

TOP STORIES

- Trump Regrets Not Raising Tariffs on China Higher, Sooner
- Trump Says China Called, Wants to Restart Trade Talks; China Denies
- US, Japan Near Deal on Trade
- German Business Morale Falls to Lowest Level Since 2012
- US, France Near Draft Agreement on Internet Taxes
- Trump Backs UK PM Johnson on Brexit

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2868.5 (13)	21.29
Nasdaq	7561.5 (57)	89.5
Dow	25828 (158)	212.1

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7094.98	-0.47%
DAX	11650.67	0.34%
Nikkei	20261.04	-2.17%
Hang Seng	25680.33	-1.91%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Durable Goods	1.1%
8:30	Chicago Fed	
10:30	Dallas Fed Mfg.	

FOREX

EUR/USD	1.1116 (-0.25%)
USD/JPY	105.84 (0.43%)
USD/CAD	1.3309 (0.23%)
GBP/USD	1.2236 (-0.33%)
USD	97.83 (0.31%)

COMMODITY

Oil	54.59 (0.78%)
Natural Gas	2.187 (1.63%)
Gold	1542.7 (0.33%)
Copper	2.534 (0.16%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	19.87 (19.12%)
Nasdaq	VXN	23.66 (13.59%)
Oil	OVX	35.2 (8.68%)
Gold	GVZ	18.36 (19.61%)

MARKET OUTLOOK

Futures are indicating a higher open for the morning after a busy overnight session. We gapped lower initially on Sunday down to 2810.25 but rebounding all night back above 2885 and Friday's VPOC at 2873.50. We stopped at a low-volume gap which has an air-pocket back up to 2,910. All of the overnight action follows a headline-heavy weekend with conflicting accounts of US/China progress. The latest move higher comes with POTUS saying that China had called US trade negotiators last night to restart talks. However, China has since said they are not aware of any call. Sec. Treasury Mnuchin has said that 'communication' is ongoing. China's Vice Premier Liu He said they were willing to solve their trade issues "through consultation and cooperation with a calm attitude." This all comes after Friday's news after the close that POTUS was raising tariffs on China to 30% from 25%. The G7 wraps up talks today in France so high likelihood we continue to see headlines throughout the day.

Asian markets were mostly lower this morning with the surge of news over the weekend. The Nikkei fell more than 2.5% to hit a 3-week low despite positive news on trade. Machinery and chip stocks hit hard with their exposure to trade.

Yaskawa Electric down 6% while **Fanuc** fell 3.6%. **TDK**, **Tokyo Electron**, and **Screen Holdings** down 3% each. Automakers are also weak. Japanese leading index came in as expected at 93.3. Singapore industrial production was slightly better than feared down just 0.4% in July. Hong Kong exports fell 5.7% in July, better than the 9% drop in June.

European stocks slipped to one-week lows this morning on trade concerns but rallying into the highs mid-morning. German business confidence fell to 94.3 in August, missing forecasts for 95.1. Expectations fell to 91.3 vs 91.5. German real-estate stocks fell after Berlin planned to cap rents.

Vonovia down 2%. Glasses-maker **EssilorLuxottica** rose 1.15% after reports that Third Point had built a stake.

S&P TECHNICALS

Levels: Support 2,825/2,800; Resistance 2,975/3,000



1144 Advancing	Declining 6163
14.8%	79.8%
266 New High	New Low 431
38.2%	61.8%
2224 Above SMA50	Below 5413
29.1%	70.9%
3149 Above SMA200	Below 4488
41.2%	58.8%

KEY EVENTS TODAY**Earnings After the Close:** BILI, CAL, SXI

Tomorrow... Redbook at 8:55 AM, Case-Schiller at 9:00, FHFA Housing at 9:00, Consumer Confidence at 10:00, Richmond Fed at 10:00; **International Data:** German GDP; **Earnings Before the Open:** AMWD, PLAN, BMO, BNS, BNED, CTLT, EV, FRO, JILL, SJM, LANC, MOMO

ANALYST ACTION/COMMENTS**Dish Network (DISH)** upgraded to Strong Buy at Raymond James, \$44 PT**VICI Properties (VICI)** upgraded to Buy at MSCO**Inovalon (INOV)** upgraded to Buy at Keybank**Canopy Growth (CGC)** upgraded to Buy at Seaport Global**Lyft (LYFT)** upgraded to Buy at Guggenheim**DTE Energy (DTE)** upgraded to Outperform at Wells Fargo**Copel (ELP)** upgraded to Overweight at JP Morgan**Steel Dynamics (STLD)** downgraded to Neutral at Longbow**Foot Locker (FL)** downgraded to Neutral at Baird**Cree (CREE)** downgraded to Sell at Piper Jaffray**Abraxas (AXAS)** downgraded to Neutral at Ladenburg**High Point (HPR)** downgraded to Neutral at Ladenburg**Oasis (OAS)** downgraded to Neutral at Ladenburg**Range Resources (RRC)** downgraded to Neutral at Ladenburg, \$5 PT down from \$11**Dynatrace (DT)** initiated Neutral at Goldman; initiated Buy at UBS, \$33 PT**Kura Sushi (KRUS)** initiated Outperform at BMO**Sundial Growers (SNDL)** initiated Neutral at CIBC**I Heart Radio (IHRT)** initiated Neutral at MSCO**Borr Drilling (BORR)** initiated Neutral at Citi**Coupa Software (COUP)** initiated Buy at BAML**Horizon Pharma (HZNP)** risk/reward 'highly attractive,' says Piper Jaffray**Apple's (AAPL)** ability to navigate tariffs may be underappreciated, says JPMorgan**MEDIA HIGHLIGHTS**How Elon Musk Gambled **Tesla (TSLA)** to Save **Solar City** – Vanity FairThird Point builds stake in **EssilorLuxottica** - ReutersChina to raise tariffs on U.S. scrap copper, aluminum from Dec. 15 (**KALU, AA, FCX, BHP, SCCO**) – ReutersU.S. lawmaker still concerned about **Facebook (FB)** cryptocurrency - ReutersBarron's positive **NFLX, CBS, FOXA, AMZN, JPM, T, ULTA, ROKU**; cautious **MMM, TSM****J&J (JNJ)** opioid ruling expected today in OK – FTNew Details Emerge Over **Mallinckrodt's (MNK)** Role in Opioid Crisis – WSJ**Amphenol (APH)** Says Its Products Are Not the Cause of Tesla's Walmart Woes – Bloomberg**Target (TGT), Disney (DIS)** Partner on Store Displays to Grab Holiday Sales – BloombergNASA Dangles \$7 Billion Carrot for Next Moon Landing (**MAXR**) – Bloomberg**Fortescue** profit surges on higher iron ore prices – FTThe Bond Market Is Wrong. Inflation Will Return, Someday (**TLT, UUP, VIX**) – WSJ**Deutsche Bank (DB), UBS** Explored European Banking Alliance – WSJ**Ascena Retail (ASNA)** not returning calls of lenders owed over \$1.4B - NY Post**STOCK SPECIFIC NEWS OF NOTE**Court rules patents asserted against **DexCom (DXCM)** CGM systems are invalid**Qualcomm (QCOM)** CFO Dave Wise to retire**Lockheed Martin (LMT)** awarded \$2.43B Navy contract**SolarEdge (SEDG)** announces death of co-chairman, founder Guy Sella**PDC Energy (PDCE), SRC Energy (SRCI)** to combine in all-stock transaction valued at about \$1.7B**Stifel Financial (SF)** to acquire B&F Capital Markets**Amgen (AMGN)** to acquire Otezla from **Celgene (CELG)** for \$13.4B in cash**Verisk (VRSK)** to acquire **Genscape** for \$364M in cash

PRE-MARKET MOVERS

Moving Higher: RKDA 23.7%, BMY 5%

Moving Lower:

INSIDER TRADING (Form 4 Filings)

Buying: PTEN, ADES, FOSL, RRR, NCMI, WMB, HHS

Selling: RH, DRNA, AYX, TWLO, ELF, CRM, CRVL, ANET, CVNA, EXR, MRTX, MXIM, RCL

POTENTIAL SYMPATHY TRADES

PETS, PETQ – on report JAB seeking vet deals

BMY, CELG, GILD, JNJ – on AMGN deal for Otezla

KALU, AA, FCX, BHP, SCCO – on metals tariffs

OPTION HIGHLIGHTS (Prior Day)

Repligen (RGEN) with buyers adding to the September \$95 calls yesterday and now over 2,150 in OI, the largest line across any expiration. RGEN had buyers at the strike on 7-29 and 7-30 for over \$6. Shares are coiled in a bull flag under new highs at \$95 with a breakout targeting \$100 and longer-term trend up to \$105+. MACD is nearing a bullish crossover while RSI is also strong, ready to run. The \$4.56B company trades 85X earnings, 19.5X sales, and 21.8X cash with 11.35% and then 23.9% EPS growth forecast. RGEN sees sales growing 17.19% and 17.55% through FY21. The company is a leader in product development for use in biological manufacturing including protein ligands as well as chromatography for the purification of antibodies. RGEN has long-term drivers within the industry which is looking for efficient, single-use manufacturing processes. The SU market is estimated to be around \$3.9B and growing 15% through 2023. RGEN is also supported by a growing biologics market which has seen 50% growth in approvals since 2015 and more than 400 in clinic. Analysts have an average target for shares of \$99.50 with 7 buy ratings. Stephens resumed coverage today at Overweight, \$110 PT. The firm thinks RGEN's management is best-in-class while they're positioned with the right area of a rapidly growing industry. Craig Hallum raising their PT to \$108 on 8-5 citing 40% growth across all three of their largest business segments. Further, Repligen is likely to have nearly \$500M in firepower on its balance sheet. As such, firm believes the company now has the strength to consummate further acquisitions over the course of the next two to three years. Short interest is 8.6% and down from around 13% in November. Hedge Fund ownership rose 20.75% in Q2. Ardevora, 12 West Capital, and Palisade Capital notable holders.

AFTER HOURS MOVERS

Gainers:

Losers:

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.663	Rising – Cautious
CBOE Index Put/Call Ratio	1.15	Rising – Cautious
CBOE Skew Index	114.48	Near Multi-Month Lows
VIX Curve	Backwardation	Fear
CNN Fear & Greed Index	18	Extreme Fear
NYMO	-26.31	Neutral
NYSE New Highs – New Lows	-90	Weak
McClellan Summation	286.97	Below 8-EMA
Univ. of Michigan Consumer Sentiment	98.4 (July)	+0.5% Y/Y

SMART MONEY (13g/13d Filings)

Stonepine Capital reports 6.1% stake in **Novelion (NVLN)**

IPO MONITOR

Nothing Scheduled at this Time

SECONDARY MONITOR

Intellia (NTLA) files \$300M mixed shelf

TRADE

WEEKLY TECHNICAL BREAKOUT

AKAM:



Akamai (AKAM) shares holding up well and consolidating in a bull flag under \$90. The 20-day MA is supportive on Friday's lows and a breakout targets \$100. MACD and RSI are both in strong trends higher and nearing inflections higher and ready to run.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Churchill Downs (CHDN)

Price: \$121

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	27X	12.8X	7.7X	51.6X	63.7X
Industry Avg.	23.2X	9.3X	5.6X	---	----

Analysis: CHDN is a \$4.77B company which focuses on horse racing, gaming, and online entertainment. CHDN owns the largest legal online wagering platform in the US while investing in their regional portfolio in six states so far this year. They continue to target M&A to expand while their strong FCF and low leverage keep the balance sheet in strong shape.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

ABMD:



Abiomed (ABMD) shares forming a narrow bear flag after gapping lower on earnings in early August. A breakdown under \$181 targets \$165 and failing on Friday at the declining 8- and 20-MA. ABMD has been in a strong long-term downtrend since topping out in May 2018.

PAIR TRADE OF THE WEEK

Industry: Soda

Long/Short: Long **Pepsi Co (PEP)**, Short **Monster Beverages (MNST)**

Analysis: PEP is a leader in snacks and a wide array of beverage brands which his gaining global market share and entering new verticals. MNST is facing tough competition from new entrants in the space and entrenched competitors like PEP/KO building out their energy brands.

SMALL CAP TRADE OF THE WEEK

MobileIron (MOBL) is a \$761M software company which focuses on security for mobile devices, apps, and cloud services including enterprise mobility management. Their platform comprises an all-in-one solution including device validation, app authorization, network verification, and threat detection. MOBL is undergoing a shift from product to subscription which gives it's a much steadier, recurring support/revenue base with high renewals.

DAILY OPTIONS REPORT

Unusual Call Activity

Unusual Put Activity

Implied Volatility Riser

Telaria (TLRA)	Store Capital (STOR)	Centennial (CDEV)
Inspire Medical (INSP)	Manitowec (MTW)	PG&E (PCG)
Carbon Black (CBLK)	Chimera (CIM)	Telaria (TLRA)
Global Payments (GPN)	Cardtronics (CATM)	Fastly (FSLY)
Aecom (ACM)	Eagle Materials (EXP)	BBVA (BBAR)
Impinj (PI)	Alarm.com (ALRM)	Sinclair (SBGI)

Lowest Put/Call Ratio

Highest Put/Call Ratio

Implied Volatility Decliner

Centennial Development (CDEV)	Calavo Growers (CVGW)	Carbon Black (CBLK)
Inspire Medical (INSP)	Cardtronics (CATM)	Pivotal (PVTI)
Noodles (NDLS)	Store Capital (STOR)	Craft Brew (BREW)
Global Payments (GPN)	Everi (EVRI)	Foot Locker (FL)
Aecom (ACM)	Cracker Barrel (CBRL)	Gap (GPS)
Akorn (AKRX)	Axsome (AXSM)	Red Robin (RRGB)

OTM Calls on Offer

OTM Puts on Offer

Elevated IV30

Aecom (ACM)	Credit Suisse (CS)	Adverum (ADVM)
New Gold (NGD)	McDonalds (MCD)	PG&E (PCG)
California Resources (CRC)	Century Link (CTL)	Medicine Co (MDCO)
Fitbit (FIT)	Nio (NIO)	Overstock (OSTK)
JD.com (JD)	Pfizer (PFE)	Fastly (FSLY)

Positive Net Delta

Negative Net Delta

Option Volume Gainers (%)

Pivotal (PVTI)	Apple (AAPL)	Cardtronics (CATM)
Salesforce (CRM)	Advanced Micro (AMD)	Eagle Materials (EXP)
Yamana (AUY)	Tesla (TSLA)	Alarm.com (ALRM)
Centennial (CDEV)	J&J (JNJ)	Aecom (ACM)
Alibaba (BABA)	BHP Group (BHP)	Impinj (PI)

Bullish Call Flow

Bearish Put Flow

Large Spread Trades

Repligen (RGEN)	Norwegian Cruise (NCLH)	QQQ, 19,500 October \$178/\$159 put spreads
Impinj (PI)	Tesla (TSLA)	CVGW, 1,000 September \$85/\$70 put spreads
Sinclair (SBGI)	Target (TGT)	FANG, 2,000 October \$85/\$75 put spreads
Okta (OKTA)	Fed-Ex (FDX)	EOG, January \$85/\$95 call ratio spread today 1350X2700
Newmont (NEM)	Marathon (MPC)	MDT, 1,500 September 27th (W) \$107/\$110 call spreads

Stock Specific News

Mexico nearing agreement to resolve pipeline conflict (**TRP, SRE, XLE, USO**). WSJ

Tesla (TSLA) aims to increase China prices on Friday and may hike prices again in December. Reuters

President Trump close to compromise with France on digital tax (**GOOG, FB, AMZN**). CNBC

Apollo (APO), First Reserve interested in **SPX Flow's (FLOW)** power and energy unit. Bloomberg

Memory backend firms see bright revenue prospect for 2H19 – Digitimes

JAB Holdings looks to raise up to \$8B for more consumer deals including pet care, vet clinics - FT

RRJ Capital-led group near \$4B deal for HNA's **Ingram Micro** – Reuters

Baidu (BIDU) overtakes **Google (GOOGL)** in global smart speaker market – Verge

AstraZeneca (AZN) Has What Drug Stocks Need – WSJ

Bristol-Myers (BMY) to raise accelerated share repurchase to \$7B from \$5B

Addus HomeCare (ADUS) to acquire Hospice Partners of America for \$130M cash

Pitney Bowes (PBI) to sell Software Solutions business to Syncsort for \$700M in cash

The Medicines Co. (MDCO) announces ORION-11 study meets primary, secondary endpoints

Zogenix (ZGNX) announces acquisition of Modis Therapeutics with \$250M upfront payment

Extras

Commvault (CVLT) buyer of 750 April \$37.50 puts for \$2.50

JM Smucker (SJM) buyers of 700 September \$110 puts up to \$3.40

MACOM (MTSI) buyers of 400 November \$20 puts for \$2.60 to \$2.85

Medifast (MED) seller of 400 October \$90 puts for \$2.50/\$2.55

United Tech (UTX) buyer of 2900 October \$115/\$105 bull risk reversals for \$10

AMD opening sale of 4000 April \$25 puts for \$2.52 in a stock replacement

HSBC late day buyers of 4000 October \$36 puts from \$1.48 to \$1.50

CME Global (CME) buyers of 1200 September \$215 calls for \$3.50, rolling up the \$210 calls

Eventbrite (EB) buyer of 1,250 April \$25 calls for \$1.20 offer

Gold (GLD) buyer of 22,500 October \$155 calls for \$1.13 to \$1.15

Cardtronics (CATM) buyer of 2,000 December \$30 puts for \$3.90 to \$4.20 and name which has over 6,000 December \$35 puts in OI from early August buys. Shares are forming a big monthly bear flag with a move under \$26 targeting a return to sub-\$20. On the daily time-frame, CATM bounced back last week into the declining 20-MA and failed at the Friday highs. The \$1.32B company trades 11.32X earnings, 0.99X sales, and 8X FCF with declining EPS the next two years. Sales growth is expected to be 4%. CATM faces long-term secular challenges as physical cash loses market share to digital and electronic payments. And, historically, the ATM market is heavily leveraged to volume gains which can impact earnings by as much as 40%. CATM has been expanding in the UK as well over the last couple years where tap and pay or contactless has become a far more significant part of the overall mix. ATM transactions fell 10% per year. Analysts have an average target for shares of \$40. DA Davidson starting at Buy in May, \$38 PT. The firm cites its position as the operator of the largest ATM networks in the world. While CATM has been subject to several "recent and secular" headwinds but believes that Cardtronics' Allpoint surcharge-free network is its prime asset. Short interest is 20.7% and jumping from 12% in early June. Hedge Fund ownership rose 4% in Q2. Hudson Executive Capital a notable buyer of shares.

Open Interest Checks

RGEN – Sept. \$95 calls from 2,157 to 3,703

UPS – Sept. \$113 puts from 2,014 to 317

ASH – January \$75 puts from 3,695 to 2,537

PII – December \$90 calls from 1,578 to 3,187

GPN – Sept. \$165 calls from 1,902 to 3,713

SBUX – Sept. 27th (W) \$100 calls from 6,092 to 3,284

JWN – January \$30 puts from 3,420 to 4,417

KRNT – Feb. \$30 calls from 797 to 1,189

FSLY – Sept. \$30 calls from 1,075 to 1,935

LB – November \$17.50 puts from 6,146 to 6,248

STOR – Oct. \$35 puts from 3,497 to 6,972

KEY – January \$17 calls from 2,073 to 4,292

Insider Focus

AbbVie (ABBV) a name which has seen a lot of insider buying recently including a \$3.6M buy on 7-31 from a director. On 8-16, the SVP of US Commercial Operations bought \$1M in stock at \$64.44 while the Chief Strategy Officer bought \$2M in stock on 7-29 at \$67.28. On 6-28, the EVP of Finance bought \$2M in stock at \$67.30. ABBV has been one of the weaker performers of the year with shares down 28.5% and near their lowest levels since early 2017. The \$97.64B company trades 7X earnings, 2.99X sales, and 14.5X FCF with a 6.5% yield. ABBV sees 5% EPS growth next year and then 10.5% in FY21 up over \$10.30/share. Sales growth is accelerating also up 4.87% in FY20 and 7.82% in FY21 after 1% growth this year. ABBV is coming off a strong quarter and sees Skyrizi sales over \$250M in FY19. The company sees Humira sales growth approaching 80% this year while their hematologic franchise continues to grow behind Imbruvica. The focus for ABBV remains their \$63B deal for Allergan which they announced in June. The deal has been largely criticized as AGN is seen with a number of issues while the deal doesn't give ABBV a big pipeline of upcoming drugs but it gives them a stable set of established drugs like Botox. It will, however, give them time to develop emerging franchises like Skyrizi according to CEO Richard Gonzalez. The combined company will have \$48B in sales. Analysts have an average target for shares of \$92 with 5 buy ratings, 8 hold, and 2 sell. Piper upgrading to Overweight on 8-20 with a \$80 PT. The analyst has concerns about the various pressure points on the company's Humira business, he also sees great opportunity for the company to leverage its successful launches of Skyrizi and Rinvoq, along with anticipating a "rather durable" Botox cosmetic franchise going forward. Piper on 8-16 noted they expect strong uptake of Rinvoq despite a black box. Short interest is 3.1% and up since the AGN deal, likely arbs. Hedge Fund ownership rose 24% in Q2. DE Shaw, Two Sigma, and AQR notable buyers.

Small Cap Focus

MobileIron (MOBL) is an interesting small-cap which has trade well in 2019 and not far from new highs despite recent market volatility. MOBL is a software company which focuses on security for mobile devices, apps, and cloud services including enterprise mobility management. The company's Unified Endpoint Management (UEM) solution is used by more than 19,000 organizations. They have a significant foothold in regulated and high-security industries. MOBL's focus is on security between devices like phones, tablets, and computers and key apps like BOX, SAP, Google's Cloud, Azure, AWS and more. Their platform comprises an all-in-one solution including device validation, app authorization, network verification, and threat detection. MOBL is undergoing a shift from product to subscription which gives it's a much steadier, recurring support/revenue base with high renewals. They had 20% ARR growth in 2019 and a 90% renewal rate. MOBL also has significant cash on hand and no debt. The \$761.27M company trades 3.45X EV/sales and 7.5X cash with double-digit sales growth. MOBL is in the earliest stages of profitability. Short interest is 1.3% and down from around 6% in 2016. Hedge Fund ownership fell 14.5% in Q2. Storm Ventures, Altai Capital, and Sequoia Capital all big holders of stock. In

December, the CFO bought over 19,000 shares at \$4.68 while a director bought 11,950 shares at \$5. MOBL sees limited analyst coverage with 2 buy ratings and 1 hold, an average target of \$9.50. Craig Hallum started at Buy on 7-24. The firm has an \$11 PT and thinks by 2021-2022, MOBL will look like other very successful SaaS companies in terms of revenue mix, growth and profitability. MOBL could be a "hidden gem" in security software at a bargain basement price.

IPO Focus

Avantor (AVTR) has been one of the stronger IPOs of the year with shares up near 20% on the year despite the market weakness recently. The \$9.52B specialty chemical company manufactures and supplies products for the biopharma, healthcare, and academic industries. Some of their products include ultra-high purity chemicals and reagents for labs, silicone materials, same prep, microbiology and clinical trial kits. Shares trade 21.65X earnings, 1.59X sales, and 57.8X cash. They see 40.9% and 19% EPS growth the next two years and 5% to 6% revenue growth. AVTR is combination of Avantor and VWR, a leading lab products distributor. The company serves a massive addressable market, over \$70B, which is relatively defensive in profile and growing around 5% through 2020. Their fastest-growing segment with about 49% of their revenue is biopharma including biosimilar firms and generic companies. 27% of revenue comes from applied materials while education/government labs are 17% of revenues. The majority of their mix comes from the Americas, over 60%. AVTR has key drivers from greater demand for Single Use Consumables, higher-purity raw materials used for risk mitigation, and growth in raw materials which are less than 4% of total revenue now but growing at 12%. Biologics also are a big opportunity. The \$240B market is expected to reach \$400B by 2024 and growing R&D budgets will benefit AVTR. Finally, NIH funding growth is a tailwind for academic work with funding in the US and Europe topping \$200B. Venture funding is also growing at faster rate. AVTR's revenue growth is highly recurring in nature at 85% given their strong customer relationships and diversified customer base which makes them less vulnerable to end-market slowdowns in one area of another. Analysts have an average target for shares of \$21 with 18 buy ratings and 3 hold. BAML started at Buy with a \$22 PT on 6-11. The firm thinks the key challenge will be to balance de-leveraging with investment in R&D and other initiatives to drive growth and margin expansion. The firm sees upside vs the standalone VWR from, "1) better organic revenue growth (5-8%) and margin expansion (~16% adj. EBITDA margin in 2019 going to ~20% by 2023) potential; 2) an improved competitive position due to a higher percentage of proprietary products and higher free cash flow for M&A; and 3) a better defined strategic plan, as the legacy Avantor business gives AVTR more opportunity to expand in APAC/EM." CSFB positive on 6-11 citing structural tailwinds from biopharma (49%) of sales, geographic expansion, and capital deployment. Short interest is 1.5%. Some notable funds buying into shares this quarter include Viking Global, an 11.3M share buy, Senator Investment Group, Artal Group, Egerton, Element Capital, and Nuveen Asset Management.