

TOP STORIES

- Global Markets Mixed After Fed’s Dovish Surprise, Dollar Climbs
- POTUS: Tariffs Likely to Remain as Compliance Check on China
- UK PM May Heads to Brussels to Resume Extension Talks for Brexit
- Swiss National Bank Keeps Rate Unchanged, Trims Inflation Outlook
- Tencent Missed Forecasts as Spending Rises, Game Approval Slowdown Bites
- Micron to Cut Output

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2826.5 (-0.50)	-3.23
Nasdaq	7418.75 (9.25)	8
Dow	25705 (-24)	-71.67

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7333.15	0.58%
DAX	11577.76	-0.26%
Nikkei	Closed - Holiday	
Hang Seng	29071.56	-0.85%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Jobless Claims	225K
8:30	Philadelphia Fed	5.5
10:00	Leading Indicators	0.1%
10:30	EIA Nat Gas Report	

FOREX

EUR/USD	1.1391 (-0.19%)
USD/JPY	110.63 (-0.05%)
USD/CAD	1.3318 (0.11%)
GBP/USD	1.3129 (-0.51%)
USD	95.67 (0.49%)

COMMODITY

Oil	59.87 (-0.60%)
Natural Gas	2.823 (0.11%)
Gold	1314.9 (1.01%)
Copper	2.9565 (1.22%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	13.33 (-1.70%)
Nasdaq	VXN	16.42 (-1.85%)
Oil	OVX	27.61 (-2.92%)
Gold	GVZ	10.14 (3.26%)

MARKET OUTLOOK

Futures are indicating a mixed open for the morning after yesterday’s Fed meeting. The more dovish response is getting mixed reaction globally with the dollar up, gold up and bonds across the world higher. The President reiterated yesterday that tariffs may remain on China for an extended period after a trade deal is passed. The US is worried about compliance with any deal. There’s some growing concern that any deal is no longer close and the two sides set to resume talks next week. PM May is back in Brussels today for a summit with the EU as she looks for an extension to Brexit. The BOE will announce a rate decision later today which is universally expected to be unchanged.

Asian markets were mixed overnight with China blue-chips up modestly in the afternoon. Japan was on Holiday for the Vernal Equinox. **Tencent** fell almost 2% and closed on the lows after a drop in profits. The company highlighted slower game launches for the dip. It was a quiet morning for data in the region. Hong Kong CPI came in light at 2.1% vs 2.4%. New Zealand GDP came in lighter than expected at 2.3% vs 2.5%. Australian Employment fell in February.

European markets are mixed this morning with the FTSE outperforming up almost 60 bps. Financials across Europe are weak this morning while chip stocks are being lifted by Micron. **HeidelbergCement** was down 1.55% despite upbeat guidance and an outlook for modest growth. Construction group **Skanska** fell 3% after cutting their margin outlook. UK retail sales rose 4% in February, better than hoped, while core retail sales rose 3.8% vs 3.3%. The Swiss National Bank cut their inflation forecast this morning amid a more dovish lean by central banks. They kept rates at extremely low levels.

Arista Networks (ANET) in focus today after being upgraded to Conviction Buy at Goldman, \$360 PT. The firm sees "significant upside potential to consensus expectations driven by Arista's expansion into campus switching.

S&P TECHNICALS

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



3908 Advancing	Declining 3287
51.6%	43.4%
237 New High	New Low 92
72.0%	28.0%
5419 Above SMA50	Below 2130
71.8%	28.2%
3821 Above SMA200	Below 3728
50.6%	49.4%

KEY EVENTS TO WATCH

Earnings After the Close: CAL, NKE, ZUO;

Economic Data on Friday: PMI Composite Flash at 9:45 AM, Existing Home Sales at 10:00;

Earnings Friday BMO: HIBB, JKS, TIF;

ANALYST ACTION/COMMENTS

Acuity (AYI) upgraded to Neutral at Goldman

Internap (INAP) upgraded to Outperform at Wells Fargo

Allegheny (ATI) upgraded to Neutral at Goldman

Qorvo (QRVO) upgraded to Buy at Goldman

International Flavors (IFF) upgraded to Buy at Goldman

Diplomat Pharmacy (DPLO) upgraded to Outperform at Raymond James

Steelcase (SCS) upgraded to Strong Buy at Raymond James

ING Group (ING) upgraded to Outperform at RBC

Conoco (COP) upgraded to Overweight at Piper

BJ's Wholesale (BJ) upgraded to Buy at Gordon Haskett

Dollar Tree (DLTR) upgraded to Buy at Gordon Haskett

Target (TGT) upgraded to Buy at Gordon Haskett

Tractor Supply (TSCO) upgraded to Buy at Gordon Haskett

Wayfair (W), Floor & Décor (FND) upgraded to Accumulate at Gordon Haskett

Arista Networks (ANET) upgraded to Conviction Buy at Goldman Sachs, \$360 PT

Magna (MGA) downgraded to Neutral at BMO

Micron (MU) downgraded to Sell at Citi

Global Payments (GPN) downgraded to Neutral at Atlantic

Extra Space (EXR) cut to Neutral at Raymond James

Nordstrom (JWN), Sprouts (SFM) downgraded to Reduce at Gordon Haskett

Hibbett (HIBB) downgraded to Hold at Consumer Edge

Aerie Pharma (AERI) initiated Overweight at Piper

Fox (FOXA) initiated Outperform at CSFB

Vulcan Materials (VMC), Martin Marietta (MLM) started Overweight at JP Morgan

MEDIA HIGHLIGHTS

FBI joins criminal probe into **Boeing (BA)** 737 MAX certification - Seattle Times

New York Times (NYT), Washington Post will not join **Apple's (AAPL)** upcoming news service. NY Times

CVS Health (CVS) to start selling CBD products in partnership with Curaleaf - Bloomberg

Kaman (KAMN) exploring sale of distribution segment - Bloomberg

Tilman Fertitta 'gearing up' to make second **Caesars (CZR)** bid, may partner with Icahn - NY Post

Tesla (TSLA) price increase smaller than expected - Electrek

Deutsche Bank (DB) CEO sees multiple benefits of **Commerzbank** merger – Reuters

Originations of jumbo mortgages slowing down **(XLF)**. WSJ

Peloton Faces \$150M Music Suit – Bloomberg

Levi Strauss (LEVI) IPO prices above range – Bloomberg

The Big Short's Eisman raises bets against Canadian banks **(BMO, CM, RY)** – FT

Coesia, Koerber to bid for **Bosch** packaging unit – Reuters

Tencent posts worst ever profit drop on gaming freeze, one-off charges – Reuters

U.S. whiskey exports dry up as tariffs bite – Reuters

Ophir Energy to be acquired by **Medco** in sweetened \$539M bid – Reuters

STOCK SPECIFIC NEWS OF NOTE

Canadian National (CNI) investing approximately \$345M into B.C.'s rail infrastructure

KLX Energy (KLXE) completes RedBone, Tecton acquisitions for approximately \$82M

Micron (MU) says it is idling DRAM capacity

Jazz Pharmaceuticals (JAZZ) Sunosi for excessive daytime sleepiness approved by FDA

Ericsson (ERIC) wins 5G commercial deal with **KT**

Square (SQ) announces Square Crypto

Nielsen (NLSN) announces long-term agreement with Univision

Biogen (BIIB) to discontinue Phase 3 ENGAGE and EMERGE Alzheimer's trials

PRE-MARKET MOVERS

Moving Higher: DRI 4%

Moving Lower: DB -2%, EQH -1.5%

INSIDER TRADING (Form 4 Filings)

Buying: USPH, CWH, ATNX, JMP

Selling: AVAV, ROP, HEI, MORN, TDS, WLK, SBGI, CLH, KR, RGEN, ANET, VCRA, BMRN

INSTITUTIONAL MONEY FLOW

Buying: DIS, AVGO, JNJ, FOXA, WEN, WMT, DE, HUM, IBM, BSX, KEY, CAT

Selling: AAPL, MSFT, FB, INTC, FIS, GIS, GE, CRM, CSX, CSCO, DIA, SKYY

OPTION HIGHLIGHTS (Prior Day)

Cactus (WHD) saw an unusually large options trade yesterday as 2,500 November \$35 puts were sold to open for \$3.65 with shares lower following an 8.5M share secondary offering that priced \$36.25. WHD also saw 400 November \$40/\$35 bull risk reversals open on 3/18, but otherwise no notable open interest. The \$2.67B maker of wellheads and pressure control equipment for the Energy industry trades 15.5X Earnings, 12X EV/EBITDA, and 27.55X FCF. WHD is coming off revenue growth years of 120% and 60% and sees 10-15% growth each of the next two years along with double digit EPS growth. Shares are 30% YTD and it screened as the best fundamental story in this group for the 2019 Outlook with superior margins and its market share gaining amongst rigs. WHD has proven it can successfully leverage its pre-existing wellhead customers to penetrate the frac rental market through its frac stack and zipper manifold offerings. In an effort to expand its presence across the completion market, WHD is developing new complementary rental products to reduce human intervention during the completions process. WHD has no debt and best-in-class FCF margin, an eventual candidate to return cash to shareholders. Analysts have an average target of \$42 on shares and short interest is 4.3% of the float. CSFB raised its target to \$42 on 3-8 noting the incremental rental CAPEX, and sees potential for M&A or a dividend in the near future, while International expansion is an option. Raymond James started coverage at Strong Buy with a \$39 target on 2/6 expecting strong cash flows and high returns on equity. Stephens has an Overweight rating and \$45 target on its innovative product positioning. Hedge Fund ownership climbed 8.25% in Q4 filings.

AFTER HOURS MOVERS

Gainers: MLHR 5.7%, MU 4.8%

Losers: GES -13.9%, UNIT -5%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.62	Declining
CBOE Index Put/Call Ratio	1.17	Neutral
CBOE Skew Index	128.76	Low
VIX Curve	Contango	Normal
CNN Fear & Greed Index	65	Greed
NYMO	-8.89	Neutral
NYSE Highs/Lows	77.42	Off of Recent Highs
McClellan Summation	983.72	Below 8-EMA
Univ. of Michigan Consumer Sentiment	97.8 (March)	-3.6% Y/Y

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

KNL, SCS – on MLHR earnings

LRCX, WDC, AMAT, INTC – on MU earnings

IPO MONITOR

Alight (ALIT) issuing 32M shares at \$22-\$25; Provider of integrated, cloud-based human capital software

Levi Strauss (LEVI) issuing 36.7M shares at \$14-\$16; Designer and marketer of jeans and other apparel

Lyft (LYFT) expected to price within the next two weeks; One of the largest ride sharing networks in the US and Canada

SECONDARY MONITOR

Frontdoor (FTDR) prices 16.73M secondary at \$30

TRADE

WEEKLY TECHNICAL BREAKOUT

CL:



Colgate (CL) shares are nearing a bull flag breakout above \$67.50 after pulling back to the prior breakout and basing. RSI is moving back above 60 while MACD is crossing over bullish. Shares have a measured move to \$70.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Quidel (QDEL)

Price: \$68

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	21.4X	5.6X	6.3X	17.9X	27.7X
Industry Avg.	21.6X	4X	4.5X	20.4X	37.1X

Analysis: QDEL is a \$2.66B company which trades 21.4X earnings and 5X sales with double-digit EPS growth. The company expects 5.7% revenue growth as well driven by growth in diagnostic solutions. QDEL is seeing 11% CAGR and their recent acquisition of Triage & Beckman BNP will double their size. QDEL sees \$1.7B market opportunity with their Sofia and Savanna launches.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

BITA:



BitAuto (BITA) shares are one of the weaker China-related names recently and back near key support at \$17. A breakdown targets \$14.50. MACD has pulled back to zero and now fading while RSI is moving under \$40.

PAIR TRADE OF THE WEEK

Industry: Rails / PSR Adoption

Long/Short: Long **Kansas City Southern (KSU)**, Short **WABTEC (WAB)**

Analysis: KSU has been one of the better rail performers with optimism around their transition to PSR and incremental updates this quarter will be a positive catalyst. WAB will be negatively impacted by PSR and faces a tough overhang from the GE Transport merger.

SMALL CAP TRADE OF THE WEEK

CRA International (CRAI) is a \$405M company which focuses on consulting services on economic and financial matters pertaining to litigation and regulatory proceedings. Shares trade 18.4X earnings and 0.97X sales with mid-double digit growth. CRAI is coming off a strong quarter with 12% organic growth and strength in Energy, Forensic Services, and Life Sciences. Their management consulting service is also growing in importance.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Casey's General (CASY)	Casey's General (CASY)	Electrameccanica (SOLO)
Fidelity (FIS)	Simon Property (SPG)	Amyris (AMRS)
Sailpoint (SAIL)	Nevro (NVRO)	Riot Blockchain (RIOT)
Ally Financial (ALLY)	CBRE (CBRE)	Novavax (NVAX)
Cheetah (CMCM)	Del Frisco's (DFRG)	Celgene (CELG)
Steelcase (SCS)	Scotts (SMG)	Del Frisco's (DFRG)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Royal Bank of Scotland (RBS)	Dean Foods (DF)	Tencent Music (TME)
Eldorado (ERI)	Celanese (CE)	Smartsheet (SMAR)
Cheetah (CMCM)	Expeditors (EXPD)	Steelcase (SCS)
BitAuto (BITA)	American Homes (AMH)	Fed-Ex (FDX)
Inogen (INGN)	Banc of California (BANC)	General Mills (GIS)
Fidelity (FIS)	BorgWarner (BWA)	Tilray (TLRY)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Coty (COTY)	Kraft Heinz (KHC)	Tocagen (TOCA)
Metlife (MET)	United Rentals (URI)	Assembly Bio (ASMB)
Plug Power (PLUG)	Cisco (CSCO)	Concert Pharma (CNCE)
McDermott (MDR)	General Electric (GE)	Intra-Cellular (ITCI)
Ford Motor (F)	JP Morgan (JPM)	Qutuotiao (QTT)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Ford Motor (F)	Advanced Micro (AMD)	Casey's General (CASY)
Twitter (TWTR)	Bank of America (BAC)	Simon Property (SPG)
Facebook (FB)	Deutsche Bank (DB)	Nevro (NVRO)
Novavax (NVAX)	Coty (COTY)	Sailpoint (SAIL)
Apple (AAPL)	Nvidia (NVDA)	Ally Financial (ALLY)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Cree (CREE)	Signet (SIG)	HOME, 1,000 April \$24/\$20 bull risk reversals
Morgan Stanley (MS)	Estee Lauder (EL)	CASY, 2,350 April \$125/\$#120 put spreads
Fidelity (FIS)	United Rentals (URI)	SPG, October \$160/\$140 put spread trading 10,000X20,000
Ally Financial (ALLY)	Twitter (TWTR)	AMN, 1,000 April \$50/\$45 bull risk reversals
Boeing (BA)	Wix.com (WIX)	SAGE, 1,000 April \$165/\$175 call spreads

Stock Specific News / Media

South Korean watchdog reduces fine on **Qualcomm (QCOM)** to \$200M – Reuters

Murphy Oil (MUR) to sell Malaysian portfolio in \$2.12B all-cash transaction

Monro (MNRO) to acquire Certified Tire & Service Centers

Extras

Semiconductors (SMH) with more than 7,000 June \$105 puts opening \$4.35 to \$4.45 in the afternoon

Consumer Staples (XLP) buyer of 5,000 January \$56 calls to open \$1.86

Wheaton Precious Metals (WPM) the April \$23.50 calls being bought 4,000X late as the weekly \$22.50 calls adjust

Amazon (AMZN) the May \$1,700 calls closing 1,200X today and rolling up to the \$1,800 calls which open 1,500X for \$81.50

Caterpillar (CAT) afternoon buys of 2,000 March 29th (W) \$135 puts to open up to \$3.05

Comcast (CMCSA) trade opened 1,600 September \$40 synthetic long positions \$0.42 credit

Hess (HES) stock replacement bought 1,000 May \$62.5 calls for \$2.32

Lear (LEA) IV rose in the afternoon as 1,500 May \$130 puts bought to open \$3.90 to \$4.20

I Robot (IRBT) April \$121 calls bought actively late for 590X

MicroStrategy (MSTR) with 500 July \$140 puts opening \$5.35

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
GES	Guess?	\$0.70	\$0.75	\$837.00	\$831.15	5.70%	FY Below
MLHR	Herman Miller	\$0.64	\$0.61	\$619.00	\$622.43	7.00%	Q4 Above
MU	Micron	\$1.71	\$1.66	\$5,835.00	\$5,817.12	-20.60%	Q3 Below
QADA	QAD	\$0.24	\$0.12	\$82.70	\$81.64	2.40%	
WPM	Wheaton Precious	\$0.08	\$0.05	\$196.59	\$191.71	-18.90%	
WSM	Williams-Sonoma	\$2.10	\$1.97	\$1,836.40	\$1,795.32	9.30%	
WOR	Worthington	\$0.46	\$0.56	\$874.38	\$927.27	3.90%	

MU – Beat on EPS and Revenues – Micron continues to execute well across a range of product, operational and financial initiatives against the backdrop of a challenging market environment. These initiatives and our focus on high-value solutions, cost competitiveness and innovation will enable us to emerge even stronger as the market environment improves.

WSM – Beat on EPS and Revenues – For 2019 and beyond, our goal is to maximize growth and maintain high profitability, and we have several substantial growth engines that we will be aggressively prioritizing, including West Elm, our newly-launched Business to Business offering, our emerging brands - Williams Sonoma Home, Rejuvenation and Mark and Graham - as well as growth in our largest brand Pottery Barn and our namesake brand Williams Sonoma. In addition to our brands, we have a number of cross-brand initiatives, including The Key, which we believe will also be significant drivers of our future growth." Alber continued, "We will also continue to improve the customer experience through technology innovation and supply chain optimization. We believe this is our oxygen for growth. We have built over time a vertically-integrated supply chain and a highly unique platform to launch and scale new brands and businesses. These are unparalleled advantages, which will enable us to deliver mid-to-high single digit revenue and margin stability for the long-term.

WOR – Missed on EPS and Revenues - We continued to feel the impact of higher input costs and volatility in steel prices, but we also made good progress toward recovering margin as the quarter progressed," said John McConnell, Chairman and CEO. "We believe that we are through the worst of the recent cost pressures and I'm proud of the way our teams have executed. "Despite recent headwinds, the company is performing well, and we remain focused on driving improvements throughout our businesses," management said. "Overall, our markets remain steady. We expect to see continued margin expansion in Pressure Cylinders, but also anticipate continued inventory holding losses in Steel Processing in the upcoming quarter."

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
ATU	Actuant		\$0.17		\$274.44		
CSIQ	Canadian Solar	\$1.61	\$1.16	\$901.00	\$872.02	-18.70%	Q1 Light
CMC	Commercial Metals	\$0.29	\$0.27	\$1,402.78	\$1,457.31	33.10%	
CAG	Conagra	\$0.51	\$0.49	\$2,710.0	\$2,751.46		FY In Line
CVIA	Covia Holdings	-\$0.37	-\$0.30	\$441.30	\$464.57	31.40%	
DRI	Darden Restaurants	\$1.80	\$1.75	\$2,246.50	\$2,238.23	5.50%	Raises FY
GIII	G-III Apparel	\$0.46	\$0.43	\$766.80	\$767.89	7.30%	Q1 Below
LE	Lands' End	\$0.50	\$0.41	\$502.30	\$474.73	-1.60%	FY In Line