

TOP STORIES

- China GDP Tops Expectations; Industrial Production Soars
- EU Unveils List of Tariff Goods Targeted in Boeing Retaliation
- Report: US and Japan Agree Farm Tariff Cuts Will Not Go Below TPP Levels
- Japan's Exports Shrank for a Fourth Straight Month in March

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2916.75 (5.25)	5.79
Nasdaq	7701.25 (21.75)	26.52
Dow	26475 (28)	26.34

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7462.19	-0.10%
DAX	12135.07	0.28%
Nikkei	22277.97	0.25%
Hang Seng	30124.68	-0.02%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
8:30	International Trade	-\$53.6B
10:00	Wholesale Trade	0.3%
10:30	EIA Petroleum	
12:30	James Bullard Speaks	
12:30	Patrick Harker Speaks	
2:00	Beige Book	

FOREX

EUR/USD	1.1309 (0.26%)
USD/JPY	111.99 (-0.01%)
USD/CAD	1.3319 (-0.22%)
GBP/USD	1.3052 (0.03%)
USD	96.58 (-0.08%)

COMMODITY

Oil	64.4 (0.55%)
Natural Gas	2.576 (0.16%)
Gold	1278.5 (0.10%)
Copper	2.963 (1.11%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	12.07 (-2.03%)
Nasdaq	VXN	15.60 (-2.07%)
Oil	OVX	25.43 (-0.31%)
Gold	GVZ	9.80 (2.30%)

MARKET OUTLOOK

Futures are indicating a modestly higher open for the morning on the back of strong data out of China overnight. GDP edged out a gain in the recent reading while industrial and retail data was strong. The latest data helps ease some concerns over a deeper global slowdown. Commodities like copper and iron ore expected to see a jump today. The EU is set to unveil their list of tariffs on American goods soon over the Boeing subsidies. The \$11B list of goods includes American handbags, agricultural produce, planes, fish, tobacco, tractors, and video game consoles.

The Nikkei continued its run higher overnight closing at new seven week highs. Optimism is high about a US/Japan trade agreement after two days of talks. **Automakers** rallied. Japanese exports fell 2.4% in March, better than feared but still down for the fourth straight month. Imports slowed to 1.1%. China GDP beat estimates at 6.4% vs 6.3%. Industrial production was strong at 8.5% vs 5.6% while retail sales were also strong at 8.7% vs 8.3%. Machinery names were strong with the China data. **Komatsu** up 2%, **Hitachi Construction** up 1.5%, and **Yaskawa Electric** up 3.5%. **Softbank** was down 1.5% with the S/TMUS concerns. **Omron** was up 4.5% after **Nidec** agreed to buy its auto unit.

European markets are mixed this morning with the FTSE lagging. Eurozone CPI was 1%, in line with expectations. Trade balance grew in February. UK CPI was light at 1.9% vs 2% expected. PPI was also light at 3.7% vs 3.9%. Housing prices fell in the recent survey, all impacted by Brexit. Miners were weak with **BHP** down 3% after cutting its outlook for iron ore. Novartis down 1.5% after Jefferies cut their PT. **Danone** was down 1% after slower Q1 sales. **Bunzl** fell 9% on earnings, weakness in grocery and retail in North America weighed. **ERIC** up about 3.5% after earnings. **ASML** higher by 2% after a strong quarter and outlook. **AMS**, **ST Micro**, and **Infineon** all were strong with the QCOM/AAPL deal.

S&P TECHNICALS

Levels: Support 2,800/2,750; Resistance 2,900/2,950



3861 Advancing	Declining 3330
51.1%	44.1%
315 New High	New Low 91
77.6%	22.4%
5023 Above SMA50	Below 2510
66.7%	33.3%
4391 Above SMA200	Below 3142
58.3%	41.7%

KEY EVENTS TO WATCH

Earnings After the Close: ADTN, AA, TEAM, OZK, CCK, CCI, ETFC, KMI, LVS, LLNW, PIR, SLM, SNBR, TMK, URI

Analyst Days: RARE

Economic Data on Thursday: Jobless Claims at 8:30 AM, Philadelphia Fed at 8:30, Retail Sales at 8:30, PMI Composite Flash at 9:45, Business Inventories at 10:00

International Earnings: Nestle, Unilever, Pernod Ricard, Schneider Electric, Klepierre, Software AG

Earnings Thursday BMO: ALLY, AXP, BBT, BX, GTLS, CHKP, CFG, DHR, DOV, GPC, HON, KEY, MAN, PM, POOL, PPG, RF, RCI, SLB, SKX, SNA, SON, STI, SYF, TSM, TRV, UNP, WBS

ANALYST ACTION/COMMENTS

Jones Lan LaSalle (JLL) upgraded to Outperform at Keefe

Qualcomm (QCOM) upgraded to Buy at Stifel; upgraded to Outperform at Evercore; upgraded to Overweight at JP Morgan

Omnicom (OMC) upgraded to Neutral at Barclays

TSYS (TSS) upgraded to Buy at Goldman

Dominos (DPZ) upgraded to Overweight at MSCO

Comerica (CMA) upgraded to Buy at Raymond James

Bank of America (BAC) downgraded to Hold at Jefferies

Paypal (PYPL) downgraded to Neutral at UBS

Skyworks (SWKS) downgraded to Neutral at Macquarie

Univar (UNVR) downgraded to Hold at Berenberg

Chipotle (CMG) downgraded to Neutral at MSCO

Chubb (CB) downgraded to Neutral at MSCO

Shake Shack (SHAK) downgraded to Neutral at Longbow

Diodes (DIOD) downgraded to Neutral at Longbow

Needham starting **NVMI**, **NANO** at Buy, **KLAC** at Neutral

Teladoc (TDOC) initiated Overweight at Stephens

Paylocity (PCTY) initiated Overweight at Keybank

ASGN initiated Outperform at RBC, \$79 PT

ManpowerGroup (MAN) initiated Outperform at RBC

Children's Place (PLCE), **Carters (CRI)** started Neutral at Detusche Bank

MEDIA HIGHLIGHTS

Sprint (S), **T-Mobile (TMUS)** unlikely to be approved by DOJ as currently structured – WSJ

Bill Ackman sees 'huge potential upside' in **Chipotle (CMG)** – Bloomberg

Minnesota student sues **JD.com (JD)**, CEO Liu over rape claim – Reuters

ING Group (ING) approached **Commerzbank** regarding possible merger - FT

Pinterest (PINS), **Zoom** to go public following Lyft's stumble - WSJ

Pegatron to land revised iPhone 8 orders – Digitimes

Nanya cuts capex outlook for 2019 – Digitimes

Roche CEO Schwan Says New Medicines Driving 'Strong Growth' – Bloomberg

China's Hog Industry Hit by African Swine Fever (**HRL**, **SAFM**) – Bloomberg

ABB CEO Steps Down Just Four Months After Launching Overhaul – Bloomberg

New Mountain to Explore \$3.5B Sale of **Equian** – Bloomberg

U.S. handbags, shovels on \$20B EU tariff list over **Boeing (BA)** – Reuters

STOCK SPECIFIC NEWS OF NOTE

Marquee Brands to acquire Martha Stewart, Emeril brands from **Sequential Brands (SQBG)**

Lockheed Martin (LMT) awarded \$879M Air Force contract for RS/RV subsystem support

Microsoft (MSFT) says Xbox One S All-Digital Edition available May 7

BHP Group (BHP) reports Q3 iron ore output 56.1M tons, down 3% due to Cyclone

Intel (INTC) to exit 5G smartphone modem business

Medtronic (MDT) announces 5-year outcomes from VeClose Extension Study

Toshiba to resume sale process of U.S. LNG business

Ericsson (ERIC) confirms China probe over licensing; recently started settlement talks with DOJ

EU car sales decline 3.6% in March, seventh straight month lower (**GM**, **F**, **FCAU**)

PRE-MARKET MOVERS

Moving Higher: QCOM 9%, ABB 5.5%, INTC 3.7%, ERIC 3.4%, MS 2.7%, CGC 2.5%, PEP 2.2%

Moving Lower: S -6%, APHA -3.3%, IBM -3.2%

INSIDER TRADING (Form 4 Filings)

Buying:

Selling: HSY, LLY, ORCL, HEI, EW, YUM, USM, SNX, FB, EPAY, TRIP, FIVE

INSTITUTIONAL MONEY FLOW

Buying: HUM, ANTM, BSX, PLD, IAC, NVS, MDT, DPZ, PTC, LOW, INFY, KO, V, ABMD

Selling: AMZN, OXY, AAPL, BAC, CPRT, DOW, HPE, MKTX, TSG, AMD, FB, TSLA, IRTC, RH

OPTION HIGHLIGHTS (Prior Day)

Cirrus Logic (CRUS) buyers of 650 September \$45 calls this afternoon up to \$5 and volume continues to come in with over 3,700 trading on the day, almost 8X average. CRUS had the January \$55/\$35 bull risk reversal opened 1,200X last week but today's action will be the most notable in open interest. CRUS shares have been strong since gapping lower on 4/1 and breaking out of a multi-month range about \$45.35 which stretches back to early 2018. CRUS cleared a downtrend from the 2017 highs earlier this year and has a measured move to \$55 and a big volume node from 2017. The \$2.62B company trades 21X earnings, 2.1X sales, and 9.97X FCF. CRUS has seen forward estimates under pressure due to their reliance on Apple (the early April gap down was due to CRUS not being in the Air Pod 2, a reasonably small revenue driver however). The company has focused a lot of effort on diversifying their base with expansion into mid-tier smartphones, a market they see doubling by 2021 and a lot of opportunity to gain share in the space. CRUS is also focusing on voice biometrics developing chips used to power digital assistants in smartphones, wearables, and other hardware. The biometrics market is one they see reaching \$750M by 2021, up from virtually nothing in 2017. CRUS is focusing on new customers and partnerships in the space. Analysts have an average target for shares of \$42 with 3 buy ratings, 3 hold, and 3 sell. Susquehanna positive on 3/4 noting that CRUS is a big winner in the new Samsung generation having won the new amplifier sockets in the S10 as well as maintained their codec in the Exynos version. Short interest is 6.3% and down steadily from as high as 16% in mid-2018.

AFTER HOURS MOVERS

Gainers: QCOM 5%, CSX 4%, UAL 3.3%, ERIC 1.7%

Losers: S -7%, TMUS -4%, IBM -2.7%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.61	Flattening
CBOE Index Put/Call Ratio	1.10	Falling
CBOE Skew Index	124.22	Low
VIX Curve	Contango	Normal
CNN Fear & Greed Index	74	Greed
NYMO	18.13	Neutral
NYSE Highs/Lows	90.55	Near Feb. Highs
McClellan Summation	1064.48	Above 8-EMA
Univ. of Michigan Consumer Sentiment	96.9 (April Prelim)	-1.9% Y/Y

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

NSC, UNP, KSU, CNI, CP – on CSX earnings

AAL, DAL, LUV, JBLU – on UAL earnings

KO, MNST – on PEP earnings

IPO MONITOR

Pinterest (PINS) issuing 75M shares at \$15-\$17; Owner and operator of a social bookmarking platform

Zoom Video (ZM) issuing 20.9M shares at \$28-\$32; Provider of a video-first communications platform

Greenlane (GNLN) issuing 5.3M shares at \$14-\$16; Distributor of vaporization products and consumption accessories

Others include **MNRL, HOOK, PLMR, and TPTX**

SECONDARY MONITOR

TRADE

WEEKLY TECHNICAL BREAKOUT

LMT:



Lockheed Martin (LMT) shares are consolidating in a bull flag under \$312 with a breakout targeting \$330. MACD is back above zero and RSI back above 60, both in healthy trends while the \$310 area is a big volume shelf.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Insperty (NSP)

Price: \$129

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	40.2X	1.4X	68X	24.1X	36X
Industry Avg.	25.6X	1.2X	4.4X	14.4X	21.6X

Analysis: NSP is a \$5.3B company which focuses on HR solutions for small and medium-sized businesses. They primarily do workforce optimization like payroll, benefits administration, and worker's comp. NSP trades 23.5X earnings and 1.39X sales with near 20% EPS growth and sales expected up 13.8% and 11.6% driven by worksite program growth and better pricing. Client retention is near historical highs of 86%.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

GOOS:



Canada Goose (GOOS) shares are forming a bear flag below cloud resistance and the 50- and 200-day MA. A move under trend support at \$46 opens up a potential re-test of the December lows near \$40.

PAIR TRADE OF THE WEEK

Industry: Travel

Long/Short: Long **Expedia (EXPE)**, Short **TripAdvisor (TRIP)**

Analysis: EXPE is posting double-digit bookings growth while room night growth continues to improve and their loyalty program is create some separation from peers. Their HomeAway brand is a leader in alternative accommodations. TRIP is seeing mixed results with weakness in Hotel while revenue per shopper was weak in Q4 and unique visitors were below consensus.

SMALL CAP TRADE OF THE WEEK

NV5 Global (NVEE) is a \$779M company which trades 14.5X earnings and 1.86X sales with 20-25% EPS growth and sales growth around 13% for FY20. NVEE is a provider of engineering services with exposure to a number of infrastructure tangents and beneficiary of higher spending on roads and bridge improvements in the US.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Titan Int'l (TWI)	Diodes (DIOD)	Fibrogen (FGEN)
Caleres (CAL)	Carter's (CRI)	Worldpay (WP)
Dunkin Brands (DNKN)	El Pollo Loco (LOCO)	Infinera (INFN)
EnPhase (ENPH)	FleetCor (FLT)	HCA Health (HCA)
P&G (PG)	CarGurus (CARG)	Anthem (ANTM)
Cirrus Logic (CRUS)	Quorum (QHC)	Cigna (CI)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
LCI Industries (LCII)	El Pollo Loco (LOCO)	Bristow (BRS)
Titan Int'l (TWI)	Carters (CRI)	Quorum (QHC)
Avaya (AVYA)	Diodes (DIOD)	PG&E (PCG)
Worldpay (WP)	Gap (GPS)	JB Hunt (JBHT)
Eastman (EMN)	Fibrogen (FGEN)	AK Steel (AKS)
Sea Ltd (SE)	Schwab (SCHW)	Comerica (CMA)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Caleres (CAL)	Cars.com (CARS)	Assembly Bio (ASMB)
Coty (COTY)	Workday (WDAY)	Health Insurance (HIIQ)
Chesapeake (CHK)	Nielsen (NLSN)	Intra-Cellular (ITCI)
Cerner (CERN)	Altria (MO)	Cara Therapeutics (CARA)
Merck (MRK)	Knight Swift (KNX)	Fibrogen (FGEN)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Vale (VALE)	Verizon (VZ)	Diodes (DIOD)
Qualcomm (QCOM)	Bristol Myers (BMY)	Carter's (CRI)
Apple (AAPL)	Sea Ltd (SE)	El Pollo Loco (LOCO)
Bank of America (BAC)	Twitter (TWTR)	Caleres (CAL)
Netflix (NFLX)	Disney (DIS)	Dunkin Brands (DNKN)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Occidental (OXY)	Lumber Liquidators (LL)	HD, 1,000 May 24th (W) \$200/\$190 put spreads
Dunkin (DNKN)	Wabtec (WAB)	KHC, May 3rd (W) / May 10th (W) \$33 call calendar spread
Cyber Ark (CYBR)	Textron (TXT)	XEC, 2500 May \$75/\$60 bull risk reversals
Microchip (MCHP)	Mylan (MYL)	FLT, 850 August \$230/\$200 put spreads
Maxim (MXIM)	Biomarin (BMRN)	UNP, 2,000 May \$170/\$160 strangles sold

Analyst Notes, Stock Specific News and Media

ON Semi (ON) downgraded to Neutral at Longbow

Littlefuse (LFUS) downgraded to Neutral at Longbow

Tech Data (TECD) downgraded to Hold at Stifel

Texas Instruments (TXN) downgraded to Neutral at Longbow

SM Energy (SM) downgraded to Neutral at Susquehanna

DR Horton (DHI), Tri Point (TPH) Lennar (LEN) downgraded to Neutral at Susquehanna

Aramco plans to buy **Shell's (RDS/A)** stake in Saudi refining JV – Reuters

European banks **Credit Agricole** and **Santander** team up in asset services – WSJ

China's **Sina (SINA)** to temporarily suspend some apps due to violations – Reuters

Pernod Ricard agrees to buy Italian gin brand **Malfy** – Reuters

Truck drivers see orders, miles fall in latest U.S. slowdown signal – Reuters

NXP (NXPI) makes China push by backing radar company **Hawkeye** – Tech Crunch

Consolidation is coming for the gambling industry (**MGM, LVS, CZR, WYNN**) – WSJ

Reliance Industries is in talks to buy British toy store chain **Hamleys** – Reuters

TPG Capital is leading a group of investors to buy 30% of jeweler **APM Monaco** – Reuters

Nippon Paint has proposed buying Australia's biggest paint maker **DuluxGroup** for \$2.7B – Reuters

Apollo (APO) near deal to acquire **Smart & Final Stores** for about \$1.1B – Reuters

Broadridge (BR) to acquire **TD Ameritrade (AMTD)** retirement plan custody and trust assets

Laureate Education (LAUR) to sell **UniNorte** to Ser Educacional for \$49.9M

Apple (AAPL) in talks with potential suppliers of sensors for self-driving cars – Reuters

Extras

Yeti Holdings (YETI) late buyers of 1,200 May \$32.50 calls for \$3.00

WEX (WEX) late buyer of 1,570 August \$180 puts to open for \$4.40 aggressively and follows the puts in similar name **FLT**

Qualcomm (QCOM) buyer of 10,000 May \$65 calls \$6.70 rolled out of the \$55 calls

LAM Research (LRCX) with 1,000 May \$200 puts opening \$11.80 as April 26th (W) \$200 puts sold against

Fed-Ex (FDX) stock replacement bought 2,500 May 24th (W) \$200/\$215 call spreads at \$3.80

Texas Instruments (TXN) with 2,325 April 26th (W) \$117 calls bought against the \$125 calls and sold the \$105 puts

PayPal (PYPL) opening sale of 1,800 January \$92.5 puts \$3.55 bid late in the session

TAL Education (TAL) opening sale 1,500 August \$33 puts for \$2.20 in a stock replacement

Amgen (AMGN) with 1,165 May \$185 puts bought spread versus \$170 puts, earnings 4-30

United Rental (URI) with 1,100 September \$130/\$135 call spreads bought \$2.20 to open

Pioneer Natural (PXD) an Oil name on a big run since the deal for APC and a trade bought 1,000 September \$160 puts to open \$8.90 offer

YPF SA (YPF) with 1,050 January 2021 \$15 puts opened \$2.80 versus stock

Allergan (AGN) with 1,000 May 3rd (W) 4145 puts opening up to \$2.75 in the afternoon

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth %	Notes
CSX	CSX	\$1.02	\$0.91	\$3,013.00	\$3,000.95	4.80%	
IBM	IBM	\$2.25	\$2.24	\$18,182.00	\$18,533.06	-4.70%	Affirms FY
MLNX	Mellanox Tech	\$1.59	\$1.45	\$305.20	\$300.40	21.60%	
NFLX	Netflix	\$0.63	\$0.57	\$4,521.00	\$4,503.36	22.20%	Q2 Light
UAL	United Continental	\$1.15	\$0.96	\$9,589.00	\$9,623.37	6.20%	Affirms FY

NFLX – Beat on EPS and Revenues, Net Adds 9.6M (1.74M domestic, 7.86M international) - We forecast an acceleration in both streaming ARPU (+2% vs. -2%) and total revenue growth (26% vs. 22%) in Q2 vs. Q1. Excluding currency, we forecast streaming ARPU and total revenue would rise 7% and 32%, respectively in Q2. While there will be some quarter-to-quarter lumpiness in operating margins due to the timing of spending, our full year 2019 operating margin target of 13% is unchanged, which means that we expect operating margin in the second half of the year will be higher than the first half. Recently, Apple and Disney each unveiled their direct-to-consumer subscription video services. Both companies are world class consumer brands and we're excited to compete; the clear beneficiaries will be content creators and consumers who will reap the rewards of many companies vying to provide a great video experience for audiences. We don't anticipate that these new entrants will materially affect our growth because the transition from linear to on demand entertainment is so massive and because of the differing nature of our content offerings. We believe we'll all continue to grow as we each invest more in content and improve our service and as consumers continue to migrate away from linear viewing (similar to how US cable networks collectively grew for years as viewing shifted from broadcast networks during the 1980s and 1990s). We believe there is vast demand for watching great TV and movies and Netflix only satisfies a small portion of that demand.

UAL – Beat on EPS and Missed on Revenue - "We delivered another strong financial quarter in which we made important progress on our customer investments while making strategic decisions to manage our costs and producing pre-tax margin growth that we expect will lead our peers," said Oscar Munoz,

CEO of United Airlines. "That's why we are more confident than ever that we'll reach our long-term adjusted EPS targets we unveiled last year. I want to thank all 93,000 of our employees for their incredible work as we overcame some unique challenges and refocused our efforts in 2019 toward elevating the United experience for our customers."

IBM – Beat on EPS and Missed on Revenue - Q1 cognitive solutions revenue \$5.0B, down 2% from last year. Reports Q1 Global Business Services revenues \$4.1B, flat from last year. Reports Q1 Technology Services & Cloud Platforms revenues \$6.9B, down 7% from last year. Reports Q1 Systems revenues \$1.3B, down 11% from last year.

CSX – Beat on EPS and Revenues - Revenue for the first quarter increased 5 percent over the prior year to \$3.01 billion, driven by Merchandise volume growth and broad-based pricing gains. Expenses decreased 2 percent year over year to \$1.79 billion, driven by continued efficiency gains. CSX's operating ratio set a company first quarter record of 59.5 percent, significantly improved from 63.7 percent in the prior year.

Earnings Preview

Las Vegas Sands (LVS) will report earnings tonight after the close with the Street looking for \$0.86 on \$3.47B in sales, a 2.9% decline. Next quarter is guided to \$0.76 and \$3.32B while the FY is \$3.27 and \$13.6B. Shares closed lower four of the last six with an average closing move of 2.56% and a max move of 5.1%. 30-day IV is 26.5% and in the 45th percentile of its 52-week range. Skew is lightly bullish at 9.4% vs 9.6% average. The \$52.5B company trades 19.5X earnings, 3.8X sales, and 11.3X cash with a 4.5% yield. The company has benefitted from a more resilient Macau this year backed by more stimulus and easing monetary conditions. The timing of the Chinese New Year is a positive for the quarter and mass market checks were positive for robust foot traffic. Visitor arrivals were up 26% during the first four days of the holiday. LVS is planning on investing in their Singapore location with a \$3.3B expansion. Analysts have an average target for shares of \$69 with 7 buy ratings and 7 hold ratings. Short interest is 1.1% and down from 1.5% in late 2018. CSFB positive on the long-term outlook recently, given leverage to growth in Chinese wealth, outbound travel, and consumption. However they think the next 12-18 months could be volatile, given macro, geopolitical and licensing risks. Jefferies raising their PT to \$69 on 4/8.

Intuitive Surgical (ISRG) will report earnings on Thursday after the close with the Street looking for \$2.71 on \$975.96M in sales, a 15% increase Y/Y. Next quarter is guided to \$2.98 and \$1.05B with the FY at \$12.22/\$4.32B. Shares have closed lower each of the last three and five of the last seven with an average closing move of 4.28% and a max move of 8.2%. The \$64.15B company trades 40X earnings, 17.2X sales, and 21X cash. The company expects topline growth to slow down a bit in 2019. ISRG continues to see strong growth in shipments for their da Vinci system, up 34% in Q4, with procedure growth around 20% as they expand indications into areas like tonsil removal and tongue base resection. The company has focused on Asia and Europe for expansion with strength in the UK and France last quarter. ISRG's key 2019 goals include expanding in general surgery and key procedures and launch their SP and Ion platforms which have multi-billion dollar opportunities. Analysts have an average target for shares of \$578 with 14 buy ratings, 3 hold ratings, and 1 sell rating. Cantor positive on 4/5 seeing a number of reasons why momentum will continue in 2019. The firm thinks rapid adoption of robotic hernia

repair and robotic penetration expanding across a broad array of general surgery procedures are upside drivers. ISRG is years ahead of its competition in developing an intelligent surgery system, and its integrated ecosystem and vast data collection should help protect its lead. Deutsche Bank started at Buy on 4/2 with a \$630 PT. They firm believes a still-underpenetrated worldwide surgery market leaves substantial runway for continued robust sales growth. 30-day IV is 30.8% and in the 72nd percentile of its 52-week range. Skew is bearish with 25-delta p/c at 10.9% vs 5.1% on average. The options are pricing a 3.65% move by end-of-week. Short interest is 1.5%.

Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth %	Notes
ABB	ABB Ltd	\$0.31	\$0.28	\$6,847.00	\$6,824.03	6.30%	
ABT	Abbott Labs		\$0.62		\$7,490.75		
ASML	ASML	\$0.84	\$0.48	\$2,229.00	\$2,103.61	-2.50%	Q2 Above
BMI	Badger Meter		\$0.37		\$111.47		
BK	BNY Mellon	\$0.94	\$0.96	\$3,899.00	\$4,007.93	-6.70%	
ERIC	Ericsson	\$0.80	\$0.64	\$48,900.00	\$48,351.72	12.70%	
KSU	KC Southern		\$1.44		\$669.08		
MS	Morgan Stanley	\$1.33	\$1.17	\$10,286.00	\$9,962.62	-7.10%	
PNR	Pentair	\$0.43	\$0.71	\$689.90	\$795.82	-5.80%	Q2 Below
PEP	PepsiCo	\$0.97	\$0.93	\$12,884.00	\$12,677.47	2.60%	FY In Line
POL	PolyOne	\$0.64	\$0.65	\$899.90	\$922.33	-0.20%	
TXT	Textron	\$0.76	\$0.68	\$3,109.0	\$3,172.80	-99.10%	Affirms FY
USB	U.S. Bancorp	\$1.00	\$1.00	\$5,577.00	\$5,616.50	2.00%	