

TOP STORIES

- Global Markets Quiet as the Dollar Continues to Climb, Yields Remain Flat
- RBA Leaves Rates Unchanged, As Expected
- Indian PMI Manufacturing Loses Growth Momentum in March, Hits 6-Month Low
- Bitcoin Surges Past \$5,000

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2871.5 (1)	0.16
Nasdaq	7498.75 (0.25)	-3.67
Dow	26260 (2)	-6.42

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7371.33	0.74%
DAX	11741.15	0.51%
Nikkei	21505.31	-0.02%
Hang Seng	29624.67	0.21%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
	Motor Vehicle Sales	
8:30	Durable Goods	-1.8%
8:55	Redbook	

FOREX

EUR/USD	1.12 (-0.11%)
USD/JPY	111.35 (0.01%)
USD/CAD	1.3319 (0.10%)
GBP/USD	1.3048 (-0.38%)
USD	96.97 (0.17%)

COMMODITY

Oil	62.05 (0.75%)
Natural Gas	2.707 (-0.04%)
Gold	1292 (-0.17%)
Copper	2.9115 (-0.44%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	13.40 (-2.26%)
Nasdaq	VXN	16.31 (-1.87%)
Oil	OVX	26.23 (-1.94%)
Gold	GVZ	10.13 (1.91%)

MARKET OUTLOOK

Futures are indicating a flat open for the morning as the dollar climbs and yields rebound for the first time in four days. It was a fairly quiet night with gold flat and oil ticking higher again after Iran's oil minister said yesterday that OPEC could extend cuts beyond June. In the UK, lawmakers remain unable to settle on a course of action for the country which is pressing up against their exit deadline. PM May could bring back her failed withdrawal agreement for a fourth time or could seek a lengthy extension from the EU. The latter is becoming less likely as the process drags on and a hard-Brexit scenario is rising in probability. POTUS turned his focus to healthcare last night saying that the GOP will hold off on an ACA replacement until after 2020. This reverses course from last week where the focus was on finding an alternative quickly.

Asian markets were mixed overnight with China outperforming and the Nikkei fading off of 1-month highs. Financials led as US yields improved. More defensive names like **Tokyo Electric** fell 3.5%. **Fanuc** was higher by nearly 5%. Australia's RBA left rates unchanged overnight, as expected. The central bank is under growing pressure to cut rates as housing struggles in the country. South Korean CPI cooled in March to 0.4% vs 0.9%. Indian PMI manufacturing fell to 52.7 vs 53.9 forecast.

European markets are strong this morning after opening flat, pushing to the highs mid-day. Eurozone PPI grew less than forecast in February at 3% vs 3.1%. UK construction PMI fell to 49.7 vs 49.8 expected and down from 49.5 prior. Swiss CPI rose to 0.7%, above forecasts. **Rolls Royce** fell 2% after Singapore Air grounded two planes with RR engines after checks failed. **Pandora AS** fell 4% after a downgrade on China concerns. Low-cost airline **Wizz** rose 4% after raising their forecast. **Pirelli** was higher by 2% after positive guidance.

S&P TECHNICALS

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



5282 Advancing	Declining	1999
69.8%		26.4%
312 New High		New Low 58
84.3%		15.7%
5063 Above SMA50		Below 2483
67.1%		32.9%
3934 Above SMA200		Below 3612
52.1%		47.9%

KEY EVENTS TO WATCH

Earnings After the Close: PLAY, GME

Analyst Days: JNCE

Conferences: AACR Annual Meeting

Economic Data on Wednesday: ADP Employment at 8:15 AM, PMI Services at 9:45, ISM Non-Manufacturing at 10:00, EIA Petroleum at 10:30;

Earnings BMO Wed: AYI, SIG

ANALYST ACTION/COMMENTS

Emcore (EMKR) upgraded to Buy at B Riley

Labcorp (LH), Quest Diagnostics (DGX) upgraded to Buy at Jefferies

Commscope (COMM) upgraded to Outperform at CSFB

Hostess (TWNK) upgraded to Buy at Deutsche Bank

Atricure (ATRC) upgraded to Buy at BTIG

Exelon (EXC) upgraded to Outperform at Wells Fargo

Qorvo (QRVO) upgraded to Overweight at Keybank

Amphenol (APH) upgraded to Buy at Sun Trust

AstraZeneca (AZN) downgraded to Sell at UBS

Wingstop (WING) downgraded to Neutral at Guggenheim

Pacific Bio (PACB) downgraded to Neutral at Stephens

Eagle Materials (EXP) cut to Neutral at DA Davidson

Alcoa (AA) downgraded to Neutral at CSFB

LPL Financial (LPLA) downgraded to Buy at Goldman

Sonos (SONO) initiated Buy at DA Davidson, \$20 PT

Lovesac (LOVE) initiated Buy at DA Davidson, \$38 PT

Intuitive Surgical (ISRG) started Buy at Deutsche Bank

Q2 Holdings (QTWO) initiated Buy at William Blair

Diageo (DEO) initiated Buy at Barclays

Dow (DOW) initiated Outperform at BMO Capital

Lyft (LYFT) initiated Sell at Seaport Global, \$42 PT

Teledyne (TDY) initiated Outperform at Cowen

Disney (DIS) initiated Buy at Rosenblatt

MEDIA HIGHLIGHTS

Slack said to pick **NYSE (ICE)** for direct stock listing in June or July - WSJ

Former **Qualcomm (QCOM)** CEO Jacobs drops bid to take company private - WSJ

Discovery (DISCA) plans nonfiction subscription streaming services - WSJ

Apple's (AAPL) 2019 iPhones to feature two-way wireless charging - MacRumors

Big banks compete for small deals as merger boom slows (**GS, MS**) – WSJ

Investors dropped plans to bid for **Petrobras (PBR)** pipeline unit. Reuters

Bitcoin reached \$5000, its highest level since September (**NVDA**). Bloomberg

Apple (AAPL) plans to introduce three new OLED-based iPhones in 2020 (+ve **OLED**). Digitimes

Manhattan real estate prices fell 3% in Q1, longest downturn in 30 years. CNBC

Chinese regulators approve 30 imported online games, first batch since Feb. 2018 (**TCEHY**) – Reuters

Early **Lyft (LYFT)** investors are shorting the stock to lock in profits – NY Post

Whole Foods (AMZN) to slash prices on hundreds of items (**KR, TGT**) – NY Post

Apple (AAPL), luxury brands drop China prices as VAT cuts come into effect – Reuters

STOCK SPECIFIC NEWS OF NOTE

Aveo (AVEO), Biondesix report 'positive' results from ficlatuzumab-cytarabine trial

BeiGene (BGNE) gives Phase 1 tislelizumab data at AACR

Ally Financial (ALLY) announces \$1.25B share buyback

KAR Auction (KAR) receives favorable IRS private letter ruling regarding tax-free spin of IAA

Novartis (NVS) announces Chinese approval of Cosentyx for psoriasis patients

Evoke (EVOK) NDA for Gimoti not approved by FDA

Lear (LEA) to acquire Xevo for \$320M

Wells Fargo's (WFC) credit rating cut to negative at S&P

UGI Corporation (UGI) to acquire **AmeriGas (APU)**

PRE-MARKET MOVERS

Moving Higher: ADMA 54.8%

Moving Lower: WBA -6.7%, LYFT -2%, RYAA -2%

INSIDER TRADING (Form 4 Filings)

Buying: OPGN, STON, BX

Selling: ADI, OLLI, ADSK, TCX, AME, MLHR, EXEL, SWKS, CVNA, WMT

INSTITUTIONAL MONEY FLOW

Buying: BMY, JNJ, LYFT, KO, MCD, TGT, SBUX, AES, MLN, X KHC, BIIB, MKC, HUBS, CCI

Selling: WFC, AAPL, QRTEA, BA, BSX, V, PFE,

OPTION HIGHLIGHTS (Prior Day)

Baidu (BIDU) with another 1,625 May \$170 calls bought today up to \$8.45 and recent size buys in the June \$175 calls, May \$180 and \$190 calls, and June \$180 short puts. BIDU has seen the September \$175 calls with buyers recently as well. Shares have lagged peers in 2019 but looking to work out of a narrow bull wedge above \$175. BIDU has a high-volume node at \$190 and then room back to \$220 above with RSI strengthening back above 50 and MACD turning higher back above zero. Longer-term, shares pulled back to key support from 2015/2016 around \$160 and held. The \$57.3B company trades 13.97X earnings, 3.78X sales, and 2.77X cash with FY20 estimates looking for 30% EPS growth and 16% revenue growth. The company topped estimates last quarter with active marketing customers growing 15% and app-based DAUs up 24% Y/Y. BIDU has a lot of exposure to big, forward-looking trends like autonomous driving, big data, cloud and AI, the latter of which they've invested heavily in to improve Search, their voice assistance, and other areas. They also see a big runway into smart homes. Analysts have an average target for shares of \$245 with 14 buy ratings and 3 hold ratings. Susquehanna positive on 2/25 noting that while concerns exist about spending levels, the company is setting themselves up for a strong 2H and 2020 run. Their core business has shown resiliency despite macro issues and they are set to emerge as the dominant player in Search, owner of the top video assets in the country, and a market leader in AI. Short interest is 1.5% and down from around 2% in early 2019. Institutional ownership rose 13%.

AFTER HOURS MOVERS

Gainers:

Losers: SGMO -5.6%

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

CVS – lower on WBA guidance cut

NVDA, AMD – on Bitcoin surge

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

TRADE

WEEKLY TECHNICAL BREAKOUT

ACAD:



Acadia (ACAD) shares are consolidating in a bull flag under \$27.50 and above the 20-EMA after a strong run in February. A breakout targets \$30 which is a notable high-volume node. MACD is back near zero and RSI around 50 and both ready to run.

FUNDAMENTAL TRADE OF THE WEEK

Stock: 51Jobs (JOBS)

Price: \$77.88

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	26.5X	8.8X	4.3X	31X	23.4X
Industry Avg.	25.4X	1.2X	4.3X	14.4X	21.1X

Analysis: JOBS is a \$4.63B company which trades 18.65X earnings and 8X sales with 25% EPS growth and 20-25% revenue growth. JOBS provides HR services (36%) and recruitment (64%) in China. JOBS is benefitting from a large national footprint and a growing percentage of users online. The current economic growth initiatives in China are also driving the highest number of registered businesses in the country in need of skilled employees.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

HRB:



H&R Block (HRB) shares are consolidating in a bear flag above \$23.50 and long-term downtrend resistance. A breakdown targets \$21 but room back to \$18 given the sizeable range. Both RSI and MACD have rebounded to neutral readings but turning over.

PAIR TRADE OF THE WEEK

Industry: Energy

Long/Short: Long Parsley (PE); Short Conoco (COP)

Analysis: PE is a mid-cap energy name with a strong balance sheet and a lot of insider support buying the stock. PE is seeing record operating margins and price realization. COP is a slower-growth name with concerns about major project spending hikes in 2019.

SMALL CAP TRADE OF THE WEEK

FormFactor (FORM) is a \$1.19B company which develops probe cards, stations, and other services for testing semiconductor devices. Shares trade 15.4X earnings and 2.25X sales with nearly 20% growth. FORM is positioned well for a recovery in the back-half of 2019 for the group. They are gaining share in the probe card market, up to 40% from 20% in 2012 with an improved mix across foundry and logic, DRAM, and Flash.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Nuance (NUAN)	ABIOMED (ABMD)	Immunomedics (IMMU)
KAR Auction (KAR)	Hartford Financial (HIG)	Nordic American (NAT)
Saudi Arabia (KSA)	SVMK (SVMK)	AngioDynamics (ANGO)
Covetrus (CVET)	Cintas (CTAS)	Novavax (NVAX)
Coherent (COHR)	Mallinckrodt (MNK)	GameStop (GME)
Intrepid Potash (IPI)	Dave and Busters (PLAY)	Viacom (VIAB)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Gogo (GOGO)	Retrophin (RTRX)	Intec (NTEC)
Cenovus (CVE)	Intec (NTEC)	TG Therapeutics (TGTX)
Insys (INSY)	Manitowec (MTW)	Endo (ENDP)
Telaria (TLRA)	Public Storage (PSA)	New Age Beverage (NBEV)
Unum (UNM)	Campbell (CPB)	DISH Network (DISH)
Jack in the Box (JACK)	Omnicom (OMC)	Cronos (CRON)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Nuance (NUAN)	Manitowec (MTW)	Tocagen (TOCA)
AK Steel (AKS)	KEMET (KEM)	Assembly Bio (ASMB)
Cenovus (CVE)	Zayo Group (ZAYO)	Intra-Cellular (ITCI)
Teva Pharma (TEVA)	Nielsen (NLSN)	Concert Pharma (CNCE)
Transocean (RIG)	Altaba (AABA)	Quototiao (QTT)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Cenovus (CVE)	Gold (GLD)	Nuance (NUAN)
Bank of America (BAC)	Vale (VALE)	KAR Auction (KAR)
Intel (INTC)	Celgene (CELG)	Saudi Arabia (KSA)
JD.com (JD)	Apple (AAPL)	Hartford Financial (HIG)
AT&T (T)	Micron (MU)	SVMK (SVMK)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Herbalife (HLF)	NetApp (NTAP)	KSA, 3,000 September \$34/\$36 call spreads
Cenovus (CVE)	Lennox (LII)	CPRI, June \$50/\$40 bull risk reversal bought 1,000X
McDermott (MDR)	Centene (CNC)	BBY, 450 January 2021 \$100/\$55 bull risk reversals
Macy's (M)	Intec (NTEC)	GPS, 8,000 May \$27/\$24 strangles sold to open
Huya (HUYA)	Abiomed (ABMD)	FDX, 3,000 April \$185/\$195 call spreads

Stock Specific News and Media

Aecom (ACM) announces \$750M contract extension with DOE in South Carolina

Stonepeak Infrastructure to acquire **Oryx Midstream** for \$3.6B, **WPX Energy (WPX)** to receive \$350M for 25% interest in Oryx II; **Concho (CXO)** receives \$300M for Oryx 1 sale

Sangamo (SGMO), Pfizer (PFE) announce Phase 1/2 interim data for SB-525 gene therapy

McDermott (MDR) announces joint venture with Zamil Offshore

ADMA Biologics (ADMA) reports FDA approves Asceniv intravenous immune globulin

Rapid7 (RPD) acquires NetFort

Extras

Fed-Ex (FDX) with 5,000 Apr 26th (W) \$195 calls bought up to \$1.24 late April size \$185 calls earlier

Tesla (TSLA) late day buyer 3,000 June \$275 puts \$22.95 to \$23.25, will confirm OI tomorrow

Comcast (CMCSA) great bull flag on the daily and 5,000 weekly \$38.50 calls bought today up to \$1.75

Axsome (AXSM) late day spread sells 3,000 May \$15 calls for \$1.35 and buys 5,000 July \$15/\$25 call spreads for \$2.50 with Phase 3 data in treatment-resistant depression due in Q2

Chuy's (CHUY) buyer of 2,000 May \$20/\$15 put spreads for \$0.65 today

Invesco (IVZ) buyer of 1,500 May \$19 calls for \$1.35 with the 26,000 January 2021 \$25 calls in OI

Advanced Micro (AMD) afternoon trade bought 2,400 October \$26 puts to open \$3.72

Cerner (CERN) with 1,700 September \$60 calls sold to open \$2.75 bid

SeaWorld (SEAS) late day buyers in May \$24 calls and 2000 May 3rd (W) \$23.50 calls opening \$1.65

HMS Holding (HMSY) buyer of 500 September \$30/\$35 call spreads for \$1.80

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Y/Y Growth	Notes
ANGO	AngioDynamics	\$0.19	\$0.22	\$86.34	\$88.30	3.00%	FY In Line
LW	Lamb Weston		\$0.83		\$898.46		
WBA	Walgreens Boots	\$1.64	\$1.72	\$34,528.00	\$34,567.17	4.60%	Cuts FY