

TOP STORIES

- China Manufacturing PMI Rises to 50.5 in March, More Than Forecasts of 49.6
- China to Continue With Tariff Suspension on U.S. Autos, Parts
- Euro-Area Inflation Unexpectedly Slows in March as ECB Moves Further from Goal
- UK Lawmakers Take Second Shot at Finding Brexit Plan
- US Airlines Experiences System-Wide Outage

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2855 (17.25)	16.35
Nasdaq	7466.25 (65.75)	62.48
Dow	26098 (165)	160.32

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7321.96	0.59%
DAX	11647.22	1.05%
Nikkei	21509.03	1.43%
Hang Seng	29562.02	1.76%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	Retail Sales	0.3%
9:45	PMI Manufacturing	52.5
10:00	Business Inventories	0.5%
10:00	ISM Manufacturing	54.2
10:00	Construction Spending	-0.2%

FOREX

EUR/USD	1.123 (0.12%)
USD/JPY	110.95 (0.10%)
USD/CAD	1.3345 (-0.03%)
GBP/USD	1.3112 (0.61%)
USD	96.70 (-0.15%)

COMMODITY

Oil	60.76 (1.03%)
Natural Gas	2.685 (0.86%)
Gold	1294.3 (-0.32%)
Copper	2.9475 (0.39%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	13.71 (-4.99%)
Nasdaq	VXN	16.62 (-7.62%)
Oil	OVX	26.75 (-6.21%)
Gold	GVZ	9.94 (-3.96%)

MARKET OUTLOOK

Futures are indicating a strong open to the month after Chinese manufacturing data surprised to the upside. The strong PMI readings are helping ease concerns of a global slowdown in growth while the US/China will resume talks this week. The 50.5 reading was the biggest gain since 2012. UK lawmakers will attempt again today to take control of the Brexit situation. PM May's third attempt at a vote was rejected last week and there's growing fear of a messy situation in two weeks when the deadline is up. The Turkish Lira fell overnight while swap rates jumped after Erdogan lost some local elections. The 10-year yield is rising slightly to 2.445%. The dollar is lower. Oil is up over 1% with the risk-on shift overnight.

Asian markets were strong overnight with China leading. The big news overnight was strong PMI data out of the region. In China, Manufacturing PMI rose to 50.5 while Caixin Manufacturing PMI rose to 50.8, both beating estimates. Japanese manufacturing PMI came in better than forecast at 49.2 vs 48.9. There were beats in Singapore and others as well as the bounce-back appears to be region-wide. **Japan Display** up 10% after confirming they were in talks with INCIJ about a stake. **Daichi Sankyo** rose another 8% after their partnership with AstraZeneca.

European markets are also showing strength this morning, although more mixed data than in Asia. Eurozone CPI cooled in March to 1.4% vs 1.5%. UK manufacturing PMI beat at 55.1 vs 51.2 but the rest of the bloc was weak. German manufacturing PMI was 44.1 vs 44.7 while Italy and France were both light. Eurozone unemployment was steady at 7.8%. **PSA Group** rose 3.3% amid talks that the company and Fiat are talking about an EU venture. **Dialog Semi** and **Infineon** were both up 3% after Foxconn's results. **EasyJet** fell 6% after warning on their outlook and **Ryanair** was down 4% in sympathy. **DSV** was down less than 1% after agreeing to buy **Panalpina** for \$4.62B.

S&P TECHNICALS

Levels: Support 2,800/2,750; Resistance 2,820/2,850



4516 Advancing	Declining 2694
59.7%	35.6%
221 New High	New Low 70
75.9%	24.1%
4658 Above SMA50	Below 2887
61.7%	38.3%
3651 Above SMA200	Below 3894
48.4%	51.6%

KEY EVENTS TO WATCH

Earnings AMC Monday: None

Conferences: AACR Annual Meeting, Capital Link Shipping and Offshore Forum, Microcap Spring Forum;

Analyst Days: BIIB R&D Day

Economic Data Tuesday: Motor Vehicle Sales, Durable Goods at 8:30 AM;

Earnings Tuesday BMO: ANGO, LW, WBA;

ANALYST ACTION/COMMENTS

Energizer (ENR) upgraded to Conviction Buy at Goldman

WPP upgraded to Buy at Deutsche Bank

F-5 Networks (FFIV) upgraded to Buy at Nomura

AstraZeneca (AZN) upgraded to Outperform at Cowen

Orange (ORAN) upgraded to Buy at Berenberg

UPS upgraded to Buy at Berenberg, \$130 PT

Norfolk Southern (NSC) upgraded to Buy at BAML

Adient (ADNT) upgraded to Neutral at Baird

Jabil (JBL) upgraded to Strong Buy at Raymond James

CarMax (KMX) upgraded to Overweight at Stephens

Royal Gold (RGLD) upgraded to Buy at B Riley

Redfin (RDFN) upgraded to Overweight at Piper

Green Dot (GDOT) upgraded to Outperform at Keefe

Bayer (BAYRY) downgraded at Deutsche Bank to Neutral

Monster (MNST) downgraded to Neutral at Macquarie

Wells Fargo (WFC) downgraded to Neutral at Keefe

Hain Celestial (HAIN) cut to Neutral at JP Morgan

Celgene (CELG) downgraded to Neutral at UBS

Lennar (LEN) cut to Outperform at Raymond James

Fed Ex (FDX) downgraded to Hold at Berenberg

Extra Space (EXR) downgraded to Sell at Evercore

LivePerson (LPSN) initiated Buy at Jefferies

Chevron (CVX) initiated Overweight at MSCO

Peabody (BTU) initiated Buy at Deutsche Bank

MEDIA HIGHLIGHTS

Alliance Data's (ADS) Epsilon unit draws bids from Publicis, Goldman – Bloomberg

PSA Group and **Fiat Chrysler (FCAU)** Explore European Venture – Bloomberg

China's **HNA** speeds up asset sales – Nikkei

Investors Push Into Stocks on the 'Fear of Missing Out' – WSJ

Too volatile or too calm, markets still aren't just right for Wall Street Banks into earnings – WSJ

Crypto Fundraising Slows Markedly – WSJ

Barron's positive on **T, DWDP, APH, WFC**; cautious **AAPL**; mixed on **ELAN, ZTS, MRK, BAYRY**

Regulators expressed "no confidence" in **Wells Fargo (WFC)** CEO Tim Sloan. NY Post

Kellogg (K) close to deal to sell Keebler, Famous Amos, and fruit snacks units to Ferrero. CNBC

Apple (AAPL) hires **Tesla (TSLA)** head of electric powertrains - Electrek

Judge threatens to prevent **PG&E (PCG)** from resuming dividends, WSJ

Citi's (C) consumer division set to miss 2020 targets - FT

A Federal Judge has blocked plans to expand Atlantic oil drilling (**RIG, ESV, DO, SLB, XLE, USO**). WaPo

STOCK SPECIFIC NEWS OF NOTE

Aecom (ACM), Fluor (FLR), and Tutor Perini (TPC) awarded contracts on \$975M combined Navy contract

comScore (SCOR) CEO steps down

Novartis (NVS) acquires IFM Tre

Finjan Holdings (FNJN) says USPTO PTAB denies IPR to **Juniper (JNPR)**

NanoString (NSTG), Abcam enter commercial partnership

AngioDynamics (ANGO) granted FDA approval to initiate NanoKnife DIRECT study

Cable ONE (CABO) to acquire **Fidelity Communications** for \$525.9M in cash

Owens-Illinois (OI) to acquire Nueva Fanal from Grupo Modelo for about \$188M

Macau reports March casino revenue down 0.4% (**LVS, MGM, WYNN, MLCO**)

PRE-MARKET MOVERS

Moving Higher: TTM 7%, IQ 4%, WYNN 3.5%, BHP 3.3%, RIO 3%, RDFN 3%, BZUN 3%, X 3%

Moving Lower: LYFT -2%

INSIDER TRADING (Form 4 Filings)

Buying: STON, BX, ANH, KMI, CMP, WGO

Selling: QDEL, TEX, SWKS, CVNA, ZNGA, ICPT, MUR, RSG, BMRN, FDS, FB, VRTU

INSTITUTIONAL MONEY FLOW

Buying: SHW, EIX, PLD, BMY, AGN, DVN, PVH, TPR, TTWO, MRO, IAC, SAGE, YNDX

Selling: MSFT, JPM, DIS, GOOG, INTC, WP, CSCO, C, NVDA, ORCL, AXP, ABT, IBM

OPTION HIGHLIGHTS (Prior Day)

Zen-Desk (ZEN) buyers of 700 October \$100 calls \$5.20 offer and follows 1,000 of the October \$95 calls sold to open earlier this week in a buy-write and also have seen buyers in upside January 2020 and 2021 calls. ZEN shares are coming out of a small consolidation and again aiming at new highs, the \$90 levels a 161.8% Fibonacci extension of the 2018 peak to 2018 pullback. The \$9.35B Software Company provides customer support software and trades 11.5X FY19 EV/Sales. ZEN is targeting 35% revenue growth this year after 27% and 39% growth the last two years and set to enter a strong EPS growth phase. It operates with 70% margins and starting to see better FCF. ZEN will present at Showcase Dallas on 4-10-19. ZEN is looking to scale higher with moving upmarket, partnering, and moving into new products. It sees a \$20B+ opportunity between Customer Services Software and Contact Centers. Analysts have an average target of \$87 on shares and short interest is at 6% of the float. Deutsche Bank sees 30%+ revenue growth sustainable for years and has several additional growth drivers, a true differentiator. Wells Fargo with a \$90 target notes momentum in enterprise, growing interest in new products, and strong sales execution. Hedge Fund ownership rose 27.46% in Q4 filings, notable new positions for Viking Global, Time-Square Capital, and Corvex while Cadian Capital continue to add to a large stake.

AFTER HOURS MOVERS

Gainers:

Losers:

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.62	Flattening
CBOE Index Put/Call Ratio	1.13	Declining
CBOE Skew Index	120.96	Near Recent Lows
VIX Curve	Contango	Normal
CNN Fear & Greed Index	49	Neutral
NYMO	7.49	Neutral
NYSE Highs/Lows	79.32	High
McClellan Summation	874.59	Below 8-EMA but Flattening
Univ. of Michigan Consumer Sentiment	97.8 (March)	-3.6%

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

WYNN, LVS, MGM, MLCO – on Macau data

BABA, JD, MOMO, PDD, IQ – higher with China strength

IPO MONITOR

Ruhn Holding (RUHN) issuing 10M shares at \$11.50-\$13.50; Chinese internet key opinion leader facilitator

Tradeweb Markets (TW) issuing 27.27M shares at \$24-\$26; Operator of electronic marketplaces for rates, credit, equities and money markets

Silk Road Medical (SILK) issuing 4.69M shares at \$15-\$17; Medical device company focused on reducing the risk of stroke and its devastating impact

SECONDARY MONITOR

Quotoutiao (QTT) files to sell 8.5M ADS

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Alkermes (ALKS)	Myriad Genetics (MYGN)	Aveo Pharma (AVEO)
Blackberry (BB)	TE Connectivity (TEL)	TG Therapeutics (TGTX)
YPF SA (YPF)	RH (RH)	Rite Aid (RAD)
TG Therapeutics (TGTX)	Newmark (NMRK)	Viking (VKTX)
Galapagos (GLPG)	Cintas (CTAS)	Signet (SIG)
Kimco (KIM)	Upwork (UPWK)	Dish Network (DISH)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
KBR (KBR)	Univar (UNVR)	ADMA Biologics (ADMA)
Wyndham (WH)	MDC Holdings (MDC)	Galapagos (GLPG)
Sibanye (SBGL)	Cintas (CTAS)	RH (RH)
Ally Financial (ALLY)	Perkin Elmer (PKI)	Mattel (MAT)
Fortive (FTV)	GEO Group (GEO)	CarMax (KMX)
WEC Energy (WEC)	National Grid (NGG)	Novavax (NVAX)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Credit Suisse (CS)	Fifth Third (FITB)	Tocagen (TOCA)
YPF SA (YPF)	Disney (DIS)	Assembly Bio (ASMB)
Tronox (TROX)	AT&T (T)	Intra-Cellular (ITCI)
Comcast (CMCSA)	FedEx (FDX)	Concert Pharma (CNCE)
Sprint (S)	Tesla (TSLA)	Quototiao (QTT)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Freeport (FCX)	Intel (INTC)	Myriad Genetics (MYGN)
Alibaba (BABA)	Bristol Myers (BMY)	TE Connectivity (TEL)
Amarin (AMRN)	AT&T (T)	RH (RH)
Ford Motor (F)	Coty (COTY)	Blackberry (BB)
DR Horton (DHI)	Grub Hub (GRUB)	YPF SA (YPF)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Morgan Stanley (MS)	DowDuPont (DWDP)	TPR, August \$32.50/\$27.50 bull risk reversal. 4000X
YY (YY)	CVS Health (CVS)	MYGN, May \$31/\$25 put spread bought 3,500X
Deere (DE)	Johnson Controls (JCI)	KEX, the \$75/\$70 put spread 3,000X vs April \$80 short calls
Baxter (BAX)	Monster (MNST)	DWDP, 2,000 June '20 \$62.5/\$45 bull risk reversals
World Wrestling (WWE)	Scorpio (STNG)	

Stock Specific News and Media

Facebook (FB) CEO Mark Zuckerberg wants more regulation for internet sector – CNBC

Saudi government had access to **Amazon (AMZN)** CEO Jeff Bezos' phone. Reuters

Walgreens (WBA) not planning on removing cigarette sales right now. WSJ

POTUS does not want a spending deal to avoid sequestration cuts (**LMT, NOC, GD, LLL, BA**). Axios

EasyJet Issues 'Cautious' Outlook With Demand Softened by Brexit – Bloomberg

DSV to Buy **Panalpina** in \$4.6 Billion European Logistics Deal – Bloomberg

Toshiba runs into hurdle as it tries to sell Texas LNG asset – Nikkei

Troubled **Apple (AAPL)** supplier **Japan Display** to seek funding – Reuters

Coty (COTY) confirms extension of tender offer by **JAB**

Discovery (DISCA), BBC sign major global content partnership; DISCA to take full ownership of UKTV's lifestyle channels

Timken (TKR) acquires Diamond Chain

Merck's (MRK) KEYTRUDA approved in China for treatment of NSCLC

Stone (STNE) preliminary Q1 revenue below estimates

Rio Tinto (RIO) cuts 2019 iron ore output guidance following cyclone damage

Extras

China A-Shares (ASHR) the May \$30/\$33 call spread being bought 15,000X this afternoon for \$0.46, another China-driven play on a potential trade deal

Semi's (SMH) the April \$104/\$101 put spread bought 5,000X for \$0.65

Universal Display (OLED) late trades are closing the weekly \$150 calls and opening the April \$152.50 calls for \$5.20 to \$5.35, over 775X

Clovis (CLVS) the April \$25 calls bought 1,000X for \$1.50 and spread against the \$40 calls which may be rolling back in strikes

Tiffany (TIF) also saw 1,825 April \$106 calls bought on the day up to \$2.15

IAC Interactive (IAC) with 200 January 2021 \$250 calls opening \$27.60 to \$27.70

Crown Castle (CCI) buyers of 260 October \$115 calls up to \$15.10

Earnings

Ticker	Stock	EPS Actual	EPS Est.	Rev Actual	Rev Est.	Y/Y Growth	Notes
CALM	Cal-Maine Foods	\$0.82	\$0.52	\$383.99	\$385.49	-11.90%	
CTRA	Contura Energy	\$9.85	\$3.83	\$572.08	\$549.90	62.20%	
NVGS	Navigator Holdings	-\$0.02	\$0.02	\$78.20	\$63.30	2.00%	