

TOP STORIES

- Euro Area Maintains Momentum on Stronger French, Spanish Growth
- German Unemployment Falls Less Than Forecast as Economy Dithers
- Italy Falls Into Recession as Output Shrinks
- Samsung Cuts Back on Semiconductor Spending as Profits Shrink

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2686.25 (3.75)	6.30
Nasdaq	6868.25 (31)	55.34
Dow	24968 (--)	-6.96

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	6976.57	0.50%
DAX	1181.14	-0.01%
Nikkei	20773.49	1.06%
Hang Seng	27942.47	1.08%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Weekly Claims	220K
8:30	Personal Income	0.4%
8:30	Employment Cost Index	0.8%
9:45	Chicago PMI	62.5
10:00	New Home Sales	560K
10:30	EIA Nat Gas	

FOREX

EUR/USD	1.1485 (0.07%)
USD/JPY	108.63 (-0.36%)
USD/CAD	1.3133 (-0.11%)
GBP/USD	1.3134 (0.14%)

COMMODITY

Oil	54.32 (0.17%)
Natural Gas	2.888 (1.19%)
Gold	1328.1 (0.96%)
Copper	2.7825 (0.54%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	17.71 (-7.42%)
Nasdaq	VXN	21.09 (-11.5%)
Oil	OVX	35.59 (-4.15%)
Gold	GVZ	11.14 (-0.98%)

MARKET OUTLOOK

Futures are indicating a modestly higher open for the morning with the Nasdaq leading after Facebook's strong quarter. The ranges overnight have been fairly narrow after yesterday's rally. The dollar is modestly lower again this morning with the 10-year yield is down slightly to 2.673%. President Trump will meet with China's Liu He today, the most high-profile meeting of the two sides since the G20. Talks started yesterday but no indication that they will make any meaningful headway on a deal. The EU and the UK remain at odds over Brexit and a potential delay.

Asian markets closed broadly higher overnight with the Nikkei rebounding after the Fed. The index gained 3.8% for the month. **Advantest** jumped 7.9% after raising its FY outlook. **TDK** was also higher by 8.1% after earnings. **Nintendo** was higher by 2% after earnings but did cut their outlook for Switch shipments. Japanese industrial production fell 1.4% in December, worse than expected, while retail sales came in marginally higher at 0.8%. China manufacturing PMI rose to 49.5 in January, slightly higher than the forecast at 49.3. Non-manufacturing PMI was 54.7 vs consensus at 53.9.

European markets are mixed today with most of the major indices fading from early highs. Earnings were broadly weaker this morning. **Swatch** was down 6% after weaker than expected earnings citing a downturn in Asia. **Software AG** fell 5% in Germany after earnings. **Nokia** was down over 5.5% after guiding to a weak 1H. **Unilever** fell 2.5% after FX concerns in Latin America. Eurozone GDP came in at 1.2%, as expected, in the latest reading. Unemployment remained at 7.9%. German unemployment fell by just 2K in January, worse than the 11K the market was looking for. German retail sales fell 4.3% in December, worse than the 0.5% drop expected. UK housing prices grew just 0.1% in January. Italian GDP fell 0.2% in Q4.

S&P TECHNICALS

Levels: Support 2,600/2,575; Resistance 2,700/2,750



5581 Advancing	Declining 1644
74.4%	21.9%
115 New High	New Low 56
67.3%	32.7%
5523 Above SMA50	Below 1973
73.7%	26.3%
2285 Above SMA200	Below 5211
30.5%	69.5%

KEY EVENTS TO WATCH

Earnings After the Close: AFL, AMZN, AJG, EPAY, CY, DECK, EMN, EW, ENVA, EXPO, FBHS, KLIC, LPLA, MATW, MCK, MTX, MOD, OTEX, PKI, POST, PFPT, SKYW, SYMC, WAIR, YUMC;

Economic Data on Friday: Motor Vehicle Sales, Employment Situation at 8:30 AM, PMI Manufacturing at 9:45, ISM Manufacturing at 10:00, Construction Spending at 10:00, Consumer Sentiment at 10:00;

Earnings Friday BMO: AON, BERY, BAH, CVX, CI, D, XOM, HMC, HON, IDXX, ITW, JCI, KKR, LYB, MSG, MRK, MINI, ROP, SPG, SNE, SPR, SF, WFT, WY, WETF, ZBH;

ANALYST ACTION/COMMENTS

Scotts Miracle (SMG) upgraded to Neutral at JP Morgan

Littelfuse (LFUS) upgraded to Buy at Longbow

Tiffany (TIF) upgraded to Overweight at Atlantic

T Rowe Price (TROW) upgraded to Outperform at Evercore

Pfizer (PFE) upgraded to Outperform at CSFB

Skyline (SKY) upgraded to Buy at Sun Trust

Ralph Lauren (RL) upgraded to Outperform at Telsey

Helmerich & Payne (HP) upgraded to Buy at BAML

Oshkosh (OSK) upgraded to Buy at BAML

Arcelor Mittal (MT) downgraded to Neutral at Goldman

AMC Networks (AMCX) downgraded to Sell at Imperial

H&R Block (HRB) downgraded to Sell at Goldman Sachs

Invesco (IVZ) downgraded to Neutral at Barclays

Credit Acceptance (CACC) downgraded to Neutral at Oppenheimer

Allergan (AGN) downgraded to Neutral at CSFB

US Concrete (USCR) downgraded to Hold at Sun Trust

Steven Madden (SHOO) downgraded to Neutral at Telsey

Site One (SITE) downgraded to Neutral at RBC Capital

Workday (WDAY) jumps after William Blair uncovers HR deal with **Accenture (ACN)**

Chipotle (CMG) price target raised to \$590 at Piper

MEDIA HIGHLIGHTS

Apple (AAPL) planning new 3D camera for 2020 iPhones - Bloomberg

Wisconsin evaluating changes in **Foxconn's** project - Reuters

Deutsche Bank (DB) sees **Commerzbank** merger if all else fails - Bloomberg

Federal judge finds **PG&E (PCG)** in violation of criminal probation – WSJ

MediaTek expects to post up to 20% revenue drop in Q1, flat growth for FY – Digitimes

Shell (RDS/A) CFO says the Company Is Committed to \$25B Buybacks By 2020 – Bloomberg

Unilever's (UN) CEO Expects Market Conditions to Remain Challenging in 2019 – Bloomberg

Nokia (NOK) Outlook Points to 'Bumpier' 5G Rollout than Expected– Bloomberg

Nintendo Cuts Switch Shipments Target – Bloomberg

Software AG CEO says the company spend €1 to €1.5B euros on acquisitions – Reuters

Howard Schultz's Presidential Bid Brews Trouble for **Starbucks (SBUX)** – WSJ

Hyundai Heavy to acquire **Daewoo Shipping** in \$1.98B deal – Reuters

Berry Global (BERY) considering cash offer for **RPC Group** rivaling **Apollo's** \$4.33B bid – Reuters

CBS Corp (CBS) board decides the company needs to expand, could target **Viacom (VIAB)** and **Discovery (DISCA)** - CNBC

STOCK SPECIFIC NEWS OF NOTE

Avon Products (AVP) to cut 10% of global headcount, take 15% inventory reduction

Visa (V) authorizes new \$8.5B share buyback

CACI to acquire LGS Innovations, Mastodon Design

Charles Schwab (SCHW) authorizes \$4B stock buyback

Tesla (TSLA) CFO Deepak Ahuja to step down

Enterprise Products (EPD) announces \$2B buyback

TechnipFMC (FTI) awarded 'large' contract for Exxon Mobil refinery project

IDC: **Samsung's** smartphone volumes declined 5.5% in Q4, **Apple's (AAPL)** dropped 11.5%

PRE-MARKET MOVERS

Moving Higher: GE 8.7%, UPS 5%, RDS 4%, RACE 2.4%

Moving Lower: DWDP -7%, TSLA -4.6%, DB -4%, NOK -3.5%, UL -3%

INSIDER TRADING (Form 4 Filings)

Buying: SFNC, BGG

Selling: FATE, AMD, GHDX, FAST, QURE, TXN, CBRL, ABMD, FND, BLK, ON, SHAK, MIME, BK

INSTITUTIONAL MONEY FLOW

Buying: CAH, ROK, WMT, CHRW, KMB, ELAN, NWL, JNPR, BAC, AMP, GLW, WTW, GPK

Selling: AAPL, PAGS, NFLX, BSX, HLT, NOW, KO, VALE, GLD, HD, SQ, IBM, ADM

OPTION HIGHLIGHTS (Prior Day)

Twilio (TWLO) IV steadily higher all morning with over 900 July \$100 calls being bought from \$17.75 to \$18.80, shares not far from new highs ahead of 2-12 earnings. TWLO has seen accumulation in the February \$110 calls recently, over 2,000X, while the April \$115 calls have over 2,400 and the \$120 calls with over 1,450 in open interest form late December buys. The July \$125 calls remain in OI over 2,000X from December buys as well. Shares are consolidating below \$106 and recent highs with the 8- and 13-EMA supportive on the recent move. Shares have a longer-term measured move to \$125 out of the recent quarterly range. The \$9.68B company trades 13X cash and 17X EV/sales with 56% and 115% EPS growth over the next two years. TWLO is settling into a 25-30% revenue growth period after years of exponential growth and targeting \$1B by FY20. The company sees 2019 drivers from a slate of new products launched late last year which will expand their TAM. The company also agreed to buy Sendgrid last year, a leader in cloud-based email delivery. Analysts have an average target for shares of \$89 with 17 buy ratings and 1 hold rating. Keybank with a \$114 PT on 1/8 noting that while margin expansion may slow in 2019, growth fundamentals remain strong and could warrant additional price appreciation on increasing CPaaS usage across 2M-plus developers and broader enterprise penetration. Institutional ownership rose 16.5% last quarter, Tiger Global a buyer of 1M shares while Whale Rock bought nearly 1M and now has over 2.1M total. Short interest is 11% and rising from 5% in November, although likely deal-related coming with the Oct. announcement.

AFTER HOURS MOVERS

Gainers: FLEX 15.9%, FB 11.5%, DLB 8.8%, MLNX 6.8%, NOW 6.6%, ALGT 3.5%, WYNN 3.3%, TWTR 2.9%

Losers: EFII -10%, X -6.3%, TSLA -4.8%, CRUS -3.8%, PYPL -3.5%, MSFT -2.7%, MT -2.7%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.70	Flattening
CBOE Index Put/Call Ratio	1.11	Neutral
CBOE Skew Index	126.11	Off of Extreme Lows
VIX Curve	Flat	Normal
CNN Fear & Greed Index	58	Greed
NYMO	77.34	Elevated
NYSE Highs/Lows	62	Multi-Month Highs
McClellan Summation	328.82	Above 8-EMA
Univ. of Michigan Consumer Sentiment	90.7 (January)	-7.7%

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

FOSL – on Swatch results

TER – on Advantest strong results

PPG, AXTA, LOW – on SHW weak outlook

FNSR, LITE, FN, AAOI, NPTN – on IIVI strong earnings

SNAP, TWTR – on FB earnings

SQ – on PYPL/V earnings

IPO /SECONDARY MONITOR

No IPOs scheduled at this time

TRADE

WEEKLY TECHNICAL BREAKOUT

SAIL:



Sailpoint (SAIL) is back near a big base breakout at \$27.50 after clearing the 200-EMA recently. Shares are riding the 8- and 13-EMA higher while a move higher targets \$29 and the high-end of the recent range. Shares traded as high as \$34 last Fall. SAIL closed at a 60-day high and near session highs on Friday.

FUNDAMENTAL TRADE OF THE WEEK

Stock: West Pharmaceutical (WST)

Price: \$106.75

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	34.2X	4.6X	5.84X	22.7X	41.8X
Industry Avg.	--	--	--	--	--

Analysis: WST is a \$7.89B maker of components for injectable drug delivery and plastic packaging including things like stoppers and seals as well as syringe components. WST has seen a pickup in organic growth driven by growth in generics and pharma while their smartdose delivery platform continues see strong demand and customer growth.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

EVH:



Evolent Health (EVH) shares are consolidating near recent support at \$17 with MACD crossing over bearish and RSI weakening but not yet oversold. Shares made a 30-day low on Friday and closed weak within the lower 25th percentile of its range. A move lower target \$15.50.

PAIR TRADE OF THE WEEK

Industry: Apparel

Long/Short: Long **Abercrombie (ANF)**, Short **Gap (GPS)**

Analysis: ANF trades 0.40X sales and 9X FCF with 17-20% EPS growth. The company is on track for \$1B in digital sales while margins are expanding and operating leverage improves. Their Hollister Brand continues to outperform in the teen retail space. GPS faces cost pressures from their reorganization while peak margins and trade headwinds remain a concern.

SMALL CAP TRADE OF THE WEEK

Bandwidth (BAND) is an \$856M company which trades 4.25X EV/sales and 13.5X cash with limited debt and revenue growth of 12.5% and 20% in the next two years. BAND is a cloud-based communications platform which allows companies to operate services across mobile and connected devices. BAND is benefitting from better CPaaS sales, up 25%, and active customer count jumped 266% in 2018. Dollar-retention is also growing steadily at 117%.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Jefferies (JEF)	LogMeIn (LOGM)	Viewray (VRAY)
Stericycle (SRCL)	Impinj (PI)	FTD Co (FTD)
Zumiez (ZUMZ)	Fortune Brands (FBHS)	Novavax (NVAX)
Unilever (UN)	Macerich (MAC)	Cars.com (CARS)
Tupperware (TUP)	Cars.com (CARS)	Canopy Growth (CGC)
Redfin (RDFN)	CDK Global (CDK)	Geniune Parts (GPC)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Regis (RGS)	Viewray (VRAY)	8x8 (EGHT)
Endeavour Silver (EXK)	Ashland (ASH)	Coherent (COHR)
Colfax (CFX)	Steven Madden (SHOO)	Advanced Micro (AMD)
Gerdau (GGB)	Lincoln National (LNC)	Align Tech (ALGN)
Ross Stores (ROST)	Cimpress (CMPR)	PG&E (PCG)
ON Semi (ON)	Moody's (MCO)	Juniper (JNPR)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Yandex (YNDX)	Logmein (LOGM)	PG&E (PCG)
ON Semi (ON)	PROS Holdings (PROS)	Evolus (EOLS)
Wingstop (WING)	Cognizant (CTSH)	Macrogenics (MGNX)
Scorpio Tankers (STNG)	Novavax (NVAX)	Ascendis Pharma (ASND)
Marathon (MRO)	Altaba (AABA)	Intercept (ICPT)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Ebay (EBAY)	GE	LogMeIn (LOGM)
Alibaba (BABA)	Zynga (ZNGA)	Impinj (PI)
Snap (SNAP)	Facebook (FB)	Fortune Brands (FBHS)
Twitter (TWTR)	GlaxoSmithKline (GSK)	Jefferies (JEF)
Nvidia (NVDA)	Micron (MU)	Stericycle (SRCL)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Square (SQ)	LyondellBasell (LYB)	FBHS, 1,100 February \$42.50/\$37.50 put spreads
US Steel (X)	Ingersoll Rand (IR)	SEDG, 1,000 February \$45/\$36 bull risk reversals
Intel (INTC)	Deckers (DECK)	WTW. Jan. 2020 \$38/\$55 call spread, 1250X
Alibaba (BABA)	Kraft (KHC)	MDT, March \$90/\$80 bull risk reversal opening 3,000X
Under Armour (UA)	Noble (NE)	TWTR, 5,000 February \$35/\$28 bull risk reversals

Extras

Cerner (CERN) buyer of 2,500 February \$50 puts this afternoon for \$0.60 ahead of 2-5 earnings

Owens Corning (OC) with 1,500 March \$52.5 calls opening as February \$50 calls rolled

Allstate (ALL) buyer of 1,000 March \$87.5 calls \$2.20 offer

Equifax (EFX) with 1,375 February \$104 puts opening in the afternoon for earnings next week

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
AGNC	AGNC Investment	\$0.53	\$0.59		\$341.58		
ALGT	Allegiant Travel	\$2.56	\$2.47	\$412.11	\$410.69	8.70%	FY Above
AFG	American Fincl		\$1.95		\$1,276.50		
AMP	Ameriprise Financial	\$3.80	\$3.59	\$3,179.00	\$3,151.89	0.00%	
ARCB	ArcBest	\$1.01	\$0.93	\$774.28	\$767.78	8.90%	
AXS	AXIS Capital	-\$1.77	-\$1.30	\$752.70	\$737.03	3.20%	
APRN	Blue Apron	-\$0.12	-\$0.14	\$140.73	\$137.81	-25.00%	
BDN	Brandywine Realty		\$0.36		\$136.52		
CACI	CACI Intl	\$2.71	\$2.28	\$1,181.60	\$1,178.14	8.60%	Raise FY
CMPR	Cimpress	\$2.14	\$2.38	\$825.57	\$854.97	8.30%	
CRUS	Cirrus Logic	\$0.91	\$0.78	\$324.30	\$319.37	-32.80%	Q4 Below
CLB	Core Labs		\$0.49		\$173.90		
CACC	Credit Acceptance	\$7.85	\$7.41	\$342.80	\$338.73	19.30%	
CREE	Cree	\$0.23	\$0.17	\$413.04	\$408.75	12.30%	Q3 In Line
DLB	Dolby Labs	\$0.74	\$0.65	\$302.40	\$295.04	1.00%	FY In Line
DRE	Duke Realty	\$0.35	\$0.35	\$202.86	\$200.75	-5.90%	
EFII	Electronics For Imaging	\$0.46	\$0.46	\$256.95	\$256.10	-4.50%	
ESS	Essex Property	\$3.19	\$3.18		\$349.88		
EZPW	EZCORP	\$0.31	\$0.22	\$218.10	\$220.63	6.60%	
FB	Facebook	\$2.38	\$2.18	\$16,914.00	\$16,396.35	30.40%	DAU +9%
FICO	FICO	\$1.45	\$1.42	\$262.30	\$263.93	12.90%	
FLEX	Flex	\$0.34	\$0.30	\$6,944.83	\$6,770.54	2.90%	Q4 In Line
GHL	Greenhill	\$0.48	\$0.58	\$89.10	\$91.55	33.20%	
THG	Hanover Insurance	\$1.51	\$1.47	\$1,044.70	\$1,042.47	6.50%	

HOLX	Hologic	\$0.58	\$0.57	\$830.70	\$823.22	5.00%	Raises FY
ISBC	Investors Bancorp		\$0.18		\$158.42		
LSTR	Landstar System	\$1.68	\$1.58	\$1,182.00	\$1,209.02	12.40%	
LLNW	Limelight Networks	\$0.00	-\$0.01	\$44.00	\$43.73	-8.70%	Cuts FY
MLNX	Mellanox Tech	\$1.42	\$1.30	\$290.07	\$284.96	22.10%	Q1 Above
MTH	Meritage	\$1.91	\$1.52	\$1,008.80	\$958.84	6.60%	
MEOH	Methanex		\$1.89		\$986.13		
MSFT	Microsoft	\$1.08	\$1.09	\$32,471.00	\$32,530.24	12.30%	
MAA	Mid-America Aptmt	\$1.55	\$1.55	\$398.15	\$399.19	4.00%	
MDLZ	Mondelez Int'l	\$0.63	\$0.63	\$6,773.00	\$6,771.27	-2.80%	FY In Line
MUR	Murphy Oil		\$0.27		\$647.40		
MUSA	Murphy USA	\$2.38	\$2.64	\$3,501.70	\$3,484.70	3.60%	
EGOV	NIC Inc	\$0.15	\$0.13	\$78.65	\$74.44	-5.80%	
PYPL	PayPal	\$0.69	\$0.67	\$4,230.00	\$4,231.22	13.00%	FY In Line
QCOM	Qualcomm	\$1.20	\$1.09	\$4,800.00	\$4,894.64	-21.30%	Q2 In Line
RXN	Rexnord	\$0.47	\$0.40	\$485.00	\$487.19	11.10%	
SEIC	SEI Investments	\$0.73	\$0.74	\$405.05	\$403.45	-0.80%	
NOW	ServiceNow	\$0.77	\$0.63	\$715.44	\$717.73	30.30%	Q1 Below
SXI	Standex International	\$0.98	\$1.14	\$195.50	\$197.38	5.30%	
TSLA	Tesla	\$1.93	\$2.02	\$7,226.00	\$7,087.15	119.80%	
TTEK	Tetra Tech	\$0.70	\$0.62	\$553.36	\$558.46	1.60%	
X	U.S. Steel	\$1.82	\$1.83	\$3,691.00	\$3,772.58	17.80%	Q1 Below
V	Visa	\$1.30	\$1.25	\$5,506.00	\$5,411.52	13.20%	Affirms FY
WYNN	Wynn Resorts	\$1.06	\$1.35	\$1,687.00	\$1,631.53	4.00%	

CRUS – Beat on EPS and Revenues, Q1 Light - “Cirrus Logic reported revenue for the third quarter in line with our revised expectations as we experienced the effects of the turbulent macroeconomic environment and reduced demand for smartphones,” said Jason Rhode, president and chief executive officer. “Despite these challenges, we are encouraged to see continued broad-based interest for low-latency, low-power signal processing across a wide range of product categories. We are making considerable investments in technologies addressing audio, voice and other adjacent applications that we believe will fuel growth opportunities in the coming years.”

CREE – Beat on EPS and Revenues - We delivered excellent results in the second quarter, with non-GAAP earnings per share that exceeded the top end of our target range driven by another record quarter for Wolfspeed combined with gross margin improvement in all three businesses. This performance is

particularly gratifying when considering the current challenges associated with tariffs and global trade tensions. While we're certainly not immune to the turmoil in our served markets, our business is demonstrating a resiliency that we believe shows we are on the right track with our strategy.

FB – Beat on EPS and Revenues, DAU +9% - Facebook said daily active users were 1.52B on average for December 2018, an increase of 9% year-over-year; Monthly active users were 2.32B as of December 31, 2018, an increase of 9% year-over-year; Mobile advertising revenue represented approximately 93% of advertising revenue for Q4, up from approximately 89% of advertising revenue in the Q4 of 2017. Facebook in its earnings release estimated that around 2.7B people now use Facebook, Instagram, WhatsApp, or Messenger each month, and more than 2B people use at least one of its "Family of services" every day on average.

MLNX – Beat on EPS and Revenues - Mellanox had an outstanding 2018, delivering 26% annual revenue growth and achieving \$1.09 billion in revenue for the first time in our history. We leveraged top line growth and strong expense discipline to accelerate profitability. We expect to carry this momentum into 2019 and deliver another year of healthy, double-digit revenue growth to drive operating margins even higher

MSFT – Missed on EPS and Revenues - Our strong commercial cloud results reflect our deep and growing partnerships with leading companies in every industry including retail, financial services, and healthcare," said Satya Nadella, CEO of Microsoft. "We are delivering differentiated value across the cloud and edge as we work to earn customer trust every day." Office Commercial products and cloud services revenue increased 11%, driven by Office 365 Commercial revenue growth of 34%. Office Consumer products and cloud services revenue increased 1% with growth in Office 365 Consumer subscribers to 33.3M. LinkedIn revenue increased 29% with "record levels of engagement highlighted by LinkedIn sessions growth of 30%."

PYPL – Beat on EPS and Missed on Revenues - In 2018 we set new benchmarks for the company for revenue, net new active accounts and engagement across our platform. We launched new products, strengthened existing relationships, and entered into new strategic partnerships with some of the biggest and most influential global brands in technology, retail, and finance. We greatly expanded our global reach, serving 267 million customer accounts, including 21 million merchant accounts. We believe 2019 will be another strong year for us, and we intend to build on our strengths to extend our leadership as the leading open digital payments platform. PayPal processed \$164 billion in TPV in the fourth quarter, representing growth of 23%, or 25% on an FX-neutral basis. Merchant Services volume grew 29% on an FX-neutral basis in the fourth quarter. eBay Marketplaces volume growth was flat to Q4 2017 on an FX-neutral basis, and represented 10% of overall TPV for the quarter versus 13% a year ago. Venmo processed approximately \$19 billion of TPV in the fourth quarter, growing 80%. In 2018, Venmo processed \$62 billion of TPV.

TSLA – Missed on EPS and Beat on Revenues - Model 3's success has carried over to our financial performance in Q3 and Q4 of 2018. Operating income in Q4 remained stable at \$414M despite a sequential decline in revenue from the sale of regulatory credits, higher import duties on components from China, a price reduction for Model S and Model X in China, and the introduction of a lower-priced mid-range version of Model 3. Our operating margin also improved significantly in the second half of 2018, changing from being negative to on-par with other premium carmakers. In Q4, we delivered 27,607

Model S and Model X vehicles to customers. For the full year, we delivered 99,475 Model S and Model X vehicles, which was in line with our guidance. We recently stopped taking orders for the 75 kWh versions of Model S and Model X and will focus on the longer-range versions of these flagship products instead. In 2019, full-year Model 3 volumes will grow substantially over 2018 due to a full year of high production rates at our Fremont facility. Also, by the end of this year we are expecting to start producing Model 3 vehicles at our Gigafactory Shanghai using a complete vehicle production line.

X – Missed on EPS and Revenues - "We are pleased with both the strong earnings we reported in 2018 and the important progress we made on our strategic objectives," said U. S. Steel President and Chief Executive Officer David B. Burritt. "We are encouraged by the effectiveness of the investments we are making and remain focused on improving our operating and commercial performance to drive long-term value creation for our stockholders." First quarter 2019 EBITDA for the Flat-rolled segment is expected to be higher than first quarter 2018, primarily due to higher average realized selling prices, partially offset by higher raw materials costs. First quarter 2019 EBITDA for the U. S. Steel Europe segment is expected to be lower than first quarter 2018, primarily due to lower volumes, higher raw materials costs, and an unfavorable change in the U.S. dollar / Euro exchange rate. First quarter 2019 EBITDA for the Tubular segment is expected to be higher than first quarter 2018, primarily due to higher average realized selling prices and increased volumes, partially offset by higher costs for steel substrate.

Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
FLWS	1-800-FLOWERS		\$0.97		\$557.04		
ABMD	Abiomed	\$0.97	\$0.94	\$200.56	\$200.70	30.20%	Affirms FY
MO	Altria	\$0.95	\$0.95	\$4,786.00	\$4,819.20	1.50%	FY In Line
ABC	AmerisourceBergen	\$1.60	\$1.51	\$45,392.45	\$43,852.57	12.20%	Narrows FY
APO	Apollo Global	-\$1.01	-\$0.52		\$369.00		
APTV	Aptiv	\$1.34	\$1.21	\$3,636.00	\$3,524.25	5.70%	Q1 Below
BHGE	Baker Hughes	\$0.26	\$0.27	\$6,264.00	\$6,087.50	8.00%	
BLL	Ball Corp	\$0.55	\$0.56	\$2,803.00	\$2,657.72	2.00%	
BAX	Baxter	\$0.78	\$0.73	\$2,841.00	\$2,810.84	2.40%	FY In Line
BMS	Bemis	\$0.71	\$0.71	\$1,002.80	\$991.59	-0.10%	
BX	Blackstone	-\$0.02	-\$0.01	\$504.98	\$381.19	-74.20%	
BC	Brunswick	\$0.98	\$0.90	\$1,248.90	\$1,244.90	14.50%	FY Below
CRR	Carbo Ceramics	-\$0.76	-\$0.51	\$49.60	\$49.77	-17.70%	FY Below
CRS	Carpenter Tech		\$0.66		\$550.40		
CELG	Celgene		\$2.31		\$3,978.87		
CHTR	Charter Comm	\$1.29	\$1.59	\$11,231.00	\$11,129.14	5.90%	

CMS	CMS Energy		\$0.41		\$1,571.42		
CNXM	CNX Midstream Partners	\$0.59	\$0.46	\$70.82	\$67.10	14.80%	
CNX	CNX Resources	\$0.50	\$0.27	\$435.46	\$433.35	-8.70%	
CMCO	Columbus McKinnon	\$0.61	\$0.59	\$217.40	\$214.83	4.20%	
COP	ConocoPhillips	\$1.13	\$1.02		\$9,126.30		
CFR	Cullen/Frost		\$1.75		\$357.05		
DWDP	DowDuPont	\$0.88	\$0.87	\$20,099.00	\$20,926.00	0.20%	FY Light
ETN	Eaton	\$1.46	\$1.43	\$5,459.00	\$5,425.66	4.70%	FY In Line
EPD	Enterprise Products	\$0.59	\$0.50	\$9,182.30	\$9,551.15	9.00%	
RACE	Ferrari	\$1.00	\$0.81	\$845.00	\$866.97	0.60%	
FCFS	FirstCash	\$1.12	\$1.11	\$481.21	\$487.38	0.20%	FY Below
GE	General Electric	\$0.17	\$0.22	\$33,278.00	\$32,159.57	5.30%	
HSY	Hershey Foods	\$1.26	\$1.27	\$1,987.90	\$2,002.08	2.50%	FY Above
IIVI	II-VI	\$0.71	\$0.67	\$342.90	\$339.17	21.80%	Q3 In Line
IP	Int'l Paper	\$1.65	\$1.59	\$5,951.00	\$5,949.58	4.20%	
KEM	KEMET		\$0.94		\$354.33		
KIM	Kimco Realty		\$0.35		\$276.63		
KEX	Kirby	\$0.75	\$0.68	\$721.50	\$704.07	1.90%	FY In Line
LANC	Lancaster Colony		\$1.48		\$336.84		
MMP	Magellan Midstream		\$1.17		\$715.91		
MAN	Manpower		\$2.18		\$5,516.08		
MMC	Marsh McLennan	\$1.09	\$1.04	\$3,712.00	\$3,746.32	0.70%	
MA	MasterCard		\$1.52		\$3,800.33		
MDC	MDC Holdings	\$0.95	\$1.14	\$858.50	\$830.79	21.90%	
MIXT	MiX Telematics	\$0.11	\$0.09	\$514.40	\$489.54	16.40%	FY In Line
MNRO	Monro Muffler		\$0.60		\$310.00		
MSCI	MSCI	\$1.31	\$1.30	\$361.69	\$360.48	8.00%	
MUR	Murphy Oil	\$0.31	\$0.27	\$692.07	\$647.40	27.80%	
NOK	Nokia	\$0.13	\$0.13	\$6,869.00	\$6,583.57	3.00%	
OSB	Norbord		\$0.24		\$473.87		
NOC	Northrop Grumman	\$4.93	\$4.45	\$8,156.00	\$8,124.57	24.50%	FY Below
NS	NuStar Energy	\$0.09	\$0.11	\$509.30	\$471.22	13.10%	
NVT	nVent Electric	\$0.45	\$0.46	\$568.00	\$555.23	4.80%	
OMN	Omnova Solutions		\$0.16		\$191.98		

PH	Parker-Hannifin		\$2.42		\$3,469.15		
RTN	Raytheon	\$2.93	\$2.89	\$7,400.00	\$7,454.67	9.10%	FY Below
RFP	Resolute Forest	\$0.04	\$0.58	\$932.00	\$942.00	3.80%	
RDS.A	Royal Dutch Shell	\$0.69	\$0.62	\$102,228.00	\$92,256.00	19.70%	
SNDR	Schneider National		\$0.46		\$1,323.40		
SHW	Sherwin-Williams	\$3.54	\$3.55	\$4,064.00	\$4,068.02	2.10%	FY Below
SILC	Silicom Limited		\$0.62		\$34.00		
S	Sprint		-\$0.02		\$8,415.94		
TSCO	Tractor Supply		\$1.09		\$2,098.06		
UPS	UPS	\$1.94	\$1.91	\$19,848.00	\$19,989.52	4.60%	FY Light
VLO	Valero Energy	\$2.12	\$1.11	\$28,730.00	\$26,647.31	8.90%	
VLY	Valley National		\$0.22		\$253.90		
WCC	Wesco	\$1.26	\$1.25	\$2,011.40	\$2,052.95	0.70%	FY In Line
WRK	WestRock	\$0.83	\$0.78	\$4,327.40	\$4,496.56	11.10%	
WRLD	World Acceptance		\$1.25		\$132.76		
XEL	Xcel Energy	\$0.42	\$0.41	\$2,880.00	\$2,845.32	3.00%	
XYL	Xylem	\$0.88	\$0.88	\$1,386.00	\$1,365.69	8.50%	FY In Line
YRCW	YRC Worldwide		\$0.39		\$1,232.04		