

TOP STORIES

- Global Markets Close the Week Strong Amid Growth, Trade Optimism
- BOJ Keeps Policy Unchanged While Taking Dimmer View of Economy
- China's Premier: Can Use Rates, Other Policy Steps to Support Economy
- Kim Jong Un Rethinking U.S. Nuclear Talks, Set to Make Statement

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2824.25 (12)	10.47
Nasdaq	7312 (44.75)	38.99
Dow	25859 (116)	116.06

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7225.96	0.56%
DAX	11674.57	0.75%
Nikkei	21450.85	0.77%
Hang Seng	29012.26	0.56%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Empire State Mfg.	10.0
9:15	Industrial Production	0.4%
10:00	Consumer Sentiment	95.2
10:00	JOLTS	7.2M

FOREX

EUR/USD	1.1317 (0.13%)
USD/JPY	111.73 (0.03%)
USD/CAD	1.3312 (-0.16%)
GBP/USD	1.3249 (0.08%)
USD	96.11 (-0.13%)

COMMODITY

Oil	58.62 (0.02%)
Natural Gas	2.849 (-0.21%)
Gold	1302.4 (0.56%)
Copper	2.9060 (0.50%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	13.5 (0.67%)
Nasdaq	VXN	15.65 (1.76%)
Oil	OVX	27.22 (-3.23%)
Gold	GVZ	10.08 (-0.59%)

MARKET OUTLOOK

Futures are indicating a higher open to close the week optimism around China and trade. Stimulus was back in focus in Asia. China's Premier Lie Keqiang spoke at the end of the annual parliament meeting this morning and reiterated that Beijing has multiple options to supporting the economy. Separately, China's top trade negotiator Liu He said he and Treasury Sec. Mnuchin have spoken recently as trade talks continue. A meeting between Trump and Xi is not likely until April. Some geopolitical concerns with North Korea reportedly set to decide on whether to halt disarmament talks with the US. The indecision could lift some defense stocks like **RTN**, **NOC**, and **LMT**.

Asian markets finished the week strong after Beijing committed to boosting economic growth. The BOJ the other focus overnight after leaving rates unchanged. They did however lower expectations for global growth citing rising overseas risks. The Nikkei closed the week higher by 2%. South Korean exports fell 11.4% in February while imports fell 12.6%. China house prices rose 10.4% in February, slightly better than January. Sportswear maker **Descente** rose 3% after Itochu raised their ownership stake.

European markets are higher this morning with optimism over trade and Brexit. Expectations continue to rise that the UK will note leave the EU without a deal on March 29. **UBS** was down 1.5% amid legal woes in France. **Swedbank** fell 2% as a money laundering scandal widened. **Wirecard** down another 7% after Citi downgraded shares. Eurozone CPI came in at 1.5%, unchanged from the prior reading. Ex-tobacco it rose 1.4%. German WPI was 1.6%, slightly higher than in January. Italian inflation cooled to 1.0% vs. 1.1% expected.

Amazon (AMZN) in focus today after Keybank upgraded shares to Overweight with a \$2,100 PT. Amazon's profits over the next three years could inflect, driven by improving retail margin expansion coupled with the mix shift to higher margin AWS and Advertising segments that combined could top \$100B by 2022.

S&P TECHNICALS

Levels: Support 2,725/2,700; Resistance 2,800/2,820



2826 Advancing	Declining 4287
37.3%	56.6%
207 New High	New Low 59
77.8%	22.2%
5535 Above SMA50	Below 2019
73.3%	26.7%
3549 Above SMA200	Below 4005
47.0%	53.0%

KEY EVENTS TO WATCH**Economic Data Mon:** Housing Market Index at 10:00 AM;**International Data:** EU Merchandise Trade;**Earnings BMO Monday:** LL, NVAX, OSTK, QD;**Earnings AMC Monday:** AMRS, TACO, HQY, TLRV;**ANALYST ACTION/COMMENTS****Rent-a-Center (RCII)** raised to Buy at Raymond James**AT&T (T)** upgraded to Outperform at Raymond James**Colfax (CFX)** upgraded to Neutral at Barclays**Amazon (AMZN)** upgraded to Overweight at Keybank**Oceaneering (OII)** upgraded to Buy at Jefferies**Keane Group (FRAC)** upgraded to Buy at Jefferies, \$12 PT**Superior Energy (SPN)** upgraded to Hold at Jefferies**Zillow (Z)** downgraded to Underweight at Barclays**State Street (STT)** downgraded to Hold at Deutsche Bank**Mercado Libre (MELI)** downgraded to Hold at Stifel**Adobe (ADBE)** downgraded to Neutral at Keybank**Avery Dennison (AVY)** cut to Neutral at JP Morgan**Live Nation (LYV)** downgraded to Neutral at Citi**Oracle (ORCL)** downgraded to Neutral at BMO**Helmerich & Payne (HP)** downgraded to Hold at Jefferies**Precision Drilling (PDS)** downgraded to Hold at Jefferies**Schlumberger (SLB)** downgraded to Hold at Jefferies**Gilead (GILD), Amgen (AMGN)** initiated Outperform at BMO CapitalRaymond James initiating **ALLO, MGTA, XNCR, GRTS** at Outperform**RumbleOn (RMBL)** initiated Buy at B Riley, \$9 PT**Agilent (A)** initiated Buy at UBS**Masonite (DOOR)** initiated Buy at Seaport Global**Jeld-Wen (JELD)** initiated Buy at Seaport Global, \$26 PT**Quanex (NX)** initiated Buy at Seaport Global, \$19 PT**MEDIA HIGHLIGHTS**Macau extends casino licenses for **MGM China (MGM), SJM** until 2022 – Reuters

China unlikely to 'rescue' global iron ore market, Bloomberg

Court says **Rent-A-Center (RCII)** within rights to back out of Vintage deal - Reuters**Las Vegas Sands (LVS)** settles dispute on Macau entry - WSJCalifornia judge rules **Qualcomm (QCOM)** owes **Apple (AAPL)** nearly \$1B - MacRumorsMalaysia Airlines reviews order for 25 **Boeing (BA)** 737 MAX jets – Reuters; **Boeing (BA)** still producing 737 MAX jets at full speed - ReutersEU competition commissioner set to hit **Google (GOOGL)** with another fine – FT**SQM (SQM)** received lithium carbonate production plant approval. Reuters**Intel (INTC)** to start engineering projects for 5G modem chips in 2Q19 – DigitimesFinnish sports group **Amer** to sell Mavic bicycle parts business – FT**Blackstone (BX)** to buy Japanese drug maker Ayumi Pharma for around \$1B – Reuters

Decline in EU car sales smallest in six months offering hopes for a turnaround – Bloomberg

STOCK SPECIFIC NEWS OF NOTE**Facebook (FB)** CEO announces product chief Chris Cox has decided to leave company**Alaska Air (ALK)** combined February traffic down 2.0%**Cubic (CUB)** acquires Nuvotronics for approximately \$64M**Investnet (ENV)** to acquire PIETech**Karyopharm (KPTI)** announces FDA extension of PDUFA date for selinexor NDA**Adobe Systems (ADBE)** to join S&P 100**Newell Brands (NWL)** CEO Michael Polk to retire**Activision (ATVI)** Director buys \$4.295M in stockFederal Judge denies **JELD-WEN's (JELD)** motions to overturn landmark antitrust verdict**Tesla (TSLA)** Reveals Model Y Crossover to Start at \$39,000

PRE-MARKET MOVERS

Moving Higher: RDKA 35%, SNAP 2%, BUD 1.8%

Moving Lower: ATOS -15.8%, ORCL -3.7%, ADBE -3%, TSLA -2.4%, FB -1.8%

INSIDER TRADING (Form 4 Filings)

Buying: SUI, VYGR, BECN, DBD, NVEE, AR

Selling: LNC, IT, RP, USFD, AMT, SIRI, RMBS, TYL

INSTITUTIONAL MONEY FLOW

Buying: INTC, AMZN, KO, ORCL, FDC, PYPL, SLB, DXCM, NVDA, HUM

Selling: V, CSCO, JPM, VZ, NOW, MDT, TWLO, PG, WFC, IBM, CTXS, INTU, BLK, AAL, CAT

OPTION HIGHLIGHTS (Prior Day)

Novartis (NVS) buyer today of 5,000 July \$95 calls for \$2.20 to \$2.25 to open, sizable trade in the name which making new 1-year highs. NVS has 3,850 April \$90 calls in open interest as well from January while the January 2020 \$92.50 short puts remain in OI 1,500X from October. Shares are working out of a big range this week and just below the 2015 highs at \$92.50. The four-year bull flag has a long-term measured move to \$120. The \$234.5B company trades 15.3X earnings, 4.4X sales, and 42X FCF with a 3% yield. NVS is targeting 3% EPS growth this year and 8.3% in FY20 with revenue growth of 2% and 4.5% respectively. The company has an exciting group of asset-based catalysts in 2019 including pivotal data from their AveXis acquisition in Q2 in SMA. Later in the year, the company expects data in both progressive and relapsing MS as well as data from Fevipirant in asthma. NVS has been reshaping their portfolio with a focus on efficient, cost-controlled R&D and last year's divestitures of the GSK JV and Sandoz dermatology business are expected to be followed this year by a spin of their eye-care unit Alcon in Q2. The CEO of their generics unit Sandoz announced today that he was stepping down and that's also fuelled speculation the company could explore a sale or spin of that unit as well, another potential upside driver. Analysts have an average target for shares of \$90 with 7 buy ratings, 5 hold ratings, and 3 sell ratings, most recently JP Morgan on 1/29. Goldman added shares to their Conviction Buy list last Fall seeing the company entering a period of sustained sales growth driven by a reinvigorated pharma business, new products and a deep pipeline. Institutional ownership fell 2% last quarter.

AFTER HOURS MOVERS

Gainers: AVGO 4.8%, ULTA 4%

Losers: HEAR -12.5%, DOCU -6%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.75	Multi-Week Highs
CBOE Index Put/Call Ratio	0.96	Low
CBOE Skew Index	125.73	Low
VIX Curve	Backwardation	Negative
CNN Fear & Greed Index	55	Neutral
NYMO	-66.36	Oversold
NYSE Highs/Lows	78.25	Multi-week Lows
McClellan Summation	1072.09	Below 8-EMA
Univ. of Michigan Consumer Sentiment	95.5 (February)	-4.2% Y/Y

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

SBH, COTY – on ULTA earnings

ADSK, SAP, CRM, WDAY – on ADBE earnings

SECONDARY MONITOR

Okta (OKTA) files automatic mixed shelf

American Electric (AEP) prices 14M equity units at \$50/share

Kosmos (KOS) files to sell 34.9M shares for holders

Healthcare Realty (HR) prices 3.25M secondary at \$31.41

TRADE

WEEKLY TECHNICAL BREAKOUT

FB:



Facebook (FB) shares have held up well during the recent market pullback and consolidating under \$170. A breakout targets \$180 while the 200-EMA gives a strong level to trade against for a longer-term move.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Avalara (AVLR)

Price: \$52.25

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	--	7.4X	33X	--	--
Industry Avg.	--	7.1X	8.9X	36.2X	49X

Analysis: AVLR is a \$3.6B cloud-based software company which focuses on tax compliance for small and medium businesses. Shares trade 12.8X EV/sales and 25.5X cash with 20-25% revenue growth. AVLR is focused on adding customers as changes in the tax policy drive more businesses to look at automation. SCOTUS's recent Wayfair decision also is a driver for more customers to look at automation and AVLR's software.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

BTU:



Peabody (BTU) shares are consolidating a bear flag under cloud resistance and the 50-EMA. A move lower targets the November/December support and has a long-term measured target to \$25.

PAIR TRADE OF THE WEEK

Industry: Media

Long/Short: Long Netflix (NFLX); Short Dish Network (DISH)

Analysis: NFLX is a leader in the space with the stickiest original content and strong pricing power. They continue to expand into new markets with India a major focus. DISH continues to face headwinds in sub trends. They also continue to face balance sheet issues with sizable debt and likely needs to increase wireless spend.

SMALL CAP TRADE OF THE WEEK

Enanta Pharma (ENTA) is a \$1.9B biotech which trades 8X sales and 5.5X cash with limited debt. ENTA develops small molecule drugs for the treatment of viral infections and liver diseases with trials in respiratory syncytial virus (RSV), NASH, primary biliary cholangitis (PBC), and hep B. They have Phase 2 data due mid-year and NASH data in Q3 which are key drivers for the stock.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Cloudera (CLDR)	Geo Group (GEO)	T2 Bio (TTOO)
Braskem (BAK)	Michael's (MIK)	Novavax (NVAX)
Switch (SWCH)	WageWorks (WAGE)	Mannkind (MNKD)
Dollar General (DG)	Cloudera (CLDR)	ADT (ADT)
T2 Bio (TTOO)	Dollar General (DG)	Lumber Liquidators (LL)
Domo (DOMO)	Discovery (DISCA)	Dermira (DERM)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Dover (DOV)	Immersion (IMMR)	WageWorks (WAGE)
ONEOK (OKE)	Flowers Foods (FLO)	Tailored Brands (TLRD)
Sensata (ST)	Opko (OPK)	Axsome (AXSM)
Baxter (BAX)	Martin Marietta (MLM)	Mongoddb (MDB)
Ellie Mae (ELLI)	Geo Group (GEO)	Eastman Kodak (KODK)
Knight Swift (KNX)	B&G Foods (BGS)	Amarin (AMRN)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Discovery (DISCA)	ADT (ADT)	Tocagen (TOCA)
Gerdau (GGB)	Tencent Music (TME)	Assembly Bio (ASMB)
IQIYI (IQ)	BP PLC (BP)	Concert Pharma (CNCE)
Marvell Tech (MRVL)	Geo Group (GEO)	WageWorks (WAGE)
BP PLC (BP)	PayPal (PYPL)	Overstock (OSTK)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Twitter (TWTR)	Eli Lilly (LLY)	Geo Group (GEO)
Snap (SNAP)	Coca Cola (KO)	Michael's (MIK)
Qualcomm (QCOM)	Celgene (CELG)	WageWorks (WAGE)
Micron (MU)	Devon Energy (DVN)	Cloudera (CLDR)
Walt Disney (DIS)	Viacom (VIAB)	Braskem (BAK)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Acadia (ACAD)	General Motors (GM)	LOW, May \$100/\$90 put spread 2,500X
Lam Research (LRCX)	Applied Materials (AMAT)	PTI, 2,800 April \$5/\$10 call spreads
Netflix (NFLX)	Worldpay (WP)	IONS, May \$70/\$55 put spread opening 1,000X
Disney (DIS)	Michael's (MIK)	BMY, May \$49/\$44 put spread opening 3,500X
Western Digital (WDC)	Bristol Myers (BMY)	RTN, April \$185/\$190 call spread opening 1475X

Extras

Fed-Ex (FDX) afternoon buys of 1,500 April \$185 calls up to \$4.25 offer, reports 3-19, also selling next week \$162.50 puts in spreads

Raytheon (RTN) Apr. 12th (W) \$175/\$170 put spreads bought 4,700X late

Axsome (AXSM) stock replacements open 1,350 September \$12.50 calls \$3.50 to \$3.70

Int'l Gaming (IGT) buyer 1,500 October \$15/\$20 call spreads for \$0.85 late

Baidu (BIDU) opening sale of 1,000 September \$145 puts for \$5.45 in a stock replacement

Pfizer (PFE) faded into the close with 6,000 next week \$41 puts opening

Dover (DOV) buyer of 685 June \$95/\$100 call spreads for \$1.35

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
ADBE	Adobe Systems	\$1.65	\$1.62	\$2,580.00	\$2,546.09	24.10%	FY In Line
ASNA	Ascena Retail Group	-\$0.26	-\$0.25	\$1,692.80	\$1,705.90	-1.50%	FY Below
AVGO	Broadcom	\$5.55	\$5.23	\$5,789.00	\$5,831.40	8.60%	
DOCU	DocuSign	\$0.06	\$0.00	\$199.73	\$193.63	34.20%	FY Above
HTHT	Huazhu Group	\$1.23	\$0.86	\$2,683.30	\$2,604.44		
JBL	Jabil	\$0.64	\$0.62	\$6,007.00	\$6,117.34	13.30%	
TUSK	Mammoth Energy	\$1.51	\$0.64	\$278.20	\$350.11	-24.60%	
NDLS	Noodles & Co	\$0.01	\$0.02	\$113.20	\$113.76	0.40%	
ORCL	Oracle	\$0.87	\$0.84	\$9,618.00	\$9,587.60	-0.70%	FY In Line
PVTL	Pivotal Software	-\$0.07	-\$0.09	\$169.20	\$170.21	27.00%	
TLYS	Tilly's	\$0.27	\$0.25	\$170.60	\$169.01	3.80%	
ULTA	Ulta Beauty	\$3.61	\$3.56	\$2,124.70	\$2,108.77	9.70%	
VRAY	ViewRay	-\$0.17	-\$0.22	\$20.66	\$20.38	3.70%	FY Below
ZUMZ	Zumiez	\$1.18	\$1.11	\$304.56	\$305.55	-1.20%	FY Below

AVGO – Beat on EPS and Revenues Missed – "We had a good start to 2019 as we continued to execute on our proven business model. Strong results in our networking business supported our semiconductor solutions segment, despite the anticipated sharp decline in wireless. Additionally, our infrastructure software segment performed extremely well as we made good progress with the CA business integration into Broadcom," said Hock Tan, President and CEO of Broadcom. "Similar to our peers, we see a slowdown in China impacting demand. However, much of this was factored into our original guidance and we are maintaining our full year fiscal 2019 business outlook."

ORCL – Beat on EPS and Revenues – "I'm pleased with Q3 non-GAAP results as revenues grew 3%, operating income increased 5% and EPS grew 12% in constant currency," said Oracle CEO, Safra Catz. "Our overall operating margin improved to 44% as our lower margin hardware business continued to get smaller while our higher margin cloud business continued to get bigger. With year-to-date non-GAAP EPS growth rate now at 16% in constant currency, we will comfortably deliver another year of double-digit EPS growth." "Our Fusion HCM, ERP, Supply Chain and Manufacturing Cloud applications revenue in total grew 32% in Q3," said Oracle CEO, Mark Hurd. "Our NetSuite ERP Cloud applications also delivered strong results with a revenue growth rate of 30%. That said, let me call your attention to the following approved statement about Oracle's entire applications business from industry analyst IDC."

ULTA – Beat on EPS and Revenues - The 9.4% comparable sales increase was driven by 7.1% transaction growth and 2.3% growth in average ticket. Retail comparable sales increased 7.0%, including salon comparable sales growth of 6.2%. E-commerce comparable sales increased 25.1%, representing 240 basis points of the total company comparable sales increase of 9.4%

TUSK – Beat on EPS and Missed on Revenues - "2018 was another strong year for Mammoth as we posted record levels of total revenue, net income and adjusted EBITDA. In addition, we strategically invested in high margin businesses, returned \$11 million to stockholders through dividends and positioned ourselves to take advantage of M&A opportunities. Since going public in late 2016, adjusted EBITDA has grown more than 12 times to \$547 million in 2018 from \$41 million in 2016. Despite continuing volatility in commodity prices and reductions in capital expenditure budgets at many of our customers, oilfield activity levels have been improving so far in 2019 from the levels experienced in the fourth quarter of 2018. Our six frac fleets have experienced full utilization since late January and demand and pricing for our sand is getting stronger."

JBL – Beat on EPS and Missed on Revenues - "Our business is solid and in good shape strategically, operationally and commercially. In terms of FY19, it's worth noting that our semi-cap equipment business was weak during the first half of the year, but we operated it to plan as we anticipated this weakness at the start of the year. We also believe that demand in semi-cap would begin to normalize in the June-July timeframe this year, but that's not going to happen. We're now planning for a more normalized recovery in early 2020. With that said, mid- to longer term, we remain quite bullish on this sector, largely based on our sound positioning in serving this market. As for our mobility sector, demand remains weak for the balance of the fiscal year. So all this begs the question, what actions are we taking and why do we have confidence to not only deliver core earnings somewhere in the neighborhood of \$3 a share but also upping our target for free cash flow from \$350M to \$400M for the year, a 15% increase or, said differently, a 60% improvement from FY18. So action number one. We believe we'll see further margin expansion from our base business; two, execution and incremental efficiencies associated with our new business wins, especially in the areas of health care and cloud; and three, we'll continue to delever our balance sheet, specifically around the inventory buildup, which was driven by the initial bow wave of growth. In closing, I like the decisions we're making and the approach our team is taking. As I look beyond FY19, the focus of our leadership team will be squarely on generating free cash flow and expanding margins."

Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
BKE	Buckle	\$0.85	\$0.85	\$264.40	\$267.55	-6.00%	
CTRN	Citi Trends	\$0.59	\$0.56	\$201.16	\$215.00	-5.20%	
KIRK	Kirklands	\$0.95	\$0.97	\$216.10	\$222.68	-3.80%	FY Below