

TOP STORIES

- Mueller Finds No Collusion Between Trump, Campaign with Russia
- Barr, Rosenstein Do Not See Enough Evidence to Charge POTUS with Obstruction
- German IFO Business Optimism Jumps in March Despite Headwinds
- ECB's Coeure: ECB's Monetary Policy Not Reached Its Limit
- Fed's Evans Doesn't See Rate Rise Until 2H 2020, Could Cut If Forecasts Disappoint

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	28055 (-5.25)	-0.41
Nasdaq	7336 (-32.75)	-20.06
Dow	25534 (-36)	7.68

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7189.63	-0.25%
DAX	11349.13	-0.13%
Nikkei	20977.11	-3.01%
Hang Seng	28523.35	-2.03%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Chicago National Fed	0.10
10:30	Dallas Fed Mfg.	10.0

FOREX

EUR/USD	1.1306 (-0.05%)
USD/JPY	110.19 (0.25%)
USD/CAD	1.3419 (-0.04%)
GBP/USD	1.3181 (-0.21%)
USD	96.08 (-0.08%)

COMMODITY

Oil	59 (-0.07%)
Natural Gas	2.735 (-0.65%)
Gold	1316.6 (0.33%)
Copper	2.851 (0.30%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	16.48 (20.91%)
Nasdaq	VXN	19.83 (19.53%)
Oil	OVX	27.78 (2.36%)
Gold	GVZ	10.31 (1.07%)

MARKET OUTLOOK

Futures are indicating a mixed open for the morning after trading lower initially on Sunday night and bouncing back near Friday's close. The big news over the weekend was Special Counsel Mueller's report which found no evidence of collusion between POTUS and Russia. This doesn't completely remove the overhang of legal action against the President (NY AG still has pending cases) but it is a big victory in optics. More than 1M people marched in London this weekend calling for a second referendum on Brexit. The odds of a no-deal Brexit have jumped in the last week. **Apple (AAPL)** in focus today with their services event. They are expected to announce streaming video and news subscriptions. There are rumors they could also announce a gaming package. The 10-year yield in the US had risen slightly to 2.461%.

Asian markets were very weak overnight following the US's close on Friday. The Nikkei posted its biggest drop in three months. Fears of a global slowdown and inversion of the yield curve in the US pressured insurers and banks. **Dai-Chi life** was down 3%. **MUFJ** fell 3%. Weakness seen in other groups as well with **Softbank** down 5%. Drugmaker **Eisai** fell 19.8% and limit down after their failed Alzheimers trial. It was a quiet night for new data. The BOJ's Harada spoke and praised stimulus efforts from the group. He noted that QQE has helped boost productivity and job growth. Japanese all industries activity fell slower than expected in the recent readings. Singapore CPI was 0.5%, as expected.

European markets opened deep in the red but clawed back to trade down modestly now. German business expectations rose in the latest reading to 95.6, better than the 94.0 expected. Current assessment surveys showed growing confidence as well, 103.8 vs 102.9 while IFO business climate also rose to 99.6. The ECB's Coeure spoke this morning and said the ECB is not yet at limit of what its monetary policy can do. **Bayer** was down 2.5%. Satellite-operator **Inmarsat** jumped 7.5% after agreeing to a \$3.4B deal. **Hermes** fell 3% after CSFB downgraded shares.

S&P TECHNICALS

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



1257 Advancing	Declining 6031
16.6%	79.7%
341 New High	New Low 144
70.3%	29.7%
4442 Above SMA50	Below 3107
58.8%	41.2%
3326 Above SMA200	Below 4223
44.1%	55.9%

KEY EVENTS TO WATCH**Earnings AMC:** RHT (IBM);**Analyst Days:** D;**Conferences:** AMCP Annual Meeting (ABBV, ALKS, AGN, AMRN, AMGN, AZN, BIIB, CELG, CVS, DXCM, FLXN, GILD, INSM, PODD, LLY, NVS, NVO, SNSS, SYNH, TSRO, TEVA);**Other:** AAPL Event (NFLX, ROKU in focus)**Economic Data on Tuesday:** Housing Starts at 8:30 AM, Case-Schiller at 9:00, FHFA Housing Index at 9:00, Consumer Confidence at 10:00, Richmond Fed at 10:00;**Earnings Tuesday BMO:** CCL, CONN, CRON, FDS, INFO, MKC, NEOG;**ANALYST ACTION/COMMENTS****TreeHouse (THS)** upgraded to Buy at Sun Trust**Tegna (TGNA)** upgraded to Outperform at Evercore**Hibbett (HIBB)** upgraded to Positive at Susquehanna**AxoGen (AXGN)** upgraded to Buy at BTIG, \$28 PT**New Oriental (EDU)** upgraded to Overweight at MSCO**Akamai (AKAM)** downgraded to Sell at Deutsche Bank**CalAmp (CAMP)** downgraded to Neutral at JP Morgan**TrueCar (TRUE)** downgraded to Hold at Benchmark**Digital Realty (DLR)** downgraded to Equal Weight at Raymond James**Thomson Reuters (TRI)** downgraded to Neutral at National Bank**Nu Skin (NUS)** downgraded to Sell at Stifel, \$43 PT**LivePerson (LPSN)** initiated Overweight at Piper**Kaleido Bio (KLDO)** initiated Buy at Goldman Sachs**Fox (FOXA)** initiated Buy at JP Morgan, \$46 PT**Frontdoor (FTDR)** initiated Overweight at JP Morgan**Eagle Materials (EXP)** initiated Buy at Sun Trust**Carvana (CVNA)** PT raised to \$65 from \$58 at Baird**RH** negative sentiment skews risk/reward to upside into earnings, says JPMorgan**O'Reilly Automotive (ORLY)** added to Analyst Focus List at JPMorgan**MEDIA HIGHLIGHTS**EU to ignore calls to ban Huawei but wants 5G risks monitored (**ACIA, OCLR, LITE**) – Reuters**Alibaba (BABA)** acquires Israeli AR startup - Bloomberg

China refusing to concede on U.S. demands to ease curb on tech companies -FT

Uber To Buy **Careem** for \$3.1B – Bloomberg**BHP, Glencore** Halt Output as Two Cyclones Batter Australia – Bloomberg**Allergan (AGN)** promises independent board chair in next leadership change – Reuters**YouTube (GOOGL)** cancels plans for high-end dramas, comedies – Bloomberg**Alibaba (BABA), Tencent,** automakers form \$1.5B China ride-hailing venture – ReutersBarron's positive on **GOOG, CMCSA, DIS, VZ, ROKU, AAPL**; cautious on **LYFT, BAYRY**Burger King backer Asteya Partners taking stake in **Dominos (DPZ)**. Telegraph UKViking Sky cruise ship was forced to evacuate (**RCL, CCL, NCLH**). CBS**Avaya (AVYA)** is considering a leveraged buyout. ReutersNew Jersey Senate will vote on bill to make marijuana legal tomorrow (**CGC, ACB, TLRY**). WSJ**Fiat (FCAU)** Chairman wants more mergers. FT**Boeing (BA)** was under competitive pressure from Airbus to finish the 737 MAX, report shows – Reuters**Viacom (VIAB), AT&T (T)** resolve contract dispute - Bloomberg**STOCK SPECIFIC NEWS OF NOTE****Boeing (BA)** wins \$4.14B Missile Defense Agency contract**Onex** to acquire **Gluskin Sheff****Radius (RDUS)** presents analysis from Phase 3 ACTIVE trial, data from TYMLOS studies**Ascendis Pharma (ASND)** announces top-line results from Phase 3 heiGHt trial**Thermo Fisher (TMO)** to acquire Brammer Bio for \$1.7B**PVH Corp. (PVH)** reacquires Tommy Hilfiger brand license in central, Southeast Asia

PRE-MARKET MOVERS

Moving Higher: BIIB 1.2%

Moving Lower: SRNE -6%, AKAM -3.8%, AMD -1.6%

INSIDER TRADING (Form 4 Filings)

Buying: KFS, ARR, TVTY

Selling: CHK, AYX, TWLO, AMAT, VCRA, VG, WDAY, FB

INSTITUTIONAL MONEY FLOW

Buying: AABA, AMZN, PG, CME, COST, ETN, ADBE, AMGN, EOG, BIIB, INTU, MNST

Selling: T, D, TRV, MDLZ, CB, NEM, KMB, CAG, XEL, PEG, DLTR, CTL, HSY, DHI

OPTION HIGHLIGHTS (Prior Day)

Roku (ROKU) has seen the May \$70 call open interest rise to 4,678 after large buys the last two days for more than \$1.6M and on 3/18 the October \$65 calls opened 1,450X for \$1.75M. ROKU also has a large May \$65 call position opened for \$6M, 7000 contracts, on 2/26. ROKU shares have made a big run in 2019 and peaked just under the 2018 highs, recently dipping on a downgrade but holding the \$60 level of support and now working back above all key moving averages. The \$7.2B operator of a TV streaming platform trades 7.1X EV/Sales and coming off a 45% revenue growth year in 2018 with 37% and 33% seen the next two years. In 2018 platform revenue rose 85% Y/Y adding 7.8M new accounts to reach 27.1M and ARPY rose by \$4.17 to \$17.95. More than 25% of all smart TV's sold in the US have Roku now and streaming hours rose 69% Y/Y last quarter. Roku has seen monetization efforts pay off and focusing on Advertising, The Roku Channel, Roku TV and International for further growth. "The Information" recently reported that ROKU could be an acquisition target for Disney or Wal-Mart. Analysts have an average target of \$67.50 on shares and short interest is elevated at 11% of the float. On 3-14 Needham raised its target to \$85 naming ROKU a Top Pick for 2019 seeing massive potential for new contracts with new AAPL, DIS, and T streaming services and also notes International expansion and potential for it to be acquired. Guggenheim has a \$77 target noting ROKU has only monetized around 5% of full capacity, and sees this growing to 21% by 2023. Loop Capital is the bear with its recent downgrade rattling shares and has a \$45 target on share calling valuation excessive with potential substantial competition. DA Davidson raised its target to \$80 on 3-6 with increased confidence in growth and expanded EBITDA margins with Roku's heavy investments in its platform paying off in a material way long-term. Hedge Fund ownership fell 54.7% in Q4 filings, Coatue and Whale Rock notable sellers of full positions, while Fox (FOX) (FOXA) owns more than \$550M investment.

AFTER HOURS MOVERS

Gainers:

Losers:

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.62	Falling
CBOE Index Put/Call Ratio	1.156	Falling
CBOE Skew Index	117.55	Falling Sharply
VIX Curve	Contango	Normal
CNN Fear & Greed Index	59	Greed
NYMO	-35.09	Low
NYSE Highs/Lows	83.31	High
McClellan Summation	923.93	Below 8-EMA
Univ. of Michigan Consumer Sentiment	97.8 (March)	-3.6%

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

NFLX, ROKU – on AAPL event

IPO MONITOR

Precision Bio (DTIL) issuing 7.9M shares at \$15-\$17; Genome editing company leveraging its ARCUS platform to treat human diseases

Genfit (GNFT) issuing 5M shares at \$26; Late-stage clinical biopharmaceutical company developing drug candidates targeting liver-related diseases

Lyft (LYFT) issuing 30.77M shares at \$62-\$68; One of the largest ride sharing networks in the US and Canada

SECONDARY MONITOR

TRADE

WEEKLY TECHNICAL BREAKOUT

LW:



Lamb Weston (LW) shares are nearing a move out of a multi-week base above \$72 which has room back to the recent high-volume node around \$75 and then \$80. Shares held the 200-EMA while RSI is moving back above 55 with last week's late strength and MACD is above zero.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Vulcan Materials (VMC)

Price: \$113.5

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	19.8X	3.5X	2.9X	16.2X	41.8X
Industry Avg.	15.3X	0.8X	1.9X	8.6X	21.8X

Analysis: VMC is a \$15.5B company which trades 19.8X earnings, 3.5X sales, and 72X FCF with a 1% yield. VMC sees 22.4% and 19.8% EPS growth with revenues up 7-9% behind better demand for aggregates. They have drivers this year from higher transport spending in CA and potential for a bigger bipartisan Federal infrastructure plan being pushed through.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

AEO:



American Eagle (AEO) shares are moving back near the recent support at \$19.50 after forming a lower-high post-earnings. AEO has room back to around \$17 with a breakdown. MACD is moving back under zero and RSI back under 50, weakening strength.

PAIR TRADE OF THE WEEK

Industry: Digital Advertising

Long/Short: Long Criteo (CRTO), Short Omnicom (OMC)

Analysis: CRTO is a \$1.8B company which trades cheap at 9.7X earnings with upside drivers from their new automated platform which is launching in Q2. OMC is a \$16.78B company which continues to face pressures from the shift towards digital ad-buying while FB, GOOG, AMZN, and WMT represent emerging threats.

SMALL CAP TRADE OF THE WEEK

America's Car-Mart (CRMT) is a \$584M auto dealership which trades 12X earnings, 0.88X sales, and 36X FCF. CRMT has seen insiders actively buying stock. CRMT sees 91.5% EPS growth in FY19 and 12-15% the next two years with revenue growth of 12-13%. CRMT is growing their dealership base while volumes up 2-3% and SSS up 8.5% behind better pricing.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Braskem (BAK)	Vitamin Shop (VSI)	Amyris (AMRS)
Sorrento (SRNE)	Chegg (CHGG)	TG Therapeutics (TGTC)
Cheetah Mobile (CMCM)	Ethan Allen (ETH)	Sorrento (SRNE)
Party City (PRTY)	Digital Realty (DLR)	Virnet (VHC)
Philip Morris (PM)	Party City (PRTY)	Braskem (BAK)
Conn's (CONN)	Cheetah (CMCM)	Avon Products (AVP)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Unum (UNM)	Ethan Allen (ETH)	Lexicon (LXRX)
RPM Int'l (RPM)	Vitamin Shop (VSI)	Zuora (ZUO)
Pilgrim's Pride (PPC)	Snap On (SNA)	Hibbett (HIBB)
Braskem (BAK)	Equinix (EQIX)	Tiffany (TIF)
KAR Auction (KAR)	Ecolab (ECL)	Axsome (AXSM)
Teradyne (TER)	WABCO (WAB)	Nike (NKE)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Tempur Sealy (TPX)	Cenovus (CVE)	Tocagen (TOCA)
Coty (COTY)	Credit Suisse (CS)	Assembly Bio (ASMB)
HP (HPQ)	Vitamin Shop (VSI)	Intra-Cellular (ITCI)
Ebay (EBAY)	Caesars (CZR)	Concert Pharma (CNCE)
Transocean (RIG)	Cloudera (CLDR)	Quotuoitao (QTT)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Coty (COTY)	Bank of America (BAC)	Vitamin Shop (VSI)
Philip Morris (PM)	Micron (MU)	Chegg (CHGG)
JD.com (JD)	Intel (INTC)	Ethan Allen (ETH)
Twitter (TTR)	Netflix (NFLX)	Sorrento (SRNE)
AK Steel (AKS)	Sirius (SIRI)	Cheetah Mobile (CMCM)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Pinduoduo (PDD)	Pepsi (PEP)	TIF, May \$95/\$90 put spread bought 2,000X4,000
Deere (DE)	Tiffany (TIF)	HAS, May 3rd (W) \$84.50/\$80.50 put spread
US Silica (SLCA)	Ecolab (ECL)	IRTC, April \$85/\$80 put spread bought 500X
Knowles (KN)	Affiliated Managers (AMG)	ECL, May \$170/\$165 put spread opening 1,500X
Anadarko (APC)	Skyworks (SWKS)	BAK, May \$30/\$35 call spread being bought 14,000X

Stock Specific News and Media

Semiconductor equipment billings continue slide – Digitimes

DRAM ASP Poised to Continue Descent into the Second Half-Year – DRAMeXchange

Louis Dreyfus profits surge on oilseed volatility – FT

Japanese aluminum buyers agree to Q2 premium increase, first time since Q3 2018 – Reuters

Inmarsat to go private in \$3.4B buyout deal – Reuters

EU approves **AstraZeneca's (AZN)** drug for adjunct use in Type-1 diabetes – Reuters

Nintendo plans two new Switch models for this year: WSJ

Kirkland Lake Gold (KL) Chairman Eric Sprott to retire

EQT Corp (EQT) updates strategic plan, sees \$300M to \$400M of FCF in 2019

Apple (AAPL) CEO urges China to keep opening for the global economy, Reuters

W&T Offshore (WTI) apparent high bidder on 15 blocks in Gulf of Mexico Lease Sale 252

Novo Nordisk (NVO) reports results of PIONEER 3 trial of oral semaglutide

Bristol-Myers (BMY) highlights strategic rationale of Celgene deal in letter

Zimmer Biomet (ZBH) receives FDA 510(k) clearance for ROSA ONE Spine System

Proteostasis (PTI) reports Phase 1 results from CFTR modulators

Cousins Properties (CUZ), Tier REIT announce stock-for-stock merger deal

Biogen (BIIB) announces \$5B share repurchase

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
CMCM	Cheetah Mobile		\$1.09		\$1,405.17		
WGO	Winnebago	\$0.68	\$0.60	\$432.70	\$443.05	-7.60%	
YRD	Yirendai	\$1.32	\$0.60	\$184.80	\$185.27	-34.10%	

Extras

Regional Banks (KRE) the May \$50/\$45 put spread bought 10,000X for \$1.62

Software (IGV) the April \$205 puts opening 3,000X for \$3.19 as the \$200 puts roll back

Semis (SMH) the May \$103/\$93 put spread bought 10,000X for \$1.82

Activision (ATVI) late buyers of 1,000 April 5th (W) \$45 calls for \$2.30 to \$2.40 today

Tivity Health (TVTY) closing strong and 1,000 April \$17.50 calls bought up to \$0.80, unusual size for the name, some insider buying this week

Foot Locker (FL) the April 12th (W) \$59/\$63 call spread bought 1300X for \$0.78, targeting their Analyst Day on 3/28 next week. Also with 1,500 of next week's \$57 calls bought

Danaher (DHR) the May \$135 calls bought for \$2.00 today, 1190X, as some April \$125 calls close

Discovery (DISCA) the May \$27.50/\$30 call spread bought 7,000X this afternoon for \$0.73

Ameriprise (AMP) with 400 September \$120 calls bought for \$11.70 into the close

Becton Dickinson (BDX) the April \$240/\$225 put spread bought 300X

Charter (CHTR) the May \$320/\$300 put spread bought 1,000X

Ciena (CIEN) spread late sells the May \$36 puts to buy the \$40/\$44 call spread 1,000X

KKR late buyers of 1,500 September \$22 puts for \$1.10 to open

McCormick (MKC) buyers of 600 April \$140 puts for \$3.20 to \$3.40

Norwegian Cruise (NCLH) buyers of 2,250 April \$55 puts for \$0.95 to \$1.10 today

Stryker (SYK) late sales of 2,300 May \$200 calls from \$4.00 down to \$3.70

Zimmer Bio (ZBH) similar to SYK seeing 3,250 May \$130 calls sold to open late \$3.60 to \$3.40

JD.com (JD) buyers of 13,000 March 29th (W) \$28.50 calls bought late up to \$0.43

Valero (VLO) with 4,400 March 29th (W) \$87.50 calls bought up to \$0.34

Novartis (NVS) late buyers of 2,000 May \$95 calls for \$1.95 to \$2.10