

TOP STORIES

- Global Markets Rebound as Bond Yields Stabilize
- PM May Loses Control of Brexit Path to Parliament, Another Vote on Wed.
- Fed's Rosengren: Balance Sheet Cuts Didn't Cause 2018 Market Woes
- Samsung Warns on Outlook as Memory Chips, Displays Weaken

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2821 (14)	17.74
Nasdaq	7387 (31.75)	43.04
Dow	25717 (140)	181.17

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7196.93	0.27%
DAX	11359.92	0.12%
Nikkei	21428.39	2.15%
Hang Seng	28566.91	0.15%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Housing Starts	1.2M
9:00	Case-Schiller	0.3%
9:00	FHFA Housing Price Index	0.4%
10:00	Consumer Confidence	133
10:00	Richmond Fed	12

FOREX

EUR/USD	1.1323 (0.11%)
USD/JPY	110.31 (0.33%)
USD/CAD	1.3392 (-0.07%)
GBP/USD	1.3239 (0.28%)
USD	95.97 (-0.11%)

COMMODITY

Oil	59.53 (1.21%)
Natural Gas	2.747 (-0.29%)
Gold	1314 (-0.65%)
Copper	2.861 (0.16%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	16.51 (0.18%)
Nasdaq	VXN	19.91 (0.40%)
Oil	OVX	29.37 (5.72%)
Gold	GVZ	10.73 (4.07%)

MARKET OUTLOOK

Futures are indicating a higher open for the morning with global markets snapping a four-day losing streak. The President is pushing the ACA back into the spotlight today with the administration arguing that the entire law is unconstitutional. The DOJ had previously upheld parts of the ACA. In the UK, PM May lost control of the Brexit process to Parliament and three ministers resigned from her cabinet. Parliament will not vote on Wednesday to decide what steps to take next including another referendum or staying in the EU. Tech in focus today after **Samsung** cut their outlook. Shares fell less than 1% after warning on prices for displays and memory chips. The 10-year note rose slightly to 2.449% while the dollar is edging lower.

Asian markets rebounded overnight with the Nikkei bouncing off of 5-week lows. The BOJ summary of opinions was out overnight and reiterated the need to maintain policy easing. They concluded that downside risks to economy are clearly heightening recently. Core CPI remained at 0.4%. Singapore industrial production fell 4.1% in February, worse than expected. Hong Kong exports fell 6.9% while imports fell 3.8%, both worse than the consensus. **Nintendo** jumped 5% after reports of two new Switch models coming in 2019. **Renesas** rose 3% after announcing a buyback.

European markets are higher across the board this morning after a four-day losing streak. Uncertainties certainly still continue to linger, however. German consumer climate survey was 10.4 vs 10.8, weaker than expected. French GDP came in at 1% vs 0.9% despite the ongoing yellow vest protests. Mortgage approvals in the UK fell to their lowest in over a year. **Convatec** rose 7% amid takeover rumors. **Airbus** was higher by 2.5% after sealing a sizable China order. **Ferguson** was down 9.5% after the plumbing/heating supplier cut their outlook. **Ocado** rose 4.4% after reaching a partnership deal in Australia. **Fevertree** fell 8.5% after their FY fell short of very high expectations.

S&P TECHNICALS

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



3627 Advancing	Declining 3586
47.9%	47.4%
232 New High	New Low 156
59.8%	40.2%
4359 Above SMA50	Below 3186
57.8%	42.2%
3325 Above SMA200	Below 4220
44.1%	55.9%

KEY EVENTS TO WATCH

Earnings After the Close: KBH, OLLI, SCVL;

Analyst Days: TROX, SLF;

Conferences: AMCP Annual Meeting, Scotia Weil Energy, Gabelli Waste Conference (ADSW, CWST, RSG);

Economic Data on Wed: International Trade at 8:30, EIA Petroleum Status at 10:30;

Earnings Before the Open on Wednesday: HOME, LEN, OMN, PAYX, SCWX, TITN, UNF;

ANALYST ACTION/COMMENTS

BB&T (BBT) upgraded to Buy at Deutsche Bank

Allegiant Travel (ALGT) upgraded to Outperform at Macquarie

Vertex (VRTX) upgraded to Outperform at William Blair

TransAlta (TAC) upgraded to Buy at TD Securities

Bed Bath & Beyond (BBBY) upgraded to Strong Buy at Raymond James

Criteo (CRTO) downgraded to Hold at Keybank

Public Storage (PSA) downgraded to Sell at Barclays

Sun Comm. (SUI) downgraded to Hold at Wells Fargo

Criteo (CRTO) downgraded to Hold at Sun Trust

Tier REIT (TIER) downgraded to Neutral at Baird

Dunkin' (DNKN) initiated Neutral at Oppenheimer

Inovio (INO) initiated Overweight at Cantor

Excure (XCUR) initiated Buy at Chardan

Nvidia (NVDA) initiated Overweight at Piper

Thor (THO) initiated Sell at BAML, \$62 PT

Patrick (PATK) initiated Buy at BAML, \$53 PT

WP Carey (WPC) initiated Neutral at MUFG

Pan American Silver (PAAS) initiated Neutral at National Bank

iRobot (IRBT) Q1 channel checks inline with expectations, says Piper Jaffray

JPMorgan's Tusa calls **Pentair (PNR)** top mid cap story, boosts target to \$50

MEDIA HIGHLIGHTS

California judge dismisses securities fraud case against **Tesla (TSLA)** - Reuters

Paulson says no longer opposes **Newmont Mining (NEM)**, **Goldcorp (GG)** merger - Bloomberg

Oklahoma clears path for **J&J (JNJ)**, **Teva (TEVA)**, **Purdue** to face opioid trial - Reuters

Activist firms seek to replace **Bed Bath & Beyond (BBBY)** board, CEO - WSJ

MasterCard (MA) to invest \$300M in planned Network International IPO – Reuters

FeverTree Tumbles on Muted Full-Year Results – Bloomberg

Deutsche Bank (DB) Said to Face Qatari Resistance to Bank Merger – Bloomberg

Airbus Wins \$35B Deal From China – Bloomberg

Asian LNG prices drop to three-year lows amid supply glut (**GLNG, LNG**) – Nikkei

WeWork's Losses Swell to Nearly \$2 Billion as It Seeks Global Expansion – NY Times

China video-streaming firm **iQIYI (IQ)** targets raising \$1.1B in convertible bonds – Reuters

Vale (VALE) reports Brazil state authorities freeze \$765M of its assets – Reuters

Australia's **Wesfarmers** makes surprise \$1.1B offer for rare earths miner **Lynas Corp** – Reuters

British medical device maker **Convatec** shares jump amid takeover interest – Reuters

China plans to increase pork imports to resolve trade dispute (**TSN, SAFM, HRL**) – Bloomberg

STOCK SPECIFIC NEWS OF NOTE

AMC Theatres (AMC) says Stubs program totals over 19M member households

Allergan (AGN) claims Appaloosa looking to undermine CEO and pushing for firesale

McDonald's (MCD) to acquire Dynamic Yield

Bluebird Bio (BLUE) says no CHMP opinion issued yet on LentiGlobin, despite reports

Samsung sees Q1 below on display, memory weakness

Uber to acquire Mideast competitor **Careem** for \$3.1B

Beacon (BECN) cuts Q2 outlook on weather

PRE-MARKET MOVERS**Moving Higher:** BBBY 15.4%, BUD 2%, NVDA 2%**Moving Lower:** IQ -3.2%, CRON -2%**INSIDER TRADING (Form 4 Filings)****Buying:** KFS, TVTY**Selling:** HMN, LZB, GIS, NXST, MANT, RGNX, CHK, AYX, QTNA, VCRA, NTRA**INSTITUTIONAL MONEY FLOW****Buying:** OXY, AAPL, STZ, STI, UNH, BAC, ASML, EA, TSLA, T, ABBV, ELLI, CREE, INTC**Selling:** MSFT, CCI, AMGN, BABA, PG, SVMK, TWLO, LB, V, BKNG, MA, CELG**OPTION HIGHLIGHTS (Prior Day)**

New Oriental (EDU) buyers of 2,000 May \$80 calls today for \$7.10 to \$7.30, sizable opening trade with shares showing relative strength. EDU had 1,700 April \$70 puts sold to open last week and the October \$80 calls and July \$70 calls seeing buys over the last six weeks. Shares are consolidating in a multi-month range under \$85 following a strong quarter and a breakout targets \$97.50. RSI is moving back above 60 today and MACD has pulled back to zero after a strong run, setting up for another run. The \$12.9B company trades 24.6X earnings, 4.65X sales, and 4.89X cash. EDU sees 15.8%, 28.6%, and 27.2% EPS growth over the next three years with revenue growth between 23% and 28% as they continue to gain share and expand in a rapidly growing education market in China. EDU is coming off a strong quarter with enrollments in tutoring and prep courses up 23.6% while they expanded their school footprint to 1,125, up 185. Their K-12 after-school programs remains the standout up 33% with their online program expanding. Analysts have an average target for shares of \$78 with 5 buy ratings and 2 hold ratings. MSCO upgrading today to Overweight with a \$95 PT. They expect stricter regulations enacted in 2018 – which were a key overhang – to form a more normalized environment where high-quality leaders like EDU can benefit from higher barriers to entry. CLSA upgraded to Buy in January seeing concerns of further government intervention dissipating. Short interest is 3.2% and climbing since July 2018 when it was around 0.8%. Institutional ownership fell less than 1%. JANA a buyer of 797K shares, significantly adding to their stake which is now 875K.

AFTER HOURS MOVERS**Gainers:****Losers:** IQ -4.3%, BECN -3.3%**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****OC** – lower on BECN's warning**RCL, NCLH** – on CCL earnings**TSN, HRL, SAFM** – on reports of higher China imports**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 **Omnicon (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

Unusual Call Activity

Mitek (MITK)

SVMK (SVMK)

Hibbett (HIBB)

PagSeguro (PAGS)

Teradata (TDC)

Avaya (AVYA)

Unusual Put Activity

News Corp (NWSA)

GEO Group (GEO)

HIS Markit (INFO)

BorgWarner (BWA)

PBF Energy (PBF)

Seritage (SRG)

Implied Volatility Riser

Curis (CRIS)

Axsome (AXSM)

Immersion (IMMR)

Innoviva (INVA)

Chipotle (CMG)

Evolus (EOLS)

Lowest Put/Call Ratio

Everi (EVRI)

Global Blood (GBT)

Wyndham (WH)

Axalta (AXTA)

Zimmer Biomet (ZBH)

Barnes and Noble (BKS)

Highest Put/Call Ratio

News Corp (NWSA)

Newmark (NMRK)

Washington Prime (WPG)

PBF Energy (PBF)

Chubb (CB)

Apollo (APO)

Implied Volatility Decliner

Proteostasis (PTI)

Viacom (VIAB)

Goldcorp (GG)

Party City (PRTY)

Intelsat (I)

StoneCo (STNE)

OTM Calls on Offer

Liberty (LBTYA)

Barnes and Noble (BKS)

Realogy (RLGY)

Nielsen (NLSN)

Coty (COTY)

OTM Puts on Offer

Hawaiian Air (HA)

Suncoke (SXC)

Gold (GLD)

Visa (V)

Cisco (CSCO)

Elevated IV30

Tocagen (TOCA)

Assembly Bio (ASMB)

Intra-Cellular (ITCI)

Concert Pharma (CNCE)

Quotutiao (QTT)

Positive Net Delta

JD.com (JD)

General Electric (GE)

Twitter (TWTR)

Blackberry (BB)

Pinduoduo (PDD)

Negative Net Delta

Verizon (VZ)

Nike (NKE)

CVS Health (CVS)

Kinder Morgan (KMI)

PG&E (PGE)

Option Volume Gainers (%)

News Corp (NWSA)

GEO Group (GEO)

HIS Markit (INFO)

Mitek (MITK)

SVMK (SVMK)

Bullish Call Flow

JP Morgan (JPM)

Expedia (EXPE)

Microsoft (MSFT)

Sunoco (SUN)

Northrop Grumman (NOC)

Bearish Put Flow

Automatic Data (ADP)

Cerner (CERN)

Redfin (RDFN)

Dollar General (DG)

Oracle (ORCL)

Large Spread Trades

CHTR, 6,500 May \$355/\$310 put spreads

MA, May 3rd (W) \$230/\$240 call spread 600X

SYF, 2,200 May \$34/\$32 bear risk reversals

CLVS< April \$24/\$29 bear call spread opening 2,000X

MSFT, 5,000 April 12th (W) \$119/\$124 call spreads

Stock Specific News and Media

Aldeyra (ALDX) announces positive results from Phase 3 Alleviate Trial

Spotify (SPOT) to acquire Parcast

Merck KGaA takes \$48/share **Versum (VSM)** offer to shareholders – Reuters

Citi (C) to start new consumer-payments unit – WSJ

Extras

Xilinx (XLNX) buyer of 1,300 April \$124/\$126 call spreads for \$0.98

Cisco (CSCO) with 2,500 January 2021 \$45 puts bought \$3.65 tied to stock

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
CCL	Carnival		\$0.44		\$4,311.25		
CONN	Conn's	\$0.96	\$0.76	\$432.98	\$437.95	3.00%	Q1 In Line
CRON	Cronos Group	-\$0.11	-\$0.03	\$15.70	\$8.95	282.90%	
FDS	FactSet	\$2.42	\$2.34	\$354.90	\$356.46	5.90%	Narrows FY
INFO	IHS Markit	\$0.60	\$0.57	\$1,046.40	\$1,064.99	12.30%	Affirms FY
MKC	McCormick	\$1.12	\$1.04	\$1,231.50	\$1,237.45	1.30%	Affirms FY
NEOG	Neogen		\$0.27		\$102.55		
RHT	RedHat	\$1.16	\$1.01	\$879.0	\$885.64	13.8%	