

TOP STORIES

- Mnuchin Calls US/China Talks ‘Productive’, China Offers to End Certain Subsidies
- Two Sides Set to Continue Discussions Next Week in Washington
- China Inflation Cools in January Potentially Pushing Officials to Step In
- U.K. Retail Sales Jump As Discounts Spur Spending on Clothing
- Chinese Credit Growth Hits Record in January Amid Seasonal Surge
- Spain’s PM Calls Snap Election for April 28

INDEX FUTURES

| Futures | Change | Fair Value |
|--------------------|-----------------------|--------------|
| S&P 500 | 2745.25 (1.75) | -0.18 |
| Nasdaq | 7023.75 (4) | -3.67 |
| Dow | 25446 (19) | 10.61 |

GLOBAL INDICES

| INDEX | CLOSE | CHANGE |
|------------------|-----------------|---------------|
| FTSE | 7222.61 | 0.36% |
| DAX | 11185.18 | 0.86% |
| Nikkei | 20900.63 | -1.13% |
| Hang Seng | 27900.84 | -1.87% |

ECONOMIC CALENDAR

| TIME | INDICATOR | CONSENSUS |
|--------------|------------------------------|------------------|
| 8:30 | Empire State Mfg. | 7.6 |
| 8:30 | Import/Export Prices | 0.0%/0.1% |
| 9:15 | Industrial Production | |
| 10:00 | Consumer Sentiment | 93.0 |

FOREX

| | |
|----------------|------------------------|
| EUR/USD | 1.1278 (-0.19%) |
| USD/JPY | 110.45 (-0.02%) |
| USD/CAD | 1.3283 (-0.08%) |
| GBP/USD | 1.2825 (0.11%) |

COMMODITY

| | |
|--------------------|-----------------------|
| Oil | 54.57 (0.29%) |
| Natural Gas | 2.595 (0.86%) |
| Gold | 1321.8 (0.60%) |
| Copper | 2.8035 (1.06%) |

VOLATILITY INDICES

| INDEX | SYMBOL | CLOSE |
|----------------|------------|-----------------------|
| S&P | VIX | 16.22 (3.64%) |
| Nasdaq | VXN | 19.02 (0.11%) |
| Oil | OVX | 32.10 (-0.50%) |
| Gold | GVZ | 9.92 (3.87%) |

MARKET OUTLOOK

Futures are indicating a flat open for the morning with the President expected to sign the spending bill today to avert another government shutdown. Reports are that POTUS will also use executive power to declare an emergency at the border and unilaterally shift \$7B in fed funds to construction. Democrats are likely to challenge the move in Federal court, making for likely several more weeks of gridlock. Treasury Sec. Mnuchin said the talks in Beijing had wrapped up on a positive note this morning calling the week-long discussion ‘productive.’ The two sides will continue talks in Washington next week. China is reportedly still unwilling to proceed with further structural reform. The most likely outcome here remains an extension of tariffs and continued talks.

Asian markets closed the week in the red with financials lagging and US retail sales weighing. Autos also fell with **Honda** down 2.5% and **Mazda** down 2%. **Japan Display** was down 2.7% but well off the lows after cutting their outlook. Chinese CPI came in light at 1.7% vs 1.9% forecast for January while PPI also slowed to 0.1% vs 0.3%. New loan growth jumped in January with outstanding loan growth up 13.4% in January. Japanese industrial production fell modestly, as expected.

European markets are on the highs mid-morning after opening weak. Autos slid amid fears of tariffs and weak sales data for the month. **Vivendi** was higher by 4.6% behind strength in UMG. **Allianz** was up 1.1% after earnings. **Telecom Italia** rose 6% after announcing that CDP was given the greenlight to raise its stake. **Eutelsat** fell 7.7% after earnings and talking down M&A hopes. **Saab** rose 6% after earnings. **Scout24** was up 12.5% on M&A talks. Eurozone trade balance fell in December while Italy showed some strength up for the month. UK retail sales jumped 4.2% in January, much better than the 3.4% expected.

S&P TECHNICALS

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



| | |
|-------------------|----------------|
| 3661 Advancing | Declining 3525 |
| 48.4% | 46.6% |
| 158 New High | New Low 38 |
| 80.6% | 19.4% |
| 6165 Above SMA50 | Below 1397 |
| 81.5% | 18.5% |
| 3046 Above SMA200 | Below 4516 |
| 40.3% | 59.7% |

KEY EVENTS TO WATCH**Markets Closed on Monday for President's Day****Economic Data on Tuesday:** Loretta Mester Speaks, Housing Market Index, Weekly Bill Auctions**Earnings BMO on Tuesday:** AAP, AAWW, CTB, ECL, EXPD, FDP, FELE, GDI, GPC, HIMX, HLX, JELD, LDOS, MDT, NHI, NEO, NBL, SAGE, SQNS, SITE, ONCE, TTS, TSEM, SLCA, USAC, WMT, WBT, WLK;**Analyst Days:** ALLK, JEC;**Conferences:** CAGNY 2019 (GIS, JNJ, CCE, TSN, MDLZ, INGR, IFF, SYU, K, MO, SJM, HSY, PEP, STZ, MKC, CGC, UL, PG, CHD, CLX, THS, HLF, NWL, CL, KO);**ANALYST ACTION/COMMENTS****Copa (CPA)** upgraded to Hold at Stifel**Healthcare Trust (HTA)** upgraded to Overweight at Capital One Financial**Bombardier** upgraded to Buy at UBS**AIG** upgraded to Buy at Compass Point**Insmid (INSM)** upgraded to Outperform at JMP**Workday (WDAY)** upgraded to Outperform at Cowen**Bloomin Brands (BLMN)** upgraded to Outperform at William Blair, Sees Upside to Q4 results**Cedar Fair (FUN)** upgraded to Outperform at Macquarie**Agios Pharma (AGIO)** upgraded to Outperform at Leerink**Coca Cola (KO)** downgraded to Neutral at Citi**True Car (TRUE)** downgraded to Neutral at B Riley**Six Flags (SIX)** downgraded to Neutral at Keybank**Geo Group (GEO)** downgraded to Neutral at JP Morgan**Ball Corp (BLL)** downgraded to Neutral at UBS**General Dynamics (GD)** downgraded to Neutral at CSFB**Simon Property (SPG)** downgraded to Hold at Mizuho**Applied Mats (AMAT)** downgraded to Hold at DZ Bank**Epam Systems (EPAM)** downgraded to Sell at VTB Capital**LogMeIn (LOGM)** downgraded to Neutral at Oppenheimer**True Car (TRUE)** downgraded to Neutral at RBC**Mirati (MRTX)** initiated Buy at Piper, \$85 PT**MEDIA HIGHLIGHTS****Ford Motors (F), Volkswagen** talked about \$4B valuation for Argo AI - BloombergCarl Icahn urges **Caesars (CZR)** to consider sale - WSJ**CBS** prepares to press for new NFL agreement - WSJMortgage insurer **Radian (RDN)** held takeover talks with **Apollo (APO), Center bridge** - Bloomberg**Visa (V), MasterCard (MA)** to hike fees on credit, debit cards pressuring retail - WSJ**Lyft's** rapid US growth is selling point in IPO race with **Uber** – Reuters**Taiwan Semi (TSM)** revenues fall to 6-mo low; Co. gearing up for 7nm chip production for Qualcomm – Digitimes**Scout24** Agrees to Sweetened \$6.4B Bid From **Hellman, Blackstone (BX)** – BloombergReport finds host of problems with student loan servicing, oversight (**NAVI, SLM**) – NY Post**Facebook (FB)** may be facing a “multibillion-dollar” fine from the FTC – Re/CodeSix firms including **JD.com (JD), Dongfeng Motor** invest \$354M in China Railway unit – Reuters

European car sales drop 4.6% in January – Reuters

Asian prices for LNG drop to 17-month low on tepid demand (**LNG, GLNG**) – Reuters**Expedia (EXPE)** was quiet with deal-making in 2018 but could make another splash in 2019 – Skift**Alibaba (BABA)** takes an 8% stake in Tencent-backed anime streaming site **Bilibili (BILI)** – Tech Crunch**Apple (AAPL)** to acquire Data Tiger – Bloomberg**STOCK SPECIFIC NEWS OF NOTE****Bristol-Myers (BMY)** says Opdivo-Yervoy combo shows ORR of 25% in CheckMate -650 trial**Tandem Diabetes' (TNDM)** insulin pump first to receive new FDA ACE Pump classification**Bio-Rad (BIO)** releases first FDA-cleared digital PCR system**Industrial Logistics Property (ILPT)** announces two acquisitions totaling \$905.3M**HomeStreet (HMST)** to seek buyers for stand-alone home loan centers business

PRE-MARKET MOVERS

Moving Higher: CZR 6.4%, NVDA 5%, RIO 1%

Moving Lower: TRUE -21%, LOGM -18%

INSIDER TRADING (Form 4 Filings)

Buying: ZBH, GT, CSS, MITT, DISH

Selling: WIFI, ABG, MNTA, VRA, ILMN, OLLI, WLTW, LH, VRA, CMG, BLL, UFS

INSTITUTIONAL MONEY FLOW

Buying: FB, QCOM, PGR, AMZN, CTL, C, CVS, JNJ, T, JPM, ICE, BABA, PEP, DPZ, DHI

Selling: ECA, NFLX, CELG, FLT, SAIL, COG, NOW, HDS, PFE, MCD, MD, SYK, STX, LEG

OPTION HIGHLIGHTS (Prior Day)

VMware (VMW) on the open trades 745 March \$165 calls in wide swings \$7.20 to \$8.40 and up to 1000X in the opening 20 minutes trading \$8.40-\$8.70 bid-ask. VMW also has 1,265 April \$148.19 calls bought in OI. VMW shares are off to a strong start in 2019 and nearing record highs in a very steep trend higher on good accumulation volume. The \$67.85B cloud infrastructure Co. trades 25.1X Earnings, 6.7X EV/Sales and 21.1X FCF with a strong balance sheet flush with cash. VMW will next report in late February. It spoke at the Barclays Conference in December highlighting the strong growth it sees in cloud, mobility, AI and IoT. Analysts have an average target of \$167 on shares and short interest at 6.9% of the float has been rapidly declining. Evercore ISI started shares In-Line last week with a \$160 target with concerns of lumpy growth in NSX and vSAN while it takes time to monetize the AWS partnership. MSCO cut to Equal Weight on 1-15 on valuation with risks to its on-premise infrastructure exposure and mix of perpetual license revenues. BMO has a \$170 target after the special dividend news earlier this year with greater confidence to serve the glue that binds private and public clouds in a hybrid world. Citi sees growth ahead at historic levels as its cloud relevance increases. Hedge Fund ownership fell 23.4% in Q3 filings, Dodge & Cox and Icahn top sellers. JET Capital disclosed a call option position and Dell (DELL) continues to own a large stake of VMW with a lot of talk in the past of an eventual full acquisition.

AFTER HOURS MOVERS

Gainers: TLND 14.4%, NVDA 7.4%, ANET 4.8%, RDFN 4.8%, SU 3%, AMD 1.3%

Losers: LOGM -16.7%, TRUE -16%, XPO -13%, CC -5%

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)

Berkshire Hathaway takes new stakes in **Red Hat (RHT)**, **Suncor (SU)**, exits **Oracle (ORCL)**

Greenlight adds to **Tempur Sealy (TPX)** stake, takes new stake in **Echostar (SATS)**

Peltz's Trian Fund boosts **P&G (PG)**, cuts **Sysco (SYY)**

Icahn buys **Diamondback (FANG)**

Soros exits **Microsoft (MSFT)**, adds **Philip Morris (PM)**

Lone Pine adds **Mastercard (MA)**, exits **EA**

Appaloosa exits **Alibaba (BABA)**, takes new stake in **Wells Fargo (WFC)**, **Allstate (ALL)**

POTENTIAL SYMPATHY TRADES

MGM, LVS, WYNN – on Icahn CZR stake

Z – on RDFN earnings

CAT, AGCO, CNHI – on DE 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 |
|----------------------|--------------|-------------|-------------|--------------|--------------|
| Stock | 25.4X | 2.9X | 3.7X | 17.3X | 23.4X |
| Industry Avg. | 30.9X | 4.1X | 4.0X | 16.7X | 27X |

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> |
|------------------------------|-------------------------------|--|
| Six Flags (SIX) | Ethan Allen (ETH) | Quick Logic (QUIK) |
| Verint (VRNT) | Sleep Number (SNBR) | Riot Blockchain (RIT) |
| DXC Tech (DXC) | Elanco (ELAN) | Evolent (EVH) |
| Iqvia (IQV) | Daktronics (DAKT) | Computer Programs (CPSI) |
| Lattice Semi (LSCC) | Yeti Holdings (YETI) | Redfin (RDFN) |
| Yeti (YETI) | Fibrogen (FGEN) | Turtle Beach (HEAR) |
| <u>Lowest Put/Call Ratio</u> | <u>Highest Put/Call Ratio</u> | <u>Implied Volatility Decliner</u> |
| Versum (VSM) | Ethan Allen (ETH) | Daktronics (DAKT) |
| Intrepid Potash (IPI) | Allegion (ALLE) | Century Link (CTL) |
| Live Nation (LYV) | Vitamin Shop (VSI) | Avon (AVP) |
| Zogenix (ZGNX) | Diamond Offshore (DO) | Canada Goose (GOOS) |
| Hanes (HBI) | Exact Sciences (EXAS) | Yeti (YETI) |
| ADT Co (ADT) | KKR & Co (KKR) | TreeHouse (THS) |
| <u>OTM Calls on Offer</u> | <u>OTM Puts on Offer</u> | <u>Elevated IV30</u> |
| Sprint (S) | Fibrogen (FGEN) | Intercept (ICPT) |
| Whiting Petrol (WLL) | Immuomedics (IMMU) | Ascendis (ASND) |
| Dropbox (DBX) | Mondelez (MDLZ) | Tocagen (TOCA) |
| Cenovus (CVE) | Credit Suisse (CS) | Intra-Cellular (ITCI) |
| Eli Lilly (LLY) | Novavax (NVAX) | Ppyxus (PYX) |
| <u>Positive Net Delta</u> | <u>Negative Net Delta</u> | <u>Option Volume Gainers (%)</u> |
| Eli Lilly (LLY) | Intel (INTC) | Ethan Allen (ETH) |
| Advanced Micro (AMD) | Qualcomm (QCOM) | Sleep Number (SNBR) |
| Apple (AAPL) | Coty (COTY) | Elanco (ELAN) |
| Micron (MU) | Anadarko (APC) | Six Flags (SIX) |
| Ebay (EBAY) | Fibrogen (FGEN) | Verint (VRNT) |
| <u>Bullish Call Flow</u> | <u>Bearish Put Flow</u> | <u>Large Spread Trades</u> |
| VMWare (VMW) | Ubiquiti Networks (UBNT) | NLSN, 1,000 January 2020 \$20/\$30 call spreads |
| Intel (INTC) | Agilent (A) | DIS, 5,000 April \$110/\$95 put spreads |
| Hubspot (HUBS) | Advanced Micro (AMD) | MRO, 2,500 March \$16/\$15 bull risk reversals |
| Box (BOX) | Ethan Allen (ETH) | CPE, 3,000 July \$8/\$6 bull risk reversals |
| Capri (CPRI) | AMN Health (AMN) | MCO, March \$160/\$150 put spread 2,000X4,000 |

Extras

Lending Tree (TREE) buyers late for 180 March \$300 calls today from \$26.70 to \$27.30, more than \$485K ahead of 2-26 earnings

Veeva (VEEV) buyers active late for nearly 400 September \$135 calls for \$9.30 to \$9.35 today

Bristol Myers (BMY) buyer of 2,500 January 2021 \$65/\$45 bull risk reversals late for a \$1.65 net credit, stock replacement strategy

Benefit Focus (BNFT) trader bought 750 March \$65 OTM calls \$1.70 offer for earnings 2-26

BluePrint Medicine (BPMC) trade closed 300 February \$65 calls and opened 300 March \$70 synthetic long positions

Intercept (ICPT) with 500 April \$150 / June \$175 call spreads bought for NASH data

Wayfair (W) with 500 Jan 2021 \$100 puts bought to open \$22.90

FibroGen (FGEN) buyer of 1,000 March \$65 OTM calls \$1.90 to \$2 into key data

Marathon Oil (MRO) buyer of 1,000 Jan. 2021 \$18 calls to open \$3.30

Royal Dutch (RDS.B) with 1,250 April \$67.5 puts sold to open \$3.70, popular strategy for years

Qualcomm (QCOM) afternoon opening sales 1,750 July \$50 calls to open \$4.05 bid

Earnings

| Ticker | Company | EPS Actual | EPS Estimate | Revs Actual | Revs Estimate | Y/Y Growth | Notes |
|--------|-----------------------------|------------|--------------|-------------|---------------|------------|------------|
| ACOR | Acorda Therapeutics | \$0.45 | -\$0.60 | \$69.20 | \$48.12 | -63.30% | |
| AEM | Agnico-Eagle Mines | \$0.14 | \$0.02 | | \$525.64 | | |
| AIRG | Airgain | \$0.17 | \$0.08 | \$16.56 | \$16.44 | 29.30% | FY In Line |
| AMN | AMN Healthcare | \$0.81 | \$0.79 | \$528.60 | \$539.25 | 3.8% | FY Below |
| AMAT | Applied Materials | \$0.81 | \$0.79 | \$3,753.00 | \$3,714.47 | -10.70% | FY Below |
| ANET | Arista Networks | \$2.25 | \$2.06 | \$595.70 | \$591.41 | 27.30% | FY In Line |
| BL | BlackLine | \$0.03 | \$0.01 | \$62.32 | \$61.65 | 24.60% | FY In Line |
| CGC | Canopy Growth | -\$0.38 | -\$0.25 | \$83.00 | \$81.79 | 282.5% | |
| CBS | CBS | \$1.50 | \$1.53 | \$4,024.00 | \$4,130.18 | 2.60% | |
| CC | Chemours | \$1.05 | \$1.03 | \$1,464.00 | \$1,525.46 | -7.00% | FY Below |
| CGNX | Cognex | \$0.26 | \$0.22 | \$193.29 | \$184.82 | 5.7% | FY Below |
| CPS | Cooper-Standard | \$1.53 | \$2.00 | \$871.99 | \$894.18 | -7.0% | |
| CVA | Covanta | \$0.04 | \$0.09 | \$500.00 | \$485.25 | 1.00% | |
| GLOB | Globant | \$0.50 | \$0.47 | \$140.14 | \$139.32 | 21.40% | FY In Line |
| HTA | Healthcare Trust of America | \$0.41 | \$0.41 | \$172.30 | \$172.80 | -0.80% | FY In Line |

| | | | | | | | |
|------|----------------------|---------|---------|------------|------------|---------|------------|
| INVH | Invitation Homes | \$0.30 | \$0.30 | \$433.00 | \$440.07 | 31.20% | FY In Line |
| LOGM | LogMeIn | \$1.47 | \$1.41 | \$310.70 | \$306.57 | 12.60% | FY In Line |
| MX | MagnaChip Semi | \$0.10 | \$0.07 | \$179.39 | \$176.50 | 2.80% | FY Below |
| MERC | Mercer Intl | \$0.69 | \$0.84 | \$412.25 | \$395.77 | 24.5% | |
| MRC | MRC Global | \$0.17 | \$0.10 | \$1,009.00 | \$1,011.39 | 11.70% | |
| NVDA | NVIDIA | \$0.80 | \$0.75 | \$2,205.00 | \$2,220.33 | -24.30% | FY In Line |
| PDFS | PDF Solutions | -\$0.01 | -\$0.02 | \$19.70 | \$18.16 | -26.50% | |
| RDFN | Redfin | -\$0.14 | -\$0.19 | \$124.10 | \$117.15 | 29.50% | |
| RWT | Redwood Trust | \$0.39 | \$0.38 | \$35.00 | \$37.63 | 0.00% | |
| SPXC | SPX Corp | \$0.89 | \$0.84 | \$428.70 | \$404.05 | 13.00% | |
| SSNC | SS&C Techs | \$0.95 | \$0.85 | \$1,132.80 | \$1,108.12 | 157.80% | |
| TLND | Talend | -\$0.13 | -\$0.14 | \$55.70 | \$55.75 | 34.20% | |
| TREX | Trex | \$0.43 | \$0.36 | \$140.00 | \$131.40 | 14.80% | FY Below |
| TNET | TriNet Group | \$0.59 | \$0.53 | \$225.00 | \$211.58 | 10.30% | |
| TRUE | TrueCar | \$0.03 | \$0.05 | \$91.10 | \$96.03 | 9.60% | FY Below |
| VICI | VICI Properties | \$0.36 | \$0.38 | \$226.04 | \$232.11 | 20.50% | |
| WES | Western Gas Partners | \$0.55 | \$0.75 | \$557.79 | \$521.78 | -11.70% | |
| XPO | XPO Logistics | \$0.72 | \$0.82 | \$4,389.00 | \$4,556.07 | 4.60% | FY Below |

CBS – Missed on EPS and Revenues – Our strategy of creating more of the premium content that audiences want and making it available across new and traditional platforms continues to pay off, driving quarterly increases in subscribers at CBS and Showtime, both consecutively and year over year. In addition, we are generating significant momentum with our direct-to-consumer platforms, which provide a great return on investment and represent one of our most powerful long-term growth drivers. In fact, we have now reached 8 million direct-to-consumer subscribers between CBS All Access and Showtime, nearly two years ahead of our original schedule. As a result, we have set a new target of 25 million domestic subs combined from both of these direct-to-consumer services by 2022.

LOGM – Beat on EPS and Revenues, Guidance Below – LogMeIn had a strong fourth quarter with all key metrics exceeding guidance, and perhaps more importantly, we closed the year with significant momentum in each of our growth markets. As we enter 2019, we believe we are poised to enter a new era of growth in which LogMeIn can achieve leadership positions in Unified Communications & Collaboration, Identity and Access Management, and Customer Engagement and Support. We are now embarking on an investment plan designed to accelerate growth in ways that we expect will allow us to exit 2019 growing more rapidly and give us a line of sight to double-digit organic growth.

NVDA – Beat on EPS and Missed on Revenues – “This was a turbulent close to what had been a great year,” said Jensen Huang, founder and CEO of NVIDIA. “The combination of post-crypto excess channel inventory and recent deteriorating end-market conditions drove a disappointing quarter. “Despite this

setback, NVIDIA's fundamental position and the markets we serve are strong. The accelerated computing platform we pioneered is central to some of world's most important and fastest growing industries – from artificial intelligence to autonomous vehicles to robotics. We fully expect to return to sustained growth," he said.

RDFN – Beat on EPS and Revenues – Redfin's fourth-quarter results again exceeded our expectations, with continued year-over-year gains in market share, and a new report showing that our customer satisfaction is 49% higher than our competitors', " said Redfin CEO Glenn Kelman. "But what we're most excited about are the first signs that our broader vision is coming to life in 2019: more Redfin homebuyers are choosing a Redfin mortgage because of an investment in local service, more Redfin home sellers are signing up for our concierge service to spruce up the home before its market debut, and then more of those home sellers are also meeting our agents to buy their next place. RedfinNow, our business of buying a home on our own account and then selling it, is increasingly drawing on our brokerage's field organization and systems, giving us more confidence that we can grow this business quickly without having to build everything from scratch.

TREX – Beat on EPS and Revenues – Taken together with fourth quarter 2018 sales, this represents 8% growth over the similar Q4/Q1 year-ago period, as these quarters are historically more heavily weighted to distribution load-in. Capital spending requirements are projected to be approximately \$45 million, earmarked for projects that support future volume growth and continued margin expansion

XPO – Missed on EPS and Revenues - For the full year, we delivered 12.3% revenue growth, 9.3% organic growth and \$1.56 billion of adjusted EBITDA - up 14.3% over 2017. However, we missed our fourth quarter forecast for adjusted EBITDA, primarily due to headwinds in France and the UK and a loss of profit in the postal injection business with our largest customer. "In the fourth quarter, we generated 12.4% organic revenue growth in our logistics segment, driven by global demand for e-commerce. In North American transportation, we improved our less-than-truckload adjusted operating ratio by 260 basis points to a fourth quarter best of 87.3%. Better working capital management allowed us to outperform on cash in the quarter and surpass our cumulative 2017-2018 free cash flow target of \$1 billion.

Earnings

| Ticker | Company | EPS Actual | EPS Estimate | Revs Actual | Revs Estimate | Y/Y Growth | Notes |
|--------|--------------------|------------|--------------|-------------|---------------|------------|------------|
| AXL | American Axle | | \$0.42 | | \$1,682.21 | | |
| ABR | Arbor Realty Trust | | \$0.32 | | \$25.90 | | |
| CHH | Choice Hotels | | \$0.84 | | \$261.58 | | |
| CPSI | Computer Programs | \$0.78 | \$0.58 | \$72.30 | \$74.06 | -7.40% | |
| DAN | Dana Inc | \$0.71 | \$0.65 | \$1,973.00 | \$1,950.00 | 7.40% | Affirms FY |
| DE | Deere | \$1.54 | \$1.76 | \$6,941.00 | \$6,829.38 | 16.20% | |

| | | | | | | | |
|------|-------------------|---------|---------|-------------|-------------|--------|------------|
| ENB | Enbridge | \$0.65 | \$0.62 | | \$12,266.39 | | |
| FTS | Fortis | \$0.56 | \$0.61 | | \$2,135.06 | | |
| HE | Hawaiian Electric | \$0.45 | \$0.47 | \$761.65 | \$524.89 | 15.60% | |
| TYPE | Monotype Imaging | \$0.45 | \$0.23 | \$71.40 | \$65.15 | 9.80% | FY Above |
| MCO | Moody's | \$1.63 | \$1.68 | \$1,060.10 | \$1,142.45 | -9.00% | FY In Line |
| NWL | Newell Brands | \$0.71 | \$0.65 | \$2,340.60 | \$2,428.54 | -6.00% | FY Below |
| ZEUS | Olympic Steel | \$0.14 | \$0.17 | \$429.59 | \$408.45 | 39.40% | |
| PEP | PepsiCo | \$1.49 | \$1.50 | \$19,524.00 | \$19,522.89 | 0.00% | FY Below |
| POR | Portland Gen Elec | \$0.55 | \$0.54 | | \$549.59 | | |
| SXT | Sensient | \$0.79 | \$0.79 | \$324.56 | | -1.30% | |
| WBC | WABCO Holdings | \$2.13 | \$1.98 | \$911.60 | \$963.33 | -2.40% | FY Below |
| YNDX | Yandex N.V. | \$20.95 | \$23.46 | \$38,842.00 | \$37,445.25 | 39.40% | |