

TOP STORIES

- Lighthizer, Mnuchin to Hold Trade Talks in China on April 30
- German Business Leaders Turn Unexpectedly Gloomy in April, per IFO
- Inflation Miss Rocks Australian Markets, Boosting Rate Cut Bets
- China Turning Back to American Crude After Shunning it for Months
- MBA Mortgage Applications Fall 7.3%

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	2937.75 (-0.25)	1.07
Nasdaq	7839 (1)	11.29
Dow	26670 (31)	15.61

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7504.47	-0.25%
DAX	12343.2	0.88%
Nikkei	22200	-0.27%
Hang Seng	29805.83	-0.53%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
10:30	EIA Petroleum	

FOREX

EUR/USD	1.1205 (-0.18%)
USD/JPY	111.85 (-0.01%)
USD/CAD	1.3451 (0.22%)
GBP/USD	1.2933 (-0.03%)
USD	97.37 (0.05%)

COMMODITY

Oil	65.99 (-0.47%)
Natural Gas	2.47 (0.61%)
Gold	1273.1 (-0.01%)
Copper	2.9075 (0.48%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	12.18 (-1.93%)
Nasdaq	VXN	16.24 (3.18%)
Oil	OVX	26.59 (1.99%)
Gold	GVZ	9.53 (-0.31%)

MARKET OUTLOOK

Futures are indicating a higher open for the morning with trade talks set to resume next week and earnings coming in strong again. USTR Lighthizer and Mnuchin will visit Beijing next week, 4/30, as the two sides work closer to an agreement which could come in late May or early June. In Washington, the President continues to fight with Congress over the Mueller report which is hurting policymaking expectations. Congress is looking to subpoena members of the WH against the wish of the WH. Earnings continue to be the main focus and the results are strong. **SNAP**, **EBAY**, **SAP** and **CS** all showing strength ahead of some key reports tonight for **MSFT**, **FB**, **BA**, and **TSLA**.

Asian markets were weak overnight with the Nikkei closing lower again, despite opening near new highs. Trading is expected to be light for the rest of the week ahead of the Holiday. Australian CPI fell to 1.3% in Q1, missing expectations of 1.5%. Japanese leading ide fell to 97.1 vs 97.4. All industries activity fell 0.2%. **Nissan** fell 4% after reports it was cutting its outlook due to a slowdown in North American and China. **Nidec** rose 1% after earnings.

European markets are mixed this morning with the DAX outperforming. German IFO business survey fell to 99.2 vs 99.9 expected. Business expectations were down to 95.2 vs 96. French business surveys also came in weak. A strong slate of earnings today. **SAP** hit all-time highs after setting new long-term targets. Elliott also disclosed a stake. **Wirecard** rose 8% after the Softbank stake. **ST Micro** was higher by 3% after an in line quarter. **Credit Suisse** rose 2.5% after a surprise profit. **Novartis** rose after raising its FY guidance. **AB Volvo** rose after better than expected pricing and easing supply chain constraints. **Akzo Nobel** lower by 3% despite saying they see raw material headwinds easing in the 2H.

S&P TECHNICALS

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



5335 Advancing	Declining 1896
70.7%	25.1%
317 New High	New Low 110
74.2%	25.8%
4928 Above SMA50	Below 2598
65.5%	34.5%
4408 Above SMA200	Below 3118
58.6%	41.4%

KEY EVENTS TO WATCH

Earnings After the Close: ALGN, AMP, AZPN, AVB, SAM, CMG, CHDN, CTXS, CNMD, CLB, CLGX, CECHO, FFIV, FB, FBHS, FWRD, GGG, HP, TILE, KN, KRA, LRCX, LSTR, MEOH, MSFT, NTGR, OIS, ASGN, ORLY, PKG, PYPL, PTC, RJF, SCI, NOW, SWI, TSLA, TRN, VAR, V, WCN, XLNX

Analyst Days: LULU

Conferences: AACE 2019 (ABT, ABBV, ALXN, AMRN, AMGN, AZN, BDX, CORT, DXCM, ENDP, HZNP, PODD, LLY, MNKD, MDT, MRK, NVO, RARE, RDUS, SNY, TAK)

Economic Data on Thurs: Durable Goods at 8:30 AM, Jobless Claims at 8:30, EIA Nat Gas at 10:30

Earnings BMO Thursday: MMM, AAN, ABBV, ALXN, ALKS, ALLE, ADS, MO, BAX, BWA, BMY, BC, CRR, CRS, CLF, CMCSA, CNSL, COWN, DHI, ENTG, EQT, FCX, GNC, GPI, HEES, HSY, HES, HBAN, ITW, IP, IVZ, IRM, LAZ, LKQ, HZO, MMC, MAS, NEM, ODFL, PATK, PTEN, PAG, PRLB, RTN, RS, ROK, ROP, SSTK, LUV, SHOO, TAL, MDCO, TSCO, TPH, UPS, VLO, VC, GRA, WAB, WM, WST, WWE, ZEL, XRX, YNDX;

ANALYST ACTION/COMMENTS

Eli Lilly (LLY) upgraded to Buy at Edward Jones

Best Buy (BBY) upgraded to Buy at Jefferies

Snap (SNAP) upgraded to Neutral at JP Morgan

Zimmer Bio (ZBH) upgraded to Strong Buy at Needham

Pulte (PHM) upgraded to Neutral at BTIG

Harley (HOG) downgraded to Sell at Goldman Sachs

P&G (PG) downgraded to Sell at DZ Bank

Medidata (MDSO) downgraded to Neutral at Sun Trust

Iridium (IRDM) downgraded to Outperform at RayJay

Marriott (MAR) downgraded to Neutral at Evercore

Kraft (KHC) downgraded to Sell at Piper

Tower Jazz (TSEM) downgraded to Neutral at CSFB

Waste Connections (WCN) initiated with an Outperform at Scotiabank

Children's Place (PLCE) initiated with a Buy at DA Davidson, \$135 PT

Polaris (PII) initiated Buy at Goldman Sachs

Frontdoor (FTDR) initiated Buy at Goldman Sachs

MEDIA HIGHLIGHTS

Kraft Heinz (KHC) hires Evercore to sell Ore-Ida brand, could fetch \$1.5B to \$2B – CNBC

Foxconn, Wisc. renegotiating LCD plant contract -CNBC

SoftBank said to weigh deal for 5% stake in Germany's **Wirecard** – Bloomberg

Nissan Motor to Cut Forecast – Bloomberg

Trump Considering Waiving Jones Act Mandate for Natural Gas – Bloomberg

SoFi Is in Talks With Qatar for \$500M Funding Round Valuing Company at \$4.3B – Bloomberg

Medicare Proposes Increasing Payments for CAR-T Cancer Treatment (**GILD, NVS**) – Bloomberg

Blamed for Wildfires, **PG&E (PCG)** Seeks Higher Electricity Rates – NY Times

ST Engineering wins up to \$1.9B contract to build icebreakers for U.S. Navy – Reuters

AbbVie's (ABBV) Skyrizi drug to treat psoriasis wins U.S. approval – Reuters

Lululemon (LULU) CEO says company has no plans to reduce prices - WSJ

Academy votes not to change streaming Oscar eligibility (**NFLX, AMZN**) - Reuters

Semiconductor equipment billings register another sequential drop – Digitimes

Nvidia (NVDA) announces new GPUs for gaming notebooks and desktops – Digitimes

Akzo Nobel CEO Sees No Raw-Material Headwind in Second Half – Bloomberg

STOCK SPECIFIC NEWS OF NOTE

Privet Management offers to acquire **Synalloy** for \$20 per share in cash

CBS Corp (CBS) suspends search for new CEO, extends Ianniello as acting CEO

Boston Scientific (BSX) gets FDA approval for Lotus Edge

Warrior Met Coal (WCC) declares \$4.41 special cash dividend

Sonic Financial proposes to acquire **Speedway Motorsports** for \$18.00 cash

PRE-MARKET MOVERS

Moving Higher: APC 9%, SAP 8.3%, EBAY 4.6%, SNAP 3.8%, NVS 3.5%, ANTM 2.5%, TEVA 1.7%

Moving Lower: OXY -6%

INSIDER TRADING (Form 4 Filings)

Buying: ADX, OPK, HOFT, KMI, MS, BX, CAG, LAWS

Selling: FIVE, UNP, SNA, K, STZ, MPWR, KR, FAST, ZNGA, WDFC, FGEN, EIGI

INSTITUTIONAL MONEY FLOW

Buying: BA, HES, NVR, VZ, WBA, STX, HOG, LII, K, TDOC, OXY, JOBS, MOS, DISH

Selling: ABBV, KO, SPLK, BABA, USFD, NFLX, CSCO, MRK, GOOGL, HLT, AAPL, INTC

OPTION HIGHLIGHTS (Prior Day)

First Solar (FSLR) buyers early for 1,000 September \$55 calls for \$9.05 to \$9.35 and later 2,000 September \$67.50 calls bought for \$3.45. FSLR has seen buyers in the May \$57.50 calls since mid-March with over 4,400 holding in open interest while the September \$60 and January \$60 calls both with notable open interest from buyers. Shares are consolidating above its rising 8-EMA this week and near a breakout above \$61.25. FSLR has been in a strong trend since December and in a low-volume gap from early 2018 which targets a move back to \$67.50. Long-term, the monthly looks coiled for a big move above \$70 and out of a six-year range. The \$6.4B company trades 17.5X earnings and 2.85X sales with double-digit growth and almost \$24/share in cash. FSLR sees 2-5% revenue growth over the next two years with plenty of room for a rebound in margins as ramp-related costs ease. They expect growth in shipments for their new large-format Series 6 module will expand their capacity to take on projects while also give them the ability to support more third-party sales. FSLR continues to see a significant opportunity to grow bookings with 7.3GW in mid-to-late stage projects available in NA, EMEA, and APAC. Analysts have an average target for shares of \$65 with 12 buy ratings and 4 hold ratings. Roth raising their PT to \$75 today expecting tight module supply in the US to sustain through 2019 and support bookings through 2021. The firm expects bookings beyond 2020 to support further capacity expansion, though this will likely come into focus in the second half of 2019 and does not expect an announcement on the Q1 call. JP Morgan positive on 4/18 seeing Series 6 production yielding sequentially higher margins in 2019. They also think at full capacity in 2021, FSLR could also emerge with a cost-advantage in the solar photovoltaic panel market. Institutional ownership rose 43% last quarter. Park West a buyer of 1.8M shares. Short interest is 10.2%.

AFTER HOURS MOVERS

Gainers: SNAP 11.8%, MANH 9.7%, TXN 3.8%, ON 1.3%

Losers: IRBT -10%, AMTD -3%, SYK -1.5%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.62	Neutral
CBOE Index Put/Call Ratio	1.12	Neutral
CBOE Skew Index	123.6	Low
VIX Curve	Contango	Normal
CNN Fear & Greed Index	75	Extreme Greed
NYMO	-16.15	Neutral
NYSE Highs/Lows	85.17	High
McClellan Summation	1046.91	Right at 8-EMA
Univ. of Michigan Consumer Sentiment	96.9 (April Prelim)	-1.9% Y/Y

SMART MONEY (13g/13d Filings)

POTENTIAL SYMPATHY TRADES

BSX, MDT – on EW/SYK earnings

FUN – on SIX earnings

AVGO, QCOM, ADI, LRCX – on TXN earnings

SPR, TGI – on BA miss

DOV, ITW – on SWK strong quarter

ORCL, CRM, WDAY – on SAP strong quarter

IPO MONITOR

Nothing Scheduled at this Time

SECONDARY MONITOR

TRADE

WEEKLY TECHNICAL BREAKOUT

IAC:



IAC Interactive (IAC) shares are trading in a multi-week bull flag below \$225 and the September highs, a potentially big breakout which targets \$245. MACD is back around zero and inflecting up while RSI is above 60, ideal setup for a run.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Northrop (NOC)

Price: \$281

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: NOC is a \$48.3B defense company which trades 12.75X earnings and 1.6X sales with mid-double digit EPS growth and sales growth of 5-6%. The company has growth drivers in 2019/2020 from deliveries of their Global Hawk autonomous aircraft while the OA integration continues to give them upside. Defense spending will be a contentious issue into 2020 but its one area where POTUS is likely not to back down given his Hawkish stance on Foreign Policy.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

NEWR:



New Relic (NEWR) shares are sitting at support around \$96 and a VPOC from January with a bear flag breakdown targeting \$90. There's room back to \$85 as it fills the low-volume gap from earlier this year.

PAIR TRADE OF THE WEEK

Industry: Cable

Long/Short: Long **Liberty (LBTYA)**, Short **Charter (CHTR)**

Analysis: LBTYA is a \$20B cable operator with premier assets in the UK. The company is waiting for approval of their asset swap with VOD which will give it \$12B in cash for shareholder return or M&A. CHTR feels fairly valued given their growth rate and likely impact on pay TV subs from accelerating cord-cutting.

SMALL CAP TRADE OF THE WEEK

Waitr Holdings (WTRH) is an \$812M company which focuses on food delivery services, primarily in the Southeast, and partnered with local restaurants. Shares trade 11.7X sales and 3.88X cash and some weakness with the Uber S-1 and details on Uber Eats. WTRH bought Bite Squad in December for \$321M in cash and stock which expands their scale across 86 markets in 22 states.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Cenovus (CVE)	Commscope (COMM)	Rite Aid (RAD)
General Dynamics (GD)	Leggett (LEG)	Avon (AVP)
Upland (UPLD)	Nvent (NVT)	Immersion (IMMR)
Avon Products (AVP)	Eldorado (EGO)	Cenovus (CVE)
Immersion (IMMR)	Lumber Liquidators (LL)	Tilray (TLRY)
Murphy (MUR)	Hershey (HSY)	Express (EXPR)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Carbo Ceramics (CRR)	Modine (MOD)	Heron (HRT)X
ArQule (ARQL)	Jeld-Wen (JELD)	Twitter (TWTR)
Covetrus (CVET)	Retrophin (RTRX)	Amyris (AMRS)
Upland (UPLD)	Leggett (LEG)	Whirlpool (WHR)
Knowles (KN)	Express (EXPR)	Harley (HOG)
Invesco (IVZ)	Upwork (UPWK)	Abercrombie (ANF)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Yandex (YNDX)	Tripadvisor (TRIP)	Intra-Cellular (ITCI)
Lennar (LEN)	Freeport (FCX)	Health Insurance (HIIQ)
Unum (UNM)	Hess (HES)	Assembly Bio (ASMB)
AK Steel (AKS)	Facebook (FB)	Cara Therapeutics (CARA)
Conoco Philips (COP)	Twitter (TWTR)	Heron (HRTX)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Twitter (TWTR)	Intel (INTC)	Commscope (COMM)
Microsoft (MSFT)	Petrobras (PBR)	Leggett (LEG)
Bank of America (BAC)	Ebay (EBAY)	Nvent (NVT)
Apple (AAPL)	Avaya (AVYA)	Immersion (IMMR)
Avon Products (AVP)	Lyft (LYFT)	Murphy (MUR)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Home Depot (HD)	PTC (PTC)	AVYA, 5000 May/June \$20 calendar call spreads
First Solar (FSLR)	Hershey (HSY)	OXY, 1,000 May 10th (W) \$62.5/\$69 call spreads.
Ensco (ESV)	Lululemon (LULU)	ADP, June \$165/\$150 put spread 2,000X4,000
Western Digital (WDC)	Rollins (ROL)	PFE < 27,000 September \$42/\$44 call spreads
Snap (SNAP)	Boeing (BA)	GD, 5,000 May \$190/\$205 call spreads

Stock Specific News and Media

Dassault Systems CEO Says Business in China 'Very Strong' – Bloomberg

HNA Has Shelved \$1 Billion Sale of Container Unit **Seaco** – Bloomberg

Samsung plans \$115B boost for logic chip business; aims to invest \$9.6B annually through 2030 – FT

Shell (RDS/A) in talks to buy **BP** stake in North Sea gas field - Reuters

SAP vows to sharpen game as Elliott reveals €1.2B stake – Reuters

STMicro (STM) tightens its purse strings on weaker chip demand – Reuters

POTUS, Pelosi planning for infrastructure meeting on April 30 – Bloomberg

House will hold a hearing on "Medicare for All" legislation next week (**XLV, IBB**). The Hill

UBS (UBS) and **Deutsche Bank (DB)** asset management divisions are in merger talks. FT

Occidental Petroleum (OXY) to bid \$76 per share to buy **Anadarko (APC)** – CNBC

Canadian Solar (CSIQ) to sell 80% interest in Brazilian project to Nebras Power

Open Interest Checks

TWTR – June \$37 Call OI to 5,080 from 7,511

CGC – Jan 2021 \$50 Call OI to 6,558 from 3,560

BA – Sep \$345 Put OI to 6,592 from 2,619

CCJ – June \$12 Call OI to 19,274 from 12,541

MDR – Jan \$10 Call OI to 14,742 from 12,398

YETI – May \$32.5 Call OI to 3,862 from 1,785

QCOM – July \$90 Call OI to 8,548 from 11,563

AMBA – May \$52.5 Call OI to 3,937 from 2,241

UNM – June \$40 Call OI to 9,956 from 8,454

HES – June \$67.5 Call OI to 4,970 from 4,199

AERI – Aug \$45 Call OI to 2,001 from 1,005

PTC – July \$97.5 Call OI to 758 from 1,949

DK – Oct \$37.5 Call OI to 3,810 from 3,801

QSR – July \$65 Call OI to 7,513 from 8,763
FIS – May \$115 Call OI to 1,770 from 2,684
URI – June \$135 Call OI to 1,586 from 1,809
AVYA – June \$20 Call OI to 18,020 from 13,018
DECK – June \$150 Put OI to 1,347 from 2,701
WYNN – June \$145 Call OI to 1,717 from 3,912
CRM – June \$165 Call OI to 8,562 from 6,841
TXN – June \$115 Call OI to 4,470 from 2,478

Extras

Ambarella (AMBA) size late day buy of 1,400 January \$60 calls \$4.50 offer to open
Rogers (ROG) earnings on 4-30 and an unusual buy of 500 May \$160 puts to open \$5.20
Akebia (AKBA) with 2,000 June \$7.50 puts sold to open \$1.25
LAM Research (LRCX) stock buyer sold 1,000 November \$210 calls \$13.45 in a buy-write
Alnylam (ALNY) with 1,000 June \$85 calls sold to open \$8.30 to \$8.20
Twilio (TWLO) with 1,350 May 3rd (W) \$131 calls opening as April 26th (W) \$130 calls adjusted

Earnings After the Close

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth %	Notes
CP	Canadian Pacific	\$2.79	\$3.00	\$1,767.00	\$1,781.00	6.30%	Affirms FY
CSL	Carlisle Cos	\$1.33	\$1.13	\$1,071.90	\$1,035.68	8.90%	
CSGP	CoStar Group	\$2.53	\$2.44	\$328.00	\$327.45	19.70%	
EBAY	eBay	\$0.67	\$0.63	\$2,643.00	\$2,580.28	2.40%	Raises FY
EW	Edwards Lifesciences	\$1.32	\$1.22	\$993.00	\$989.87	11.00%	Raises FY
HA	Hawaiian Holdings	\$0.75	\$0.63	\$656.75	\$653.57	-1.30%	
HXL	Hexcel	\$0.84	\$0.78	\$609.90	\$590.13	12.90%	Affirms FY
IRBT	iRobot	\$0.69	\$0.72	\$237.66	\$251.40	9.50%	Raises FY
LRN	K12	\$0.44	\$0.37	\$253.25	\$252.49	8.8%	
KALU	Kaiser Alum	\$1.85	\$1.79	\$395.0	\$404.04	1.8%	
MANH	Manhattan Assoc	\$0.41	\$0.34	\$148.40	\$137.55	13.60%	Raises FY
MMSI	Merit Medical	\$0.37	\$0.36	\$238.35	\$236.53	17.40%	
MTH	Meritage	\$0.65	\$0.64	\$699.0	\$636.66	-4.0%	

RHI	Robert Half	\$0.93	\$0.95	\$1,468.50	\$1,503.30	5.20%	
SIX	Six Flags	-\$0.82	-\$0.86	\$128.19	\$123.63	-0.60%	
SNAP	Snap	-\$0.10	-\$0.12	\$320.43	\$306.28	38.90%	Q2 In Line
SYK	Stryker	\$1.88	\$1.84	\$3,516.00	\$3,512.55	8.50%	FY In Line
AMTD	TD Ameritrade	\$0.93	\$0.92	\$1,451.00	\$1,456.69	2.50%	
TER	Teradyne	\$0.54	\$0.44	\$494.0	\$476.23	1.3%	
TXN	Texas Instruments	\$1.22	\$1.13	\$3,594.00	\$3,482.61	-5.10%	Q2 In Line
TSS	Total System	\$1.20	\$1.16	\$980.30	\$998.73	4.80%	
VMI	Valmont	\$1.84	\$1.74	\$692.1	\$683.66	-0.09%	
WRB	W.R. Berkley	\$0.94	\$0.63	\$1,592.86	\$1,618.83	1.60%	

CP – Missed on EPS and Revenues – CEO Keith Creel said, "This past winter was one of the most challenging in my railroading career. I applaud our employees for their resiliency in overcoming loss and pushing through extraordinary conditions and challenges throughout February and March. Our commitment to precision scheduled railroading enabled a strong recovery, and gives us a solid foundation moving forward."

EBAY – Beat on EPS and Revenues – In the first quarter, eBay grew active buyers by 4% across its platforms, for a total of 180M global active buyers. Underlying total eBay performance, the Marketplace platforms delivered \$2.2B of revenue and \$21.6B of GMV. Marketplace revenue growth was 3% on an as-reported basis and 4% on a FX-Neutral basis, and GMV was down 4% on an as-reported basis and down 1% on a FX-Neutral basis. StubHub platforms drove revenue of \$230M, flat on both an as-reported and FX-Neutral basis, and GMV of \$1B, down 3% on an as-reported basis and down 2% on a FX-Neutral basis. Classifieds platforms delivered revenue of \$256M, up 4% on an as-reported basis and up 12% on a FX-Neutral basis.

EW – Beat on EPS and Revenues – "It's been an exciting start to 2019 with multiple positive developments for the company and the patients we serve," said Michael A. Mussallem, chairman and CEO. "Most notably, we announced groundbreaking results of the PARTNER 3 Trial, which demonstrated the superiority of our SAPIEN 3 transcatheter valve technology. This marks a turning point in the advancement of a therapy that transforms the lives of patients suffering from aortic stenosis. We are also pleased to report solid first quarter performance, consistent with our expectations, driven by our broad portfolio of new technologies. We are more convinced than ever in the tremendous opportunity to drive success for many years to come through our differentiated strategy of focus, innovation and leadership."

HXL – Beat on EPS and Revenues – Nick Stange, Chairman, CEO and President said: "Our results this quarter reflect a strong start to the year and reaffirm our confidence in our guidance for 2019. Hexcel generated its highest ever quarterly sales with growth across all of our markets, and our diluted earnings per share increased by over 23% compared to Q1 2018. With strong sales growth and most of the headwinds that challenged us in 2018 now behind us, margins have stepped up year over year as we forecasted. Reflecting robust revenue growth in the period there was a \$15 million use of cash in the first

quarter related to working capital, in line with expectations. The integration of our latest acquisition, ARC Technologies, continues on track with strong first quarter performance. As we take this momentum forward into the year, we remain focused on innovation to support next-generation composite solutions for our customers, operational excellence and continued cash generation."

IRBT – Missed on EPS and Revenues – The company commented "We are off to the strong start we expected in 2019. First-quarter revenue grew 9% over Q1 of FY18. Domestic sell-through was strong, and demand for i7/i7+ exceeded our expectations despite the price increase we implemented on January 1st in the U.S. Overseas, the launches of Roomba i7/i7+ in EMEA, Japan and China were very successful. Strong global demand for these products, coupled with the launch of two new products in the second quarter, are expected to drive Q2 revenue growth in the high teens year-over-year."

SIX – Beat on EPS and Revenues - The company states: "When compared to prior year, attendance growth in the quarter was adversely impacted due to the Easter holiday falling on April 21st in 2019 versus April 1st in 2018, which shifted a portion of the company's operating calendar and approximately 200,000 guest visits from the first quarter to the second quarter in 2019."

SNAP – Beat on EPS and Revenues – DAUs were 190 million in Q1 2019, compared to 186 million in Q4 2018 and 191 million in Q1 2018. As of March, Snapchat reaches 90% of all 13-24 year-olds and 75% of all 13-34 year-olds in the U.S. "In the first quarter we delivered strong results across our business with growth in daily active users and revenue," said Evan Spiegel, CEO. "Our new Android application is available to everyone, with promising early results. This month we announced several new products that we believe will drive further engagement and monetization. As we look towards the future, we see many opportunities to increase our investments, and will continue to manage our business for long-term growth."

SYK – Beat on EPS and Revenues – Orthopedics +2.8%, MedSurg +8.2%, Neuro/Spine +20.7%; "With over 7% organic sales growth in the first quarter, our multi-year momentum continued across our businesses and regions," said Kevin A. Lobo, Chairman and Chief Executive Officer. "We remain committed to providing compelling value to our customers through innovative products and services, both internally developed and acquired, which translate to strong financial results for our shareholders."

TXN – Beat on EPS and Revenues – Revenue decreased 5% from the same quarter a year ago as demand for our products continued to slow across most markets. In our core businesses, Analog revenue declined 2% and Embedded Processing declined 14% from the same quarter a year ago. Our cash flow from operations of \$7.2 billion for the trailing 12 months again underscored the strength of our business model. Free cash flow for the trailing 12 months was \$6.0 billion and represents 38.4% of revenue. This reflects the quality of our product portfolio, as well as the efficiency of our manufacturing strategy, including the benefit of 300-millimeter Analog production.

Earnings Preview

Starbucks (SBUX) will report earnings Thursday after the Close with the Street looking for \$0.56 on \$6.31B, a 4.7% increase. Next quarter is guided to \$0.71 and \$6.69B while the FY is \$2.71 and \$26.29B. Shares have closed higher the last three quarters and an average six-quarter closing move of 3.78% and a

max move of 9.7%. 30-day IV is 22.2% and in the 61st percentile of its average range. Skew is slightly bearish with the 25-delta p/c at 11.7% vs 7%. SBUX saw global comps jump in January, up 4% vs 2.9% forecast, while average ticket prices were stronger as well. SBUX has spent the last year revamping their menu as consumer tastes shifted away from frozen blended drinks and seeing results as traffic has improved sequentially over the last two quarters. They've changed a lot in terms of cold drinks and seeing improvement across multiple points in the day. They've also put a focus on their loyalty program and delivery to help drive engagement (the latter should be in nearly 25% of stores by the end of this month). China has also been a big focus, their second largest and fastest growing market. Last quarter their store base grew 18% while comps stabilized and should see further improvement with their Alibaba partnership now in 2,000 stores. Analysts have an average target for shares of \$69 with 12 buy ratings, 12 hold, and 1 sell. Jefferies raising their PT to \$89 on 4/18 noting that despite the emergence of "Third Wave" coffee competitors, their "data-driven overlap analysis" and various growth scenarios point to a limited impact on Starbucks' same-store-sales. SBUX competitive advantages, namely its size, scale and technology, and its shift to more suburban growth should support its long-term targets. The analyst raised his fiscal 2019 U.S. same-store-sales estimate to 4% from 3.3% and sees visibility to consistent 3%-4% sales and unit growth in the U.S. OpCo raising their PT to \$81, although recognizes that multiple expansion is difficult to justify in the near-term. UBS downgrading on 4/8 noting that while repurchase activity and upside to forecasts could support further multiple expansion, there are risks from downside to more elevated sales/earnings expectations as an offset. Institutional ownership rose 78% among hedge funds in Q4, mostly due to the 11.75M shares bought by Pershing Square. Short interest is 2.6%.

Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth %	Notes
APD	Air Products	\$2.00	\$1.87	\$2,187.70	\$2,225.58	1.50%	
APH	Amphenol		\$0.88		\$1,942.26		
ANTM	Anthem	\$6.03	\$5.90	\$24,388.00	\$24,308.62	9.20%	Affirms FY
T	AT&T	\$0.86	\$0.87	\$44,827.00	\$45,204.80	17.80%	
AVY	Avery Dennison	\$1.48	\$1.45	\$1,740.10	\$1,765.49	-2.00%	
AXTA	Axalta Coating Systems	\$0.34	\$0.22	\$1,119.30	\$1,145.24	-4.00%	
BIIB	Biogen	\$6.98	\$6.96	\$3,490.00	\$3,384.54	11.50%	
BA	Boeing	\$3.16	\$3.19	\$22917.0	\$23,044.33	-2.0%	
BSX	Boston Scientific	\$0.35	\$0.36	\$2,493.00	\$2,537.50	4.80%	Narrows View
BCO	Brinks		\$0.72		\$914.08		
CAT	Caterpillar	\$2.94	\$2.86	\$13466.0	\$13,356.31	4.7%	
CVE	Cenovus Energy	\$0.09	\$0.23		\$4,219.20		
CSTM	Constellium	\$0.17	\$0.21	\$1,536.00	\$1,490.18	10.80%	
DPZ	Domino's Pizza	\$2.20	\$2.10	\$835.96	\$852.59	6.4%	
FLIR	FLIR Systems		\$0.48		\$440.98		

GATX	GATX		\$1.19		\$307.14		
GD	General Dynamics	\$2.56	\$2.44	\$9,261	\$8,895.84	22.9%	
GNTX	Gentex		\$0.39		\$463.79		
IART	Integra	\$0.65	\$0.61	\$359.69	\$361.12	0.70%	Affirms FY
KNX	Knight-Swift		\$0.52		\$1,308.06		
LAD	Lithia Motors	\$2.42	\$2.17	\$2,849.70	\$2,861.29	7.10%	
MKTX	Marketaxess	\$1.39	\$1.38	\$124.49	\$125.43	8.50%	
MCO	Moody's	\$2.07	\$1.94	\$1,142.10	\$1,132.69	1.40%	Affirms FY
NDAQ	NASDAQ	\$1.22	\$1.17	\$638.00	\$632.71	-13.20%	
NSC	Norfolk Southern		\$2.18		\$2,816.99		
NOC	Northrop Grumman	\$5.06	\$4.60	\$8,189.00	\$8,340.40	21.60%	Raises FY
NVS	Novartis AG	\$1.21	\$1.14	\$11,106.00	\$11,758.66	1.70%	Raises FY
OC	Owens Corning	\$0.54	\$0.56	\$1,667.00	\$1,676.93	-1.40%	
ROL	Rollins		\$0.15		\$438.55		
RES	RPC	\$0.00	\$0.04	\$334.70	\$351.95	-23.30%	
SAP	SAP SE	\$0.90	\$0.84	\$6,118.00	\$5,942.51	16.30%	
SLGN	Silgan Holdings	\$0.46	\$0.43	\$1,027.10	\$1,005.21	1.50%	Affirms FY
SLAB	Silicon Labs	\$0.59	\$0.47	\$188.11	\$188.02	-8.40%	Q2 Above
SIRI	Sirius XM	\$0.03	\$0.05	\$1,744.00	\$1,774.04	26.80%	
SWK	Stanley Black & Decker	\$1.42	\$1.11	\$3,333.60	\$3,303.39	3.90%	Raises FY
STM	STMicroelectronics	\$0.20	\$0.21	\$2,076.00	\$2,129.94	-6.70%	
TROW	T. Rowe Price		\$1.61		\$1,291.24		
TEL	TE Connectivity	\$1.42	\$1.28	\$3,412.00	\$3,363.96	-4.20%	Raises FY
TDY	Teledyne Tech	\$2.02	\$1.90	\$745.20	\$728.30	7.10%	Raises FY
TMO	Thermo Fisher	\$2.81	\$2.74	\$6,125.00	\$6,035.53	4.60%	
TUP	Tupperware	\$0.90	\$0.91	\$487.30	\$496.60	-10.20%	