

## TOP STORIES

- Trump Weighs Extension to China Tariff Deadline as Talks Continue
- China's Exports Surge Despite a Gloomy Forecast in January
- Eurozone GDP Growth Slows in Q4
- German Economy Narrowly Avoids Recession as Weaker Exports Take Toll
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## INDEX FUTURES

Futures	Change	Fair Value
<b>S&amp;P 500</b>	2756.5 (7)	3.97
<b>Nasdaq</b>	7040 (23.75)	20.12
<b>Dow</b>	25571 (83)	51.73

## GLOBAL INDICES

INDEX	CLOSE	CHANGE
<b>FTSE</b>	7219.52	0.40%
<b>DAX</b>	11202.56	0.32%
<b>Nikkei</b>	21139.71	-0.02%
<b>Hang Seng</b>	28432.05	-0.23%

## ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Jobless Claims	225K
8:30	PPI-FD	0.1%
8:30	Retail Sales	0.0%
10:00	Business Inventories	
10:30	EIA Nat Gas	
11:00	Patrick Harker Speaks	

## FOREX

<b>EUR/USD</b>	1.1268 (0.03%)
<b>USD/JPY</b>	111.03 (0.04%)
<b>USD/CAD</b>	1.3266 (0.11%)
<b>GBP/USD</b>	1.2808 (-0.28%)

## COMMODITY

<b>Oil</b>	54.48 (1.08%)
<b>Natural Gas</b>	2.61 (1.36%)
<b>Gold</b>	1308.6 (-0.49%)
<b>Copper</b>	2.7985 (0.92%)

## VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
<b>S&amp;P</b>	<b>VIX</b>	15.65 (1.43%)
<b>Nasdaq</b>	<b>VXN</b>	19.00 (1.66%)
<b>Oil</b>	<b>OVX</b>	32.26 (-1.32%)
<b>Gold</b>	<b>GVZ</b>	9.55 (-4.79%)

## MARKET OUTLOOK

Futures are indicating a higher open for the morning with the President considering an extension to the tariff delay with China. The decision to move past the March 1 deadline would only happen if talks between the two sides appeared close to a resolution. Mnuchin and USTR Lighthizer as well as China's top negotiator Liu Je joined the talks in Beijing today and President Xi will join tomorrow. Overall, not a lot of new information but optimism surrounding a deal continues to build. Congress will vote on a spending bill today before sending it to POTUS who is expected to sign it despite his insistence that it have \$5.7B for border wall funding. Oil is climbing for the third straight day and copper is again strong overnight.

Asian markets closed modestly lower this morning after a strong run recently. Japanese GDP came in light at 0.3% vs 0.4% while capital expenditure rose 2.4% for the quarter, much higher than expected. Chinese exports rose 9.1% in January, far above the 3.2% decline anticipated. Imports fell 1.5% which was better than the 10% decline expected. **Asics** fell 5% after weaker than expected earnings.

European markets are higher in early trade today with earnings lifting sentiment. **AstraZeneca** was higher by 4% after raising their FY outlook. **Nestle** rose after raising their outlook and affirming strength in China. **Airbus** rose 5% after strong earnings and announcing an end for their A380 program. Med-tech company **ConvaTec** fell 20% after a weak outlook. **Puma** fell after guiding to modest growth in 2019 but did put in a strong Q4. **Credit Suisse** also weak today as trading losses mount. **Legrand** is higher by 7% after earnings. **Telenet** fell 4.5%. Eurozone GDP remained steady at 1.2% while employment rose modestly for the quarter. German GDP slowed slightly. Swiss PPI fell 0.5%, worse than expected.

## S&P TECHNICALS

**Levels:** Support 2,700/2,650; Resistance 2,750/2,800



4340 Advancing	Declining 2843
57.3%	37.6%
163 New High	New Low 29
84.9%	15.1%
6167 Above SMA50	Below 1395
81.6%	18.4%
3063 Above SMA200	Below 4499
40.5%	59.5%

**KEY EVENTS TO WATCH**

**Earnings After the Close:** AEM, AIRG, AMN, AMAT, ANET, BL, CBS, CC, CGNX, CPS, CVA, ELLI, GLOB, HTA, INVH, LOGM, MX, MXWL, MERC, MRC, NVDA, PDFS, RDFN, SPXC, SSNC, TLND, TREX, TNET, TRUE, VICI, WRE, WES, XPO, AUY;

**Analyst Days:** IT, EMR;

**Conferences:** BAML Insurance, Goldman Sachs TMT;

**Economic Data on Friday:** Empire State Manufacturing at 8:30 AM, Import/Export Prices at 8:30, Industrial Production at 9:15, Consumer Sentiment at 10:00;

**Earnings Before the Open:** AXL, CPSI, DAN, DE, ENB, FTS, TYPE, MCO, NWL, ZEUS, PEP, POR, WBC, YNDX;

**ANALYST ACTION/COMMENTS**

**Elevate Credit (ELVT)** upgraded to Buy at BTIG

**Teva Pharma (TEVA)** upgraded to Buy at Raymond James

**Synchrony (SYF)** upgraded to Buy at Goldman Sachs

**Exxon (XOM)** upgraded to Outperform at Macquarie

**Casa Systems (CASA)** downgraded to Hold at Needham

**Q2 Holdings (QTWO)** downgraded to Neutral at BTIG

**NetApp (NTAP)** downgraded to Neutral at William Blair

**Century Link (CTL)** downgraded to Neutral at JP Morgan

**Align Tech (ALGN)** downgraded to Neutral at UBS

**Veoneer (VNE)** downgraded to Hold at Nordea

**Comerica (CMA)** downgraded to Neutral at BMO Capital

**Sabre (SABR)** downgraded to Neutral at Bernstein

**Equinor (EQNR)** downgraded to Neutral at Macquarie

**Sierra Wireless (SWIR)** downgraded to Sell at Macquarie

**Chiasma (CHMA), Evolus (EOLS), Revance (RVNC), and Crinetics (CRNX)** initiated Buy at HC Wainwright

**Catasys (CATS)** initiated Buy at Oppenheimer, \$16 PT

**Harmonic (HLIT)** initiated Buy at Needham, \$7 PT

**Aimmune (AIMT)** should be bought on any weakness from NEJM letter, says Piper Jaffray

**Broadcom (AVGO)** price target raised to \$310 from \$293 at Piper Jaffray

**MEDIA HIGHLIGHTS**

**IntercontinentalExchange (ICE)** precious metals desk to test 3ms delay - Bloomberg

**Deutsche Bank (DB)** rebuffs calls for investment bank cuts - Reuters

**Apollo (APO)** said to near a deal to buy a group of local **Nexstar (NXST)** TV stations for more than \$1B - Bloomberg

**Electronic Arts (EA)** Apex Legends game broke viewership records on Twitch – Reuters

**Ant Financial (BABA)** plans to acquire **WorldFirst** – Tech Crunch

**Saudi Aramco** May Raise Up to \$15 Billion in Debut Foreign Bond – Bloomberg

Angry Birds Maker **Rovio** Looking to Sell Control of Hatch Unit – Bloomberg

The Fight Between Miners and African Governments Is Just Getting Started – Bloomberg

**South32** CEO Sees Strong Demand for Aluminium Going Forward – Bloomberg

Supply squeeze sends **palladium** soaring to record – FT

EU agrees to curb unfair practices by tech giants, booking sites (**GOOGL, AAPL, EXPE, BKNG**) – Reuters

U.S. Tax Revenues Fall, Deficit Widens in Wake of New Tax Law – WSJ

**STOCK SPECIFIC NEWS OF NOTE**

**Alaska Air (ALK)** reports combined January traffic up 2.5%

**DBV Technologies (DBVT)** anticipates resubmission of Viaskin Peanut BLA in Q3

**Cisco (CSCO)** adds \$15B for stock repurchase

**CenturyLink (CTL)** adopts plan designed to protect NOLs, cuts dividend

**GNC Holdings (GNC)** receives full funding of \$300M investment by Harbin Pharmaceutical

**Williams (WMB), Targa (TRGP)** announce new natural gas liquids agreements

**Airbus** says to end A380 deliveries in 2021

**Eli Lilly (LLY), Boehringer Ingelheim** announce CAROLINA trial meets primary endpoint

**Taubman (TCO)** to sell 50% of interests in three Asia shopping centers to Blackstone

**PRE-MARKET MOVERS**

**Moving Higher:** AZN 6%, CYBR 5.9%, TTM 4.4%, GOOS 3%, TEVA 1.2%

**Moving Lower:** SWIR -24%, KO -2.5%

**INSIDER TRADING (Form 4 Filings)**

**Buying:** PLT, KMI, POST, MB

**Selling:** MAN, VRTX, NSP, MCHP, PAYX, TCMD, BURL, BSX, NVCR, WLTW, GDII, ROP, MTD

**INSTITUTIONAL MONEY FLOW**

**Buying:** FB, EA, KWEB, ADBE, INTU, ELLI, LULU, CSCO, KHC, XLNX, TEVA, PFE, NTES

**Selling:** MRK, DG, GILD, STZ, JNJ, BAC, WFC, MSFT, FISV, GOOG, UAL, ALSN

**OPTION HIGHLIGHTS (Prior Day)**

Crown (CCK) shares on an impressive run in 2019 and today 2,500 July \$60 calls open \$1.65 to \$1.70, a name with size in April \$52.5 and \$55 calls 2500X each. The March \$50 calls also with 1,780X in open interest from buyers. CCK shares cleared a multi-month range recently above \$51 which has a ten-point measured move back to the 2017 highs. CCK is seeing a monthly bullish MACD crossover and RSI back above 50 in February, strong setup in a name which has been on a long run since 2009. The \$7.18B packaging company trades 9.13X earnings, 0.64X sales, and 24X cash with expectations for 9% EPS growth and 5-6% revenue growth in FY20. CCK continues to see strong demand in both their beverage cans business, especially Asia, as well as their Transit Packaging business acquired from Signode while EU food has lagged against tough comps. They continue to expand capacity for beverage cans while focusing on cash flow and deleveraging in 2019. CCK has seen pressures from tariffs and sees upside to margins this year with price increase pass-throughs. Analysts have an average target for shares of \$59 with 8 buy ratings and 2 hold ratings. Short interest is 8.6% and down from September's highs when it was 10.7%. MSCO starting at Equal Weight on 1/16 with a \$49 PT. They see upside in the near-term driven by the Signode deal which greatly expands their product mix but longer-term remain a multi-quarter 'show me' story. CSFB upgraded to Outperform in November with a \$57 PT. They see scope for significant EPS and FCF growth while multiple headwinds in the legacy operations provide a relatively easy comp for 2019. Institutional ownership rose 37% last quarter.

**AFTER HOURS MOVERS**

**Gainers:** SOLO 27%, SNBR 11.5%, YELP 6%, VNDA 5%, CSCO 3.7%

**Losers:** FOSL -16%, NTAP -7.4%, CTL -7%, ASN -4.5%, IFF -4.5%, NUS -2.2%, WMB -2%

**MARKET SENTIMENT / INTERNALS**

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.67	Declining
CBOE Index Put/Call Ratio	1.57	Elevated
CBOE Skew Index	127.72	Moving Off of Recent Lows
VIX Curve	Contango	Normal
CNN Fear & Greed Index	61	Greed
NYMO	10.08	Fading
NYSE Highs/Lows	83.87	Multi-Month Highs
McClellan Summation	898.87	Above 8-EMA
Univ. of Michigan Consumer Sentiment	91.2 (January)	-4.7% Y/Y

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

**POTENTIAL SYMPATHY TRADES**

**NKE, UAA, FL** – on Puma outlook

**BA, SPR, TGI** – on Airbus earnings

**LVS, WYNN** – on MGM earnings

**MOS, NTR** – on CF earnings

**WCN, RSG, CWST** – on WM earnings

**COLM, VFC, DECK** – on GOOS earnings

**IPO /SECONDARY MONITOR**

**Virgin Trains USA (VTUS)** issuing 28.3M shares at \$17-\$19; Owner and operator of express passenger rail system in Florida

Biotech IPOs from **AVDR, CBUS, MITO** and **TCRR**

# TRADE

## WEEKLY TECHNICAL BREAKOUT

**EW:**



**Edwards Lifesciences (EW)** shares are consolidating in a small bull flag just below new highs with a breakout above \$175 targeting \$187. RSI and MACD are in healthy trends while shares are finding support at the rising 8- and 13-EMA over the past week.

## FUNDAMENTAL TRADE OF THE WEEK

**Stock:** Teledyne (TDY)

**Price:** \$228

**Valuation:** Undervalued

**Key Ratios:**

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
<b>Stock</b>	<b>25.4X</b>	<b>2.9X</b>	<b>3.7X</b>	<b>17.3X</b>	<b>23.4X</b>
<b>Industry Avg.</b>	<b>30.9X</b>	<b>4.1X</b>	<b>4.0X</b>	<b>16.7X</b>	<b>27X</b>

**Analysis:** TDY is a \$8.19B company which focuses on scientific instruments like cameras for digital imaging, aerospace, and other defense electronics. TDY is growing earnings at 6-7% while revenues are expected to grow 5% annually through FY20. The company is benefitting from higher growth in their defense segment with microwaves for space applications driving upside last quarter. In December, the company announced it was buying Roper's SI units for \$225M.

# IDEAS

## WEEKLY TECHNICAL BREAKDOWN

**BIG:**



**Big Lots (BIG)** shares have bounced back to cloud resistance and the 50-day MA after hitting 52-week lows recently. Shares are back near small support at \$30.80 while a breakdown under trend support targets a move back to \$27/\$28. MACD is back at zero and rolling over.

## PAIR TRADE OF THE WEEK

**Industry:** Beauty

**Long/Short:** Long **Ulta Products (ULTA)**, Short **Sally Beauty (SBH)**

**Analysis:** ULTA is executing well and expanding their store count while gaining share in a large, fragmented market. Shares trade 2.65X sales with double-digit growth expected. SBH sees SSS flat for the year and margins could be under pressure with a higher level of investments. Traffic trends have also been unsteady.

## SMALL CAP TRADE OF THE WEEK

**Mesa Labs (MLAB)** is a \$906M maker of quality control instruments used in the manufacturing of products including dialysis machines, gas meter, and torque testing for bottle-caps. Shares trade at 33.5X earnings but with double-digit growth and revenue growth of 16.5% and 14.2% over the next two years. MLAB has been expanding their scale through acquisitions recently.

## DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Criteo (CRTO)	GNC Holdings (GNC)	Pernix (PTX)
Diebold (DBD)	Extreme (EXTR)	Cloudera (CLDR)
Bloomin' Brands (BLMN)	El Pollo Loco (LOCO)	Geron (GERN)
Intrepid Potash (IPI)	Log Me In (LOGM)	Sleep Number (SNBR)
Rosetta Stone (RST)	Elanco (ELAN)	Avon (AVP)
Zynga (ZNGA)	PBF Energy (PBF)	HSBC
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Liberty (LBTYA)	Retrophin (RTRX)	Sears (SHLDQ)
Avery Dennison (AVY)	GNC Holdings (GNC)	Bristow (BRS)
Meet Group (MEET)	Extreme (EXTR)	Activision (ATVI)
Unilever (UL)	Vitamin Shop (VSI)	Criteo (CRTO)
Live Nation (LYV)	Brunswick (BC)	Twilio (TWLO)
Intersect (XENT)	Delphi (DLPH)	Diebold (DBD)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Discovery (DISCA)	GNC Holdings (GNC)	Intercept (ICPT)
Colgate (CL)	Ford Motor (F)	Ascendis (ASND)
Navistar (NAV)	Schlumberger (SLB)	Tocagen (TOCA)
Ford Motor (F)	Perkin Elmer (PKI)	Intra-Cellular (ITCI)
Fossil (FOSL)	Freeport (FCX)	Pyxus (PYX)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Zynga (ZNGA)	GNC Holdings (GNC)	GNC Holdings (GNC)
Quorum (QHC)	AT&T (T)	Extreme (EXTR)
Freeport (FCX)	Twilio (TWLO)	El Pollo Loco (LOCO)
Alcoa (AA)	Eli Lilly (LLY)	Criteo (CRTO)
PG&E (PCG)	Las Vegas Sands (LVS)	Diebold (DBD)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Bed Bath (BBBY)	Eli Lilly (LLY)	M, 1,500 Jan. 2021 \$25/\$42 call spreads
Twitter (TWTR)	Stryker (SYK)	ULTA, 400 June \$320/\$285 long strangles
United Tech (UTX)	CDK Corp (CDK)	MO, 1,500 Jan. 2021 \$55/\$42.5 bear risk reversals
Xilinx (XLNX)	Red Robin (RRGB)	QGEN, 2,000 March \$40/\$35 bull risk reversals
Crown (CCK)	Altria (MO)	BIIB, 400 June 2020 \$450/\$500 call spreads

## Extras

**Spectrum Brands (SPB)** late buyers of the March \$55 calls today, 1150X for \$0.80 to \$1.35

**BioHaven (BHVN)** bullish action continued with 500 March \$45 ITM puts sold to open \$3.90 to \$3.60 late day while 500 July \$50 calls were bought \$5.85

**Tivo (TIVO)** IV rose late day with 2,000 March \$11 calls bought \$0.55 to open

**Pepsi (PEP)** block of 2,500 Feb. 22<sup>nd</sup> (W) \$114 calls opened \$1.41 ahead of earnings Friday

**Las Vegas Sands (LVS)** with 3,880 March 1<sup>st</sup> (W) \$61 calls opening in the afternoon \$1.11 to \$1.16

## Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
AKR	Acadia Realty Trust	\$0.36	\$0.36	\$69.45	\$53.28	5.10%	
AIG	American Intl	-\$0.63	\$0.45		\$12,132.73		
ANDE	Andersons	\$0.92	\$0.76	\$812.66	\$1,082.35	-19.10%	
AMGP	Antero Midstream GP	\$0.10	\$0.16	\$43.49	\$42.69	83.00%	
AR	Antero Resources	\$0.46	\$0.37	\$1,237.37	\$1,297.47	34.50%	
BAND	Bandwidth	-\$0.04	-\$0.29	\$52.34	\$49.37	23.20%	FY In Line
BCOV	Brightcove	\$0.00	-\$0.03	\$40.86	\$41.23	1.90%	
BKD	Brookdale Senior Living	\$0.70	-\$0.24	\$1,068.93	\$1,072.05	-8.30%	
CTRE	CareTrust REIT	\$0.32	\$0.32	\$40.36	\$39.99	10.30%	
CTL	CenturyLink	\$0.37	\$0.33	\$5,778.00	\$5,783.79	8.50%	
CF	CF Industries	\$0.21	\$0.45	\$1,132.00	\$1,224.69	3.00%	
CHEF	Chefs' Warehouse	\$0.32	\$0.32	\$394.07	\$384.54	10.40%	FY In Line
CSCO	Cisco Systems	\$0.73	\$0.72	\$12,446.00	\$12,433.99	4.70%	FY In Line
CXP	Columbia Property Trust	\$0.40	\$0.37	\$75.52	\$73.26	5.40%	
DVA	DaVita	\$0.90	\$0.90	\$2,821.12	\$2,966.92	1.40%	
DIOD	Diodes	\$0.65	\$0.58	\$314.40	\$313.21	17.10%	FY Above
EQIX	Equinix	\$4.12	\$4.02	\$1,310.08	\$1,305.98	9.20%	FY Above
EQC	Equity Commonwealth	\$0.21	\$0.16	\$42.93	\$44.62	-40.10%	
FRT	Federal Realty	\$1.57	\$1.56	\$235.38	\$235.70	5.10%	
FNF	Fidelity National	\$0.63	\$0.68	\$1,693.00	\$1,908.80	-14.30%	
FR	First Industrial Realty	\$0.42	\$0.41	\$105.08	\$103.07	2.70%	
FOSL	Fossil	\$1.01	\$1.21	\$786.90	\$805.17	-14.60%	

FCPT	Four Corners Property Trust	\$0.36	\$0.36	\$38.04	\$38.76	12.50%	
HCP	HCP	\$0.43	\$0.43	\$441.92	\$445.81	-0.30%	
HR	Healthcare Realty	\$0.40	\$0.40	\$113.17	\$114.17	5.00%	
H	Hyatt Hotels	\$0.62	\$0.30		\$1,155.82		
NGVT	Ingevity	\$1.07	\$0.77	\$278.60	\$265.60	21.40%	FY Above
IFF	Intl Flavors	\$1.22	\$1.30	\$1,219.00	\$1,240.07	42.60%	FY Below
IVC	Invacare	-\$0.16	-\$0.42	\$244.60	\$239.22	-2.30%	
KAI	Kadant	\$1.66	\$1.35	\$163.94	\$160.67	9.90%	
KGC	Kinross Gold	\$0.01	\$0.00	\$786.50	\$761.30	-2.90%	
LPI	Laredo Petroleum	\$0.16	\$0.22	\$215.28	\$253.75	-10.40%	
MFC	Manulife Financial	\$0.65	\$0.66				
MRO	Marathon Oil	\$0.15	\$0.14	\$1,765.00	\$1,415.89	27.70%	
MGM	MGM Resorts	\$0.11	\$0.14	\$3,052.90	\$3,006.27	17.60%	
NTAP	NetApp	\$1.20	\$1.15	\$1,563.00	\$1,603.86	1.60%	FY In Line
NUS	Nu Skin	\$1.05	\$1.05	\$683.29	\$676.76	2.60%	FY In Line
OII	Oceaneering Intl	\$0.07	-\$0.26	\$495.10	\$488.12	2.30%	
OIS	Oil States		-\$0.14		\$260.00		
ASGN	On Assignment	\$1.14	\$1.15	\$929.65	\$929.80	36.90%	FY In Line
PGRE	Paramount Group	\$0.25	\$0.23	\$190.68	\$186.53	5.80%	FY Below
PRSP	Perspecta	\$0.47	\$0.45	\$1,075.00	\$1,067.25	48.90%	FY In Line
PPC	Pilgrim's Pride	\$0.09	\$0.15	\$2,656.80	\$2,604.67	-3.10%	
PXD	Pioneer Natural Resources	\$1.18	\$1.34	\$2,677.00	\$2,306.79	75.40%	
PS	Pluralsight	-\$0.09	-\$0.10	\$67.26	\$65.76	41.90%	FY In Line
QTWO	Q2 Holdings	\$0.08	-\$0.02	\$67.20	\$66.77	30.00%	FY In Line
QDEL	Quidel	\$0.80	\$0.63	\$132.59	\$132.26	15.40%	
RYAM	Rayonier Adv. Materials	\$0.19	\$0.35	\$526.00	\$541.71	50.70%	
REG	Regency Centers	\$0.98	\$0.95		\$271.37		
SWIR	Sierra Wireless	\$0.25	\$0.26	\$201.40	\$204.94	9.80%	FY Below
SNBR	Sleep Number	\$0.81	\$0.73	\$411.80	\$407.51	13.30%	FY In Line
STAG	STAG Industrial	\$0.46	\$0.45	\$93.29	\$91.61	14.80%	
SLF	Sun Life	\$1.19	\$1.16	\$8,180.00	\$6,277.00	-5.40%	
SPWR	SunPower	-\$0.21	-\$0.34	\$525.40	\$566.06	-36.20%	FY Below
SVMK	SurveyMonkey	-\$0.03	-\$0.02	\$67.90	\$65.88	19.10%	FY Above
SKT	Tanger Factory	\$0.64	\$0.62		\$121.42		

TCO	Taubman Centers	\$0.91	\$0.89	\$167.50	\$168.91	-2.70%	
TSE	Trinseo	\$0.23	\$0.25	\$1,065.00	\$1,100.45	-3.40%	
TRUP	Trupanion	-\$0.01	\$0.03	\$82.64	\$82.16	24.20%	
TCX	Tucows	\$0.42	\$0.47	\$85.60	\$84.00	-5.50%	
VNDA	Vanda Pharma	\$0.19	\$0.13	\$53.04	\$51.56	19.80%	FY Below
WCN	Waste Connections	\$0.63	\$0.61	\$1,261.70	\$1,226.75	9.00%	FY In Line
WMB	Williams Cos	\$0.19	\$0.24		\$2,396.15		
YELP	Yelp	\$0.37	\$0.11	\$243.70	\$241.11	11.10%	

**FOSL – Missed on EPS and Revenues** - Looking back on the past year, we are pleased with the progress we made on two critical goals: to improve our overall profitability and to strengthen our financial position. Although we are a smaller company exiting 2018, we are significantly more profitable with operating income up significantly over last year's level and debt reduced by over \$200 million. We accomplished this in a tough environment by emphasizing innovation, creating efficiencies and improving our balance sheet while forging powerful partnerships to position Fossil Group for long term success. As we begin 2019, our priorities continue to focus on capitalizing on the opportunity in connected, stabilizing traditional watch sales, and increasing efficiency across our company. We remain committed in our mission to increase our market share in the growing global watch industry and I believe we have the talent, brands, and strategy to accomplish our goals.

**PS – Beat on EPS and Revenues** - Pluralsight's fourth quarter capped off a milestone year for the company, highlighted by strong customer additions and 42% revenue growth. We achieved our seventh consecutive quarter of greater than 50% growth in B2B billings, while continuing to demonstrate the inherent levers to profitability in our model," said Aaron Skonnard, co-founder and CEO of Pluralsight

**AIG –** Throughout 2018, significant foundational work was undertaken to remediate AIG's core underwriting capabilities. While many issues and challenges were uncovered, we moved quickly to reduce risk and volatility, as well as implement strategies that we believe will accelerate our progress in 2019. The world class talent that joined AIG throughout 2018 was a highlight, and our team is not taking short cuts in building a top performing enterprise nor are we settling for easy fixes. Our work continues to restore AIG as the leading insurance company in the world and I remain confident we are on the right path to achieve long-term, sustainable and profitable growth.

**H – Beat on EPS** - We had a very strong 2018 driven by another year of double-digit growth in management and franchising fees, nearly offsetting the earnings decline in our owned & leased segment, resulting from over \$1.0 billion of asset sales. We successfully closed the acquisition of Two Roads Hospitality LLC, adding five new compelling brands into the Hyatt portfolio and significant future growth opportunities. We believe we are well-positioned to continue to execute our long-term shift to an asset-lighter business model. This is supported by a significant increase in our pipeline, which now stands at approximately 89,000 rooms, equivalent to more than 42% of our system, and our sustained net rooms growth of 7% or better.



**CF – Missed on EPS and Revenues** - "We delivered strong results in 2018, as higher global nitrogen prices and lower natural gas costs drove a 45 percent increase in adjusted EBITDA compared to 2017," said Tony Will, president and chief executive officer, CF Industries Holdings, Inc. "With strong nitrogen demand anticipated in North America during the first half of 2019, our in-region production and extensive transportation and distribution network position us well to build on our 2018 performance. "Longer-term, our outlook remains positive: we are positioned at the low end of the global cost curve due to our access to low-cost North American natural gas, we continue to operate exceptionally well and we expect the global nitrogen supply and demand balance to continue to tighten."

**CSCO – Beat on EPS and Revenues** - Delivered revenue growth across all geographies and businesses, strong margins, double-digit non-GAAP earnings per share growth and continued solid cash generation. Security generated strong double-digit revenue growth... seeing strong traction with Duo while strengthening our cloud-based subscription portfolio. Within Applications, collaboration had another quarter of exceptional growth as customers are adopting our comprehensive market-leading portfolio.

**NTAP – Beat on EPS and Missed on Revenues** - "Although I am disappointed that revenue came in at the low-end of our guidance range, we continue to demonstrate discipline in how we manage the business. We are playing into the big market transitions from a position of strength and are focused on execution to maximize our opportunity in an uncertain macroeconomic environment," said George Kurian, chief executive officer. "Our flash, hybrid cloud infrastructure, and AI solutions are serving as pillars of customers' new architectures and we are seeing adoption of our cloud offerings as part of our customers' foundation for moving applications and data to the cloud. We have conviction in our strategy to drive long-term growth."

**MGM – Missed on EPS and Beat on Revenues** - "We had a strong finish to the year, driving growth across all Las Vegas segments in the fourth quarter. Our fourth quarter consolidated net revenues grew by 18% and our consolidated Adjusted EBITDA by 21%, before certain one-time benefits," said Jim Murren, Chairman and CEO of MGM Resorts International. "Our Las Vegas Strip Resorts achieved the best fourth quarter Adjusted Property EBITDA since 2007. We also continued to gain share within our regional markets and realized record fourth quarter revenues and Adjusted Property EBITDA performance at MGM Grand Detroit, MGM National Harbor, Beau Rivage, and Gold Strike Tunica. Additionally, we closed out the year with the official openings of Park MGM and NoMad Las Vegas, both of which have received overwhelmingly positive responses. "Looking ahead, we remain highly focused on our strategic priorities, including maximizing the performance of our premier properties, driving consolidated free cash flow growth and successfully executing MGM 2020 – our recently announced plan dedicated to improving efficiencies, reducing costs, and investing in key technologies to position the Company for further profitability. Through MGM 2020, we are reinvesting in our business and we expect to begin to see the financial benefits in the back half of 2019," Mr. Murren continued. "We also remain committed to targeted growth opportunities such as sports betting and the pursuit of an Integrated Resort in Japan. Importantly, we will continue to prudently allocate capital, with a focus of returning excess cash to shareholders."

## Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
AAN	Aaron's	\$1.02	\$1.03	\$993.20	\$966.29	12.30%	
AER	AerCap	\$1.62	\$1.60	\$1,219.70	\$1,227.01	-3.40%	
AGIO	Agios Pharma	-\$1.58	-\$1.66	\$30.00	\$19.98	200.00%	
ALKS	Alkermes	\$0.34	-\$0.05	\$316.00	\$255.71	14.90%	
ALE	Allele	\$1.18	\$1.13	\$448.30	\$413.00	32.70%	
AEE	Ameren		\$0.32		\$1,564.09		
ARCH	Arch Coal	\$4.44	\$3.58	\$650.96	\$570.69	16.20%	
ARES	Ares Management	\$0.41	\$0.33	\$247.40	\$241.59	-34.00%	
AZN	AstraZeneca	\$1.58	\$1.48	\$6,417.00	\$6,334.84	11.10%	
AVP	Avon Products	\$0.07	\$0.07	\$1,401.70	\$1,430.16	-10.70%	
BGCP	BGC Partners		\$0.28		\$462.00		
BLMN	Bloomin' Brands	\$0.30	\$0.26	\$1,013.10	\$1,002.01	-5.90%	FY Above
BCOR	Blucora	-\$0.16	-\$0.18	\$101.30	\$101.11	3.60%	FY Below
BWA	BorgWarner	\$1.21	\$1.07	\$2,573.00	\$2,547.77	-0.50%	FY Below
BAM	Brookfield Asset Mgmt	\$1.35	\$0.76	\$16,006.00		22.50%	
GOOS	Canada Goose	\$0.96	\$0.81	\$399.30	\$360.13	50.20%	
GTLS	Chart Industries	\$0.59	\$0.52	\$290.10	\$283.50	7.70%	
CBB	Cincinnati Bell	-\$0.65	-\$0.23	\$399.00	\$391.49	32.50%	
CME	CME Group	\$1.77	\$1.73	\$1,236.60	\$1,222.07	37.40%	
KO	Coca-Cola	\$0.43	\$0.43	\$7,100.00	\$7,069.37	-5.50%	FY In Line
CCEP	Coca-Cola European	\$0.54	\$0.54	\$2,794.00	\$2,819.80	5.00%	FY Light
COWN	Cowen Group		\$0.16		\$193.30		
CYBR	CyberArk	\$0.89	\$0.59	\$109.10	\$95.94	35.70%	FY Above
DUK	Duke Energy	\$0.84	\$0.89	\$6,115.00	\$5,841.58	5.40%	
EEX	Emerald Expositions Events	\$0.00	-\$0.02	\$57.00	\$53.55	81.00%	
EPAM	EPAM Systems	\$1.27	\$1.23	\$504.90	\$501.43	26.40%	
EQT	EQT Corp.	\$1.70	\$0.81	\$1,245.14	\$1,271.99	20.50%	
EQM	EQT Midstream Partners	-\$0.89	\$1.45	\$384.80	\$380.81	31.60%	
FAF	First American Financial	\$1.27	\$1.14	\$1,417.10	\$1,462.10	-4.30%	
GLOG	GasLog	\$0.54	\$0.32	\$188.64	\$176.16	38.90%	
GNRC	Generac	\$1.42	\$1.39	\$563.40	\$552.69	14.30%	FY Above

GEO	Geo Group	\$0.65	\$0.52	\$599.43	\$588.94	5.40%	
HPP	Hudson Pacific Properties		\$0.49		\$183.38		
HII	Huntington Ingalls	\$4.94	\$4.64	\$2,199.00	\$2,081.54	10.20%	
INCY	Incyte	\$0.40	\$0.49	\$528.40	\$485.72	19.00%	
NSIT	Insight Enterprises		\$1.12		\$1,759.86		
IQV	IQVIA	\$1.50	\$1.47	\$2,688.00	\$2,619.44	6.60%	FY In Line
IRM	Iron Mountain	\$0.56	\$0.52	\$1,061.00	\$1,059.61	7.10%	FY In Line
LECO	Lincoln Electric		\$1.20		\$763.57		
MANU	Manchester United	\$0.28	\$0.22	\$208.60	\$197.27	17.60%	
MTRN	Materion		\$0.53		\$298.63		
MLCO	Melco Resorts		\$0.23		\$1,371.28		
MGP	MGM Growth Properties		\$0.53		\$283.16		
NICE	NICE	\$1.47	\$1.41	\$420.00	\$417.05	7.10%	FY In Line
DNOW	Now	\$0.11	\$0.06	\$764.00	\$772.87	14.20%	
PATK	Patrick Industries		\$0.75		\$519.00		
PBF	PBF Energy	\$1.03	\$0.77	\$6,292.87	\$6,620.97	-3.70%	
PBFX	PBF Logistics	\$0.48	\$0.47	\$80.00	\$72.79	20.30%	
POOL	Pool	\$0.37	\$0.44	\$543.00	\$551.58	6.50%	
PPL	PPL Corp		\$0.49		\$1,879.22		
PDS	Precision Drilling	\$0.00	-\$0.07	\$427.01	\$402.32	23.00%	
DGX	Quest Diagnostics	\$1.36	\$1.37	\$1,839.00	\$1,880.38	-1.40%	FY In Line
R	Ryder System		\$1.81		\$2,188.77		
STNG	Scorpio Tankers	-\$0.38	-\$0.54	\$167.53	\$154.31	12.90%	
SMI	Semi Manufacturing	\$0.02	\$0.00	\$787.60	\$783.62	0.10%	
SIX	Six Flags	\$0.93	\$0.27	\$269.50	\$284.50	5.00%	
SON	Sonoco Products	\$0.84	\$0.81	\$1,360.00	\$1,369.70	4.70%	
SMP	Standard Motor		\$0.61		\$247.45		
STFC	State Auto Fin	\$0.67	\$0.50	\$264.40	\$325.65	-27.20%	
TU	Telus	\$0.69	\$0.67	\$3,764.00	\$3,687.90	6.30%	
TPX	Tempur Sealy Int'l	\$0.90	\$0.97	\$676.10	\$659.74	7.10%	
TRP	TransCanada	\$1.03	\$0.96	\$3,904.00	\$3,528.42	7.90%	
TRU	TransUnion	\$0.66	\$0.63	\$624.00	\$622.98	23.30%	FY Below
THS	TreeHouse Foods	\$1.03	\$0.96	\$1,481.00	\$1,497.67	-11.30%	FY In Line
TRTN	Triton International	\$1.25	\$1.16	\$355.40	\$359.00	13.20%	

VMC	Vulcan Materials		\$0.89		\$1,079.44		
WM	Waste Mgmt	\$1.13	\$1.06	\$3,842.00	\$3,782.60	5.20%	FY Below
WSO	Watsco		\$1.06		\$1,009.20		
WST	West Pharm	\$0.73	\$0.72	\$422.50	\$432.38	1.70%	FY Below
WLH	William Lyon Homes	\$0.91	\$1.06	\$659.65	\$715.62	5.60%	
YETI	YETI Holdings	\$0.38	\$0.34	\$241.20	\$226.45	19.30%	FY Above
ZBRA	Zebra Tech	\$3.10	\$2.93	\$1,137.00	\$1,117.67	10.80%	FY In Line
ZTS	Zoetis	\$0.79	\$0.77	\$1,564.00	\$1,534.32	7.10%	FY In Line