLLI -3.5%, GES -1.1%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.66	Neutral
CBOE Index Put/Call Ratio	0.9	Complacent
CBOE Skew Index	113.9	Neutral
VIX Curve	Contango	Normal
CNN Fear & Greed Index	29	Fear
NYMO	5.3	Neutral
NYSE Highs/Lows	57.5% Highs	Neutral
McClellan Summation	208	Bearish
Univ. of Michigan Consumer Sentiment	100 (May)	Falling

SMART MONEY (13g/13d Filings)

IPO MONITOR

GSX Tech (GSX) to IPO 19.8M Shares \$9.5-\$11; A Technology Driven Education Company in China

Revolve (RVLV) to IPO 11.76M Shares \$16-\$18; A Next-Generation fashion retailer for millennials, a platform connecting consumer to fashion.

TRADE

WEEKLY TECHNICAL BREAKOUT

SHOP:



Shopify (SHOP) shares showing impressive relative strength with all moving averages in rising trends and consolidating nicely above the 13 day. Shars can clear \$280 and make a run for \$300.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Qiji PLC (QIWI)

Price: \$16.82

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	7.2X	2.27X	2.62X	5.1X	3.2X

Analysis: The \$1.07B International payments name trades extremely cheap across all metrics and coming off an impressive quarter with 31% revenue growth and raising its outlook. Operating metrics are improving and since 2010 a revenue CAGR near 25% and is building out a large digital ecosystem. QIWI is a platform best suited to service the emerging sharing economy businesses and consumers as well as merchants and individual entrepreneurs who need multi use case platform payment and financial solutions.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

EL:



Estee Lauder (EL) shares rolling over and likely to test back closer to \$160 with a large unfilled gap from earlier this year and concerns in China could start to weigh. The recent range break targets \$10 in downside.

PAIR TRADE OF THE WEEK

Industry: Water Utilities

Long/Short: Long **Aqua America (WTR)** / Short **American Water Works (AWK)**

Analysis: Aqua America has the strongest operating margins in the group and offers a healthy 2.23% dividend yield while trading at the highest EV/EBITDA ratio. It is the best in class name and should continue to outperform its peers.

SMALL CAP TRADE OF THE WEEK

Tech-Target (TTGT) is a \$518M provider of online content helping buyers and sellers of corporate IT products and services. It trades at attractive valuation of less than 25X Earnings and 21X FCF while having consistent double digit topline growth and impressive EPS growth cycle in progress. New technologies are driving increased IT spending and TTGT is rapidly expanding its margins as it converts to a subscription/recurring model.

Extras

Nucor (NUE) unusual large opening sale 3000 July 12th (W) \$54.50 puts ITM \$4.60

Navistar (NAV) with 1,000 July \$34 calls opened \$1.67 and June \$34 sold against in calendar spreads

NCR Corp (NCR) late rally with 2000 January \$28 puts sold to open \$1.50

Clearway Energy (CWEN) sweep buyers last hour for 5000 November \$17.50 calls \$0.60 to \$0.65 offers. CWEN is a \$1.16B owner of renewable energy and thermal infrastructure assets in the US. Shares traded above \$20 in 2018 before falling back in early 2019 basing near \$14 and this week starting to emerge out of that base. CWEN is trading 9X EV/EBITDA with a 5% dividend yield.

Earnings After Market Close (Thursday)							
Ticker	Company	EPS Actual	EPS Forecast	Rev Actual	Rev Forecast	YY Growth	Notes
BYND	Beyond Meat	-\$0.14	-\$0.16	\$40.20	\$39.50	214.00%	FY19 Above Street
DOCU	DocuSign	\$0.07	\$0.05	\$214.00	\$208.15	37.30%	FY20 Above Street
DOMO	Domo	-\$1.08	-\$1.28	\$40.80	\$40.68	27.90%	Q2 In Line
OLLI	Ollie's Bargain Outlet	\$0.46	\$0.44	\$324.85	\$319.15	17.80%	Q1 Comps +0.8%; Raises FY20
PD	PagerDuty	-\$0.22	-\$0.22	\$37.30	\$34.99	49.00%	Q2/FY20 Revenues Above
PRSP	Perspecta	\$0.54	\$0.48	\$1,090.00	\$1,078.00	53.00%	FY20 Above Street
MTN	Vail Resorts	\$7.12	\$7.06	\$958.00	\$958.90	13.40%	Raises Low End EBITDA
ZM	Zoom Video	\$0.02	\$0.01	\$122.00	\$111.66	103.10%	Q2/FY20 Revenues Above
ZUMZ	Zumiez	\$0.03	-\$0.09	\$212.90	\$206.03	3.20%	Q2 In Line
GES	Guess	-\$0.25	-\$0.26	\$537.00	\$537.00	3.00%	FY20 Healthy Outlook