

TOP STORIES

- U.S. Trade Representatives Head to China for Face-to-Face Talks
- Germany's Factories Go From Bad to Worse as Economy Treads Water
- French Growth Momentum Slows as Global Tensions Hit Factories
- Oil Rises as Industry Report Shows Hefty Drop in U.S. Stockpiles

INDEX FUTURES

Futures	Change	Fair Value
S&P 500	3001.5 (-6.5)	-6.17
Nasdaq	7949.25 (-34.5)	-20.31
Dow	27283 (-41)	-50.19

GLOBAL INDICES

INDEX	CLOSE	CHANGE
FTSE	7486.69	-0.93%
DAX	12537.93	0.38%
Nikkei	21709.57	0.41%
Hang Seng	28524.01	0.20%

ECONOMIC CALENDAR

TIME	INDICATOR	CONSENSUS
9:45	PMI Composite	51.7
10:00	New Home Sales	660K
10:30	EIA Nat Gas	

FOREX

EUR/USD	1.1147 (-0.04%)
USD/JPY	108.02 (-0.18%)
USD/CAD	1.3129 (-0.02%)
GBP/USD	1.2505 (0.55%)
USD	97.31 (-0.11%)

COMMODITY

Oil	56.95 (0.32%)
Natural Gas	2.28 (-0.87%)
Gold	1426.3 (0.32%)
Copper	2.7095 (0.35%)

VOLATILITY INDICES

INDEX	SYMBOL	CLOSE
S&P	VIX	12.61 (-6.80%)
Nasdaq	VXN	16.07 (-5.86%)
Oil	OVX	32.25 (-4.10%)
Gold	GVZ	14.28 (-4.10%)

MARKET OUTLOOK

Futures are indicating a lower open for the morning after some downbeat EU data overshadowed trade progress between the US and China. USTR Lighthizer will take a team to China on Monday to restart talks. No major development is expected as the two sides remain far apart on some key issues but recent signs of goodwill may bode well for future talks. In Washington today, Robert Mueller set to testify before congress all day. He'll begin at the House at 8:30 before moving to the Senate at 2:00. Nothing major is expected but he'll likely clarify much of his report while also could see some fireworks from POTUS who looks to control the news flow. Metals are modestly higher pre-market, platinum up 1%, while grains strong with wheat and soybean oil up over 1%.

Asian markets were strong overnight with the Nikkei hitting a new three-week high. Shippers were strong with the trade progress while transports up 1% as well. Autos like **Toyota**, **Nissan**, and **Honda** all higher as well. Semis got a boost from Texas Instruments with **Sumco**, **Advantest**, and **Screen Holdings** strong. **Softbank** up 1% after news that **WeWork** will push for a September IPO. Japanese manufacturing PMI fell to 49.6 in July, worse than the 49.7 forecast. Japanese leading index was also weak.

European markets are mixed this morning after downbeat data. Eurozone services PMI was flat at 53.3 in July while manufacturing PMI was weak at 46.4 vs 47.6. Composite PMI was also weak at 51.5 vs 52.1 expected. German PMI manufacturing was 43.1, below the 45.1 forecast, while French manufacturing also weak. **Deutsche Bank** fell 3.7% after a bigger than expected loss. **Aston Martin** down 23% after cutting their annual forecast. **Peugot** and chemicals maker **Covestro** both with positive earnings. **Infineon**, **ST Micro**, and **Siltronic** all higher with the TI report.

S&P TECHNICALS

Levels: Support 2,975/2,950; Resistance 3,150/3,225



4622 Advancing	Declining 2561
60.3%	33.4%
215 New High	New Low 193
52.7%	47.3%
4897 Above SMA50	Below 2685
64.6%	35.4%
4561 Above SMA200	Below 3021
60.2%	39.8%

KEY EVENTS TO WATCH

Earnings After the Close: ALGN, ALGT, AMP, ANIK, ASGN, BHE, CLS, CERN, CTXS, CLB, CLGX, ECHO, FFIV, FB, F, GGG, HLX, HP, HNI, ICLR, NGVT, KALU, KNL, KN, KRA, LSTR, LVS, MLNX, MTH, NTGR, OII, ORLY, PKG, PYPL, PTC, RJF, SLM, SEIC, NOW, SAVE, SU, FTI, TSLA, TRN, VAR, WPG, XLNX

Tomorrow... Durable Goods at 8:30 AM, International Trade at 8:30, Jobless Claims at 8:30, EIA Nat Gas at 10:30;

Earnings Before the Open.: MMM, AAN, ABB, APD, ALKS, ALLE, AAL, AEP, BUD, AXE, ARD, AZN, BAX, BWA, BMY, BC, CCJ, CRR, CVE, CMCSA, CPG, DLX, DBD, ENTG, EQT, FAF, FDC, GPI, HEES, HSY, HBAN, IP, IVZ, KEX, KKR, LH, LNTH, LAZ, TREE, LKQ, HZO, MAS, MTRN, MNRO, NEM, NOK, NVCR, ODFL, PATK, PTEN, PRLB, RTN, RS, ROK, ROP, RCL, SAH, LUV, STM, TAL, TCF, TECK, TPX, TSCO, TPH, TRTN, VLO, VC, VMC, GRA, WM, WST, WRLD, WWE, WH

ANALYST ACTION/COMMENTS

Cott (COT) upgraded to Buy at Goldman Sachs

Celanese (CE) upgraded to Overweight at JP Morgan

Paccar (PCAR) upgraded to Neutral at JP Morgan

United (UAL) upgraded to Neutral at Imperial

Snap (SNAP) upgraded to Neutral at Citi

Kimberly Clark (KMB) upgraded to Neutral at Atlantic

Lions Gate (LGF) upgraded to Buy at Goldman Sachs

Pulte (PHM) upgraded to Neutral at RBC Capital

Party City (PRTY) upgraded to Buy at Goldman

Trade Desk (TTD) downgraded to Neutral at Citi

Leggett & Platt (LEG) downgraded to Hold at Raymond James

Akamai (AKAM) downgraded to Neutral at Guggenheim

HSBC downgraded to Hold at Jefferies

Rio Tinto (RIO) downgraded to Sell at Credit Suisse

Anaplan (PLAN) initiated Buy at Deutsche Bank

Coupa Software (COUP) initiated Hold at Deutsche Bank

Sharps Compliance (SMED) initiated Buy at Roth

MEDIA HIGHLIGHTS

Starwood, Apollo Global (APO) bidding on GE aircraft finance unit - Bloomberg

DOJ to open broad antitrust probe into big tech firms (**FB, GOOG, AMZN, AAPL**) – WSJ

Deutsche Bank's (DB) credit derivatives seen as hard to offload - Reuters

WeWork (WE) eyes September IPO - WSJ

UPS to switch to 7-day delivery in January 2020 - WSJ

Daimler has 'no plans' for merger with **BMW** – Reuters

Dish Network (DISH) agrees to \$5B deal for wireless assets from **Sprint (S), T-Mobile (TMUS)** – Bloomberg

Memory spot prices rebounding, contract quotes to rise in August – Digitimes

Aston Martin Plunges After Cutting Vehicle Sales Forecast on Challenging Outlook – Bloomberg

Nissan to Report 90% Plunge in Profit – Bloomberg

U.S. Truck Driver Shortage Is On Course to Double in a Decade (**KNX, JBHT**) – Bloomberg

Shares in major iron ore miners fall as **Vale (VALE)** set to resume operations at major complex – FT

BASF, Siemens, Roche target of cyber attacks – Reuters

KKR devours Tim Tam biscuits maker in \$2.2B deal with **Campbell (CPB)** – Reuters

STOCK SPECIFIC NEWS OF NOTE

Jounce (JNCE) announces update on strategic collaboration with **Celgene (CELG)**

Starbucks (SBUX) Delivers to be available through U.S. in early 2020 via **Uber Eats (UBER)**

Ligand (LGND) to acquire Ab Initio for \$12M

TechnipFMC (FTI) awarded EPC contract in Arctic LNG2 project by Novatek

iHeartMedia (IHRT) disposes entire stake in **Clear Channel Outdoor (CCO)**

FDA approves **Merck's (MRK)** Humira biosimilar (**ABBV**)

Intra-Cellular (ITCI) updates on lumateperone info provided to FDA, may have PDUFA pushed back

Tenet (THC) concludes Conifer strategic review, to complete spin-off by end of 2Q21

PRE-MARKET MOVERS

Moving Higher: UPS 2.6%

Moving Lower: BHP -3%, DB -2.6%, FB -1.4%

INSIDER TRADING (Form 4 Filings)

Buying: URI, SNY, BK

Selling: NOW, WWE, ISRG, DHR, GRUB, MDT, USB, ANET, FHN, HQY, Q TWO, KSU

POTENTIAL SYMPATHY TRADES

PVH, RL, LEVI, GIII – on VFC earnings

FDX, ZTO, EXPD – on UPS earnings

FUN – on SIX earnings

BECN, MAS, USG, AWI – on OC earnings

MAR, H, WH – on HLT earnings

CPRT, KMX, PAG, ABG, GPI, SAH – on LAD earnings

OPTION HIGHLIGHTS (Prior Day)

Cal-Maine (CALM) buyers today of 3,000 November \$42.50 puts for \$4.10 to \$4.20, sizable trade which is over 9X average. CALM doesn't have a lot of notable open interest but does still has 2,000 August \$42.50 puts and 1775 August \$40 puts in OI. Shares gapped lower on earnings this week and rebounding today into the declining 8- and 20-MA. On a long-term look, CALM is just above major support at \$35 with a breakdown targeting \$27.50 and channel support. Shares formed a big lower high in 2018/2019 from the five-year highs. The \$1.89B company trades 65.25X earnings, 1.24X sales, and 24.3X FCF with a 2.2% yield. CALM has seen revenues contract over the last four quarters while margins under pressure. They see 106% EPS growth and 6% revenue growth in 2020. CALM cut their dividend as well. The company is facing headwinds two fronts. Pricing was weak this quarter again, down 52% in general and specialty eggs, while flock size continues to grow. CALM also expects feed costs to be more volatile for the year due to unfavorable crop conditions and grain prices jumping with the flooding/historic rainfall in the Midwest. Analysts have an average target for shares of \$40, although limited coverage. Stephens with a \$42 PT seeing valuation as 'full' while supply indicators are pointing to significant increases in production which will pressure pricing. Short interest is 11.9% and rising steadily since June 2018 when it was 7.4%. Hedge Fund ownership rose 6.2% in Q1. Diamond Hill Capital adding to their position, now 1.39M. In October 2018 the CFO bought \$91k in stock at \$45.50.

AFTER HOURS MOVERS

Gainers: JNCE 40%, TER 17.5%, EW 10.4%, MANH 10%, SNAP 9.1%, TXN 6.5%

Losers: IRBT -17%, SGEN -3.8%, CROX -2.4%, UA -2.4%, RLG Y -2%, LB -1.7%

MARKET SENTIMENT / INTERNALS

INDICATOR	READING	SIGNAL
CBOE Equity Put/Call Ratio	0.648	Rising – Cautious
CBOE Index Put/Call Ratio	1.42	Rising – Cautious
CBOE Skew Index	125.5	Rising
VIX Curve	Contango	Normal
CNN Fear & Greed Index	44	Fear
NYMO	-17.56	Not Yet Oversold
NYSE New Highs	128	Neutral
McClellan Summation	764.37	Rolling Over
Univ. of Michigan Consumer Sentiment	98.4 (July)	+0.5% Y/Y

SMART MONEY (13g/13d Filings)

GIC Private reports 5.25% stake in **Dell Tech (DELL)**

IPO MONITOR

Health Catalyst (HCAT) issuing 6M shares at \$20-\$23; Provider of data and analytics technology to healthcare organizations

Livongo Health (LVGO) issuing 10.6M shares at \$20-\$23; Healthcare technology company that developed platform to create personalized care for people with chronic conditions

Sunnova Energy (NOVA) issuing 17.7M shares at \$16-\$18; Residential solar and energy storage service provider

Prosight Global (PROS) issuing 8.8M shares at \$16-\$18; Specialty insurance company leveraging customized technology infrastructure

Wanda Sports (WSG) issuing 33.3M shares at \$12-\$15; Global sports events, media, and marketing platform

SECONDARY MONITOR

TRADE

WEEKLY TECHNICAL BREAKOUT

DE:



Deere (DE) shares are flagging under \$168 in a multi-week range after holding the 20-day MA at last week's lows. A breakout targets \$174 but longer-term would move out of a big monthly flag stretching back to early 2018.

FUNDAMENTAL TRADE OF THE WEEK

Stock: Health Equity (HQQ)

Price: \$79

Valuation: Undervalued

Key Ratios:

	Fwd. PE	P/S	P/B	EV / EBITDA	P/FCF
Stock	54.4X	16.6X	9.4X	44.6X	52.4X
Industry Avg.	100X	5.1X	5.8X	27.7X	62.6X

Analysis: The \$5.3B company trades 50X earnings and 17.4X sales with near 20% EPS growth and 15.7% and 19% revenue growth. HQY's longer-term story is based on their recent deal for WageWorks, an accretive move which should greatly impact 2021 earnings, as well as an expansion into preventative care coverage in HDHPs. HQY sees WAGE helping them expand into the HSA market with direct distribution coverage.

IDEAS

WEEKLY TECHNICAL BREAKDOWN

CXO:



Concho Resources (CXO) shares are trading in a multi-month bear flag above \$96 with the 50-day MA key resistance just above at \$103. A breakdown has room back to \$80 and forming a series of lower highs since October but the range getting narrower recently.

PAIR TRADE OF THE WEEK

Industry: Pizza

Long/Short: Long Dominos (DPZ), short Papa Johns (PZZA)

Analysis: DPZ sold off last week despite remaining one of the best long-term sales stories in QSR. Near-term pressures are coming from 3rd party delivery but largely something which they can work through. Margins were above expectations. PZZA continues to face headwinds from their turnaround plan while execution risks remain.

SMALL CAP TRADE OF THE WEEK

AudioCodes (AUDC) is a \$465M company which focuses on VOIP and other data networking solutions for enterprise, contact centers, and others. Their product line stretches from mobile VOIP to IP phones, border controllers, media gateways, and cloud solutions. Shares trade at 17.5X earnings, 2.6X sales, and 23X FCF with a 1.4% yield. AUDC reports on Tuesday morning and sees limited coverage. Shares have traded higher 4 of the last 5.

DAILY OPTIONS REPORT

<u>Unusual Call Activity</u>	<u>Unusual Put Activity</u>	<u>Implied Volatility Riser</u>
Edgewell (EPC)	Manpowergroup (MAN)	Clear Channel (CCO)
Nexstar (NXST)	Robert Half (RHI)	Achillion (ACHN)
Clearway Energy (CWEN)	Constellium (CSTM)	ANGI Home (ANGI)
ANGI Home (ANGI)	National Fuel (NFG)	Constellium (CSTM)
Aramark (ARMK)	Adient (ADNT)	Paysign (PAYS)
AutoNation (AN)	CoreCivic (CXW)	Gamestop (GME)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Aramark (ARMK)	Constellium (CSTM)	Intra-Cellular (ITCI)
Edgewell (EPC)	Cohu (COHU)	AudioCodes (AUDC)
Grupo Televisa (TV)	Manpowergroup (MAN)	Hasbro (HAS)
Career Edu (CECO)	Fortune Brands (FBHS)	GlycoMimetics (GLYC)
Innoviva (INVA)	Beigene (BGNE)	Polaris (PII)
Graphic Packaging (GPK)	Clear Channel (CCO)	Acadia (ACAD)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
Range Resources (RRC)	GlycoMimetics (GLYC)	GlycoMimetics (GLYC)
Hess (HES)	Sprint (S)	Intra-Cellular (ITCI)
Match (MTCH)	YPF SA (YPF)	Deciphera (DCPH)
Yeti (YETI)	Blackstone (BX)	Puma Bio (PBYI)
Lannett (LCI)	Square (SQ)	Retrophin (RTRX)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Apple (AAPL)	Intel (INTC)	National Fuel (NFG)
Teva Pharma (TEVA)	Adient (ADNT)	Adient (ADNT)
CVS Health (CVS)	AT&T (T)	CoreCivic (CXW)
AMD	Micron (MU)	Aramark (ARMK)
Freeport (FCX)	Gold (GLD)	AutoNation (AN)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Abbott (ABT)	American Eagle (AEO)	DPZ, September \$270/\$280 call spread trading 1,210X2,420
Carvana (CVNA)	General Motors (GM)	DISH, August 30th (W) \$41.50/\$44.50/\$47.50 call butterfly
Acadia (ACAD)	Broadcom (AVGO)	HSY, 600 September \$145/\$135 put spreads
Delta (DAL)	Beigene (BGNE)	PYPL, 1,000 October \$120/\$90 bull put spreads
Slack (WORK)	Cal-Maine (CALM)	ALGN, September \$280/\$320 call ratio spread 200X400

Stock Specific News

Daimler Needs to Unload Its Trucking Business – WSJ

Investors Wonder if the ECB Can Do Enough to Make a Difference – WSJ

T-Mobile (TMUS), Sprint (S) expect DOJ approval this week with conditions – WSJ

Dunkin' Brands (DNKN) and **Beyond Meat (BYND)** launching plant-based sandwich in NY

Cytokinetics (CYTK) announces publication of preclinical data on FTSA

Extras

UBS Group (UBS) with 3,000 February \$12.50 puts sold today down to \$0.80, same spot 1,000 were sold recently to open

Qualcomm (QCOM) with 1200 June 2020 \$67.5 puts opening for \$6.03

Symantec (SYMC) with 5000 Aug. 2nd (W) \$24/\$27 call spreads bought to open

Intra-Cellular (ITCI) into weakness last hour with 2000 February \$12.5/\$5 bull risk reversals opening

AO Smith (AOS) buyer 1200 August \$45 calls \$1.05 to \$1.20 into earnings 7-30

Aramark (ARMK) late trade yesterday with 10,000 October \$37/\$41 call spreads bought for \$1.15 net debit, name with very little other notable open interest. ARMK shares have traded in a narrow range since May with the 20-day just below yesterday's range and rising strong. MACD is nearing a bullish crossover after pulling back and RSI is back near 60. A move above \$37 has a measured move to \$40 and a big volume node from 2018. Shares traded as high as \$46 in 2018. The \$8.85B company trades 14.29X earnings, 0.55X sales, and 22.3X FCF with a 1.25% yield. ARMK sees 11.5% and 9.1% EPS growth through FY21 with 2.6% to 2.7% revenue growth. ARMK shares jumped in May after Reuters reported that Mantle Ridge was pushing the company to sell itself and raising funds for a potential LBO, one of the biggest in years. ARMK has been struggling in a tighter labor market with their legacy business growing 4% in the 1H of 2019. Analysts have an average target for shares of \$41 with 8 buy ratings and 4 hold. CSFB positive on 5-30 noting that talk of a takeover isn't surprising given recent miscues while the analyst sees multiple value creation levers to drive the stock higher, including uniform rationalization and improved investor communication, and believes the report highlights Aramark's intrinsic value. They think a SOTP analysis targets \$42 with an incremental \$3-\$6 of upside from International monetization. On 7-1, they highlighted the PFGC deal for Reinhart Food, "We believe continued deal activity in the foodservice and food distributor space underscores the intrinsic value in the sector and supports our view that strategic actions at Aramark could unlock shareholder value." The Fazer deal also underscores ARMK's potential optionality. Short interest is 4.5% and down from around 6% in late 2018. Hedge Fund ownership rose 17.5% in Q1. Atlanta Capital with 17M shares while Nitorum Capital and Echo Street both with notable stakes. In December, the COB/CEO bought \$3M in stock at \$32.45 while in 2018 a director bought \$800k in stock at \$40.75.

Earnings Previews

Raymond James (RJF) will report earnings on 7/24 after the close with the Street looking for \$1.82 on \$1.93B in sales, a 5% increase Y/Y. Next quarter is guided to \$1.94/\$1.98B while the FY is \$7.37/\$7.7B. Shares have closed higher the last two and three of the last five with an average closing move of 2.5%. The \$11.87B company trades 10.7X earnings, 1.88X book, and 3X cash with a 1.6% yield. Estimates call for 7.2% and 4.4% EPS growth with revenues up 5.8% and 5.3% through FY21. RJF is majority built around their private client group with \$5B in revenues last year while RJ Bank, Asset Management, and their Capital Markets business were around \$2.3B total. The company continues to build out their financial advisor base, a 4.7% CAGR since 2013, and up 6.4% last year. They've also grown assets faster than the industry at 9.4% vs 5.6%. RJF has one of the stronger ROE among peers, growing from 11.3% in FY16 up to 16.2% expected this year. They've executed well on tack-on deals like Morgan Keenan, Alex Brown, 3Macs, and Lane Berry. Going forward, key growth initiatives include geographic expansion, adding advisor support, investing in new advisor training and recruitment as well as tech. Analysts have an average target for shares of \$95. Argus starting at Buy in March with a \$92 PT driven by strength in Private Client Group, Asset Management, and Raymond James Bank. They think RJF will further increase the number of advisers on its platform and make strategically sound acquisitions. Skew is bullish with the 25-delta p/c at 3.7% vs 10.3% and 30-day IV in the 42nd percentile of its average range. Short interest is 1.2% and down from around 2% in May. Hedge Fund ownership rose 5.5% in Q1. Millennium Management bought 1.3M shares, Balyasny a buyer of 1.07M shares, and Junto Capital a new position as well. In October, the President of RJA bought \$110k in stock at \$73.75. On the chart, shares are consolidating in a bull flag under \$86 and above cloud resistance with a measured target out to \$92. RJF doesn't draw a lot of options activity but had a buyer of 500 February \$90 calls for \$3.70 back on 7-9.

Old Dominion (ODFL) will report earnings on 7/25 BMO with the Street looking for \$2.11 on \$1.07B. Next quarter is guided to \$2.16 and \$1.1B while the FY at \$7.90 and \$4.24B. Shares have closed lower four of the last six with an average move of 4.05% and a max move of 7.3%. The \$12.89B company trades 18.89X earnings, 3.14X sales, and 44.3X FCF with a 0.42% yield. ODFL is calling for 4-6% revenue each of the next two years with EPS growth of 7.6% and 7.9%. Analysts have an average target for shares of \$147.50 with 3 buy ratings and 9 hold. CSFB downgrading to Neutral on 7-11 citing a weakening demand backdrop, contract TL rates that are turning negative, and anecdotal evidence that suggests capacity remains relatively loose. They see risk to 2H and 2020 EPS. Keybank with a \$160 PT and Overweight rating. They see further margin improvement potential against a stable backdrop, as well as increased capital deployment as capex normalizes. Short interest is 3.7% and back near 2018 highs. Hedge Fund ownership fell 13.3% in Q1. Carlson Capital and Millennium Management buyers of stock. On the chart, shares are trading back up near the high-end of a multi-month bull flag with a breakout at \$170 targeting \$210 over the next six months. Shares have been in a strong trend higher since early 2016 and bullish MACD crossover and RSI move above 60 on the weekly. Shares have support at \$142 which is YTD VPOC. The rising 20-day is \$150. ODFL had buyers in the October \$160 calls on 7-23 while the December \$150 calls had 500 bought on 6-4. The December \$130 ITM calls bought for \$15 on 5-30 over 200X.

Fortive (FTV) will report earnings on 7/25 AMC with the Street looking for \$0.89 on \$1.91B in sales, a 3% increase Y/Y. Next quarter is guided to \$0.97 on \$1.92B while the FY is \$3.58 and \$7.46B. Shares have closed lower five of the last six with an average closing move of 2.25% and max move of 4.3%. Skew is slightly bearish. The \$27.5B company trades 20.5X earnings, 4.3X sales, and 22.5X FCF with

over \$11/share in cash and a 0.34% yield. FTV is guiding to double-digit EPS growth and 5% to 6.6% revenue growth annually through FY21. FTV held an analyst day in May laying out long-term plans for 40% recurring revenue and 60% margins driven by a higher mix of software solutions. FTV is also prioritizing digital across their verticals where they can leverage their base. Analysts have an average target for shares of \$85 with 7 buy ratings, 5 hold, and 1 sell. Cowen downgraded to Sell on 6-3 with a \$65 PT. Berenberg positive on 5-15 with a Buy rating and \$96 PT. The firm thinks FTV will prove to be the leader of the next generation of multi-industry industrials and synergies are just beginning from their portfolio transformation. CSFB with an \$85 PT and Neutral rating, positive on recent acquisitions growing at a high-single digit rate while ASP growth is likely to moderate. Hedge Fund ownership fell 3.2% in Q1. Adage Capital, Gotham Asset Management, and Victory Capital all notable holders. In August 2018, a director bought \$1.45M in stock at \$80.80. Short interest is 2.5%. On the chart, shares are consolidating in a multi-week range under \$83 and pressing back above cloud resistance for the first time since April. A move higher targets \$88 and YTD highs. Support below is around \$75. Longer-term, shares forming a cup and handle which targets \$115. FTV has seen a number of bullish trades open in July including buyers of the August \$83 calls 2,000X on 7-23, the December \$85 calls 500X on both 7-16 and 7-17, and 800 September \$85 calls bought on 7-16.

Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
AGR	AVANGRID	\$0.33	\$0.39	\$1,400.00	\$1,377.59	-0.10%	
CNI	Canadian Nat'l Rail	\$1.73	\$1.66	\$3,959.00	\$3,938.87	9.00%	
CSL	Carlisle Cos	\$2.59	\$2.36	\$1,314.80	\$1,322.68	6.40%	
CMG	Chipotle Mexican Grill	\$3.99	\$3.76	\$1,434.23	\$1,406.84	13.20%	
CB	Chubb	\$2.60	\$2.56	\$7,764.00	\$7,646.20	4.20%	
CSGP	CoStar Group	\$2.23	\$2.00	\$343.76	\$336.71	15.70%	FY In Line
DFS	Discover Financial	\$2.32	\$2.11	\$2,977.00	\$2,809.30	12.90%	
EW	Edwards Lifesciences	\$1.38	\$1.33	\$1,086.90	\$1,044.94	15.20%	FY In Line
EEFT	Euronet	\$1.69	\$1.70	\$691.90	\$690.27		
HCSG	Healthcare Services	\$0.24	\$0.35	\$462.10	\$477.68	-7.90%	
IRBT	iRobot	\$0.25	\$0.18	\$260.17	\$267.96	15.00%	FY Below
MANH	Manhattan Assoc	\$0.42	\$0.35	\$154.30	\$146.00	8.70%	FY Above
NAVI	Navient	\$0.74	\$0.53	\$296.00	\$296.50	-7.20%	
RHI	Robert Half	\$0.98	\$0.98	\$1,516.39	\$1,521.52	4.10%	
SNAP	Snap	-\$0.06	-\$0.10	\$388.02	\$358.16	48.00%	FY Above
TER	Teradyne	\$0.66	\$0.62	\$564.00	\$536.72	7.00%	FY Above
TXN	Texas Instruments	\$1.29	\$1.22	\$3,668.00	\$3,601.69	-8.70%	FY In Line
TRMK	Trustmark	\$0.65	\$0.57	\$157.40	\$156.35		

USNA	USANA	\$0.91	\$0.93	\$256.00	\$254.66	-15.10%	FY In Line
VMI	Valmont	\$2.10	\$2.25	\$700.90	\$725.44	2.70%	FY In Line
V	Visa	\$1.37	\$1.32	\$5,840.00	\$5,697.26	11.50%	
WRB	W.R. Berkley	\$1.12	\$0.64	\$1,646.84	\$1,632.83	4.20%	

CMG – Beat on EPS and Revenues – In Q2: Comparable restaurant sales increased 10.0%, net of 40 bps from loyalty deferral, and included nearly 7% of comparable restaurant transaction growth. Digital sales grew 99.1% and accounted for 18.2% of sales for the quarter. Restaurant level operating margin was 20.9%, an increase from 19.7%. "We're pleased with our financial performance, which marks the sixth consecutive quarter of accelerating comps and reflects continued progress on our key strategic initiatives," said Brian Niccol, CEO. "These strong results were delivered despite a tougher year over year comparison and benefited from better restaurant operations, more effective marketing, and leveraging our digital make line to grow sales and expand access."

EW - Beat on EPS and Revenues – Sales grew 15% to \$1.1 billion; underlying sales grew 14%. TAVR sales grew 16%; underlying grew 18%. Increased demand for TAVR therapy resulted in underlying total company sales growth of 14 percent, which also reflected strength in all four of our product lines across all regions. "We now estimate that in the third quarter the FDA will approve the SAPIEN 3 valve and SAPIEN 3 Ultra system for patients with low surgical risk. Over time, we expect the SAPIEN 3 Ultra valve system will replace SAPIEN 3 valve globally," said Mussallem. "Given the pending approval for patients at low surgical risk and the continued excellence and versatility of our balloon expandable platform, we made the difficult decision to discontinue the CENTERA program. While the CENTERA valve has demonstrated excellent clinical outcomes and is performing well for patients, the time and resources required to optimize deliverability as well as expanding the indications to match the SAPIEN 3 valve are significant. Going forward, we believe we best address patient needs by focusing resources on our robust pipeline of next generation balloon expandable technologies and indication expansion trials."

SNAP - Beat on EPS and Revenues – Snap said it added 13M Daily Active Users in the second quarter and saw increased engagement across key metrics. DAUs were 203M in Q2 2019, compared to 190M in Q1 2019 and 188M in Q2 2018. DAUs were up sequentially and year-over-year in each of North America, Europe, and Rest of World. DAUs were up sequentially and year-over-year on each of iOS and Android platforms. The average number of Snaps created every day grew to more than 3.5B in Q2 2019. "The growth in our community, engagement, and revenue is the result of several transitions we completed over the past 18 months. We look forward to building on our momentum and making significant ongoing progress in each of these areas," said CEO Evan Spiegel. The company added: "We are seeing early results from the improvements of our Android application. On the majority of Android devices used by new users, Snapchatters are now sending 7% more Snaps when compared to the old version, which we believe is an important leading indicator of their long-term retention. We saw more than a 10% increase in the retention rate of people who open Snapchat for the first time."

TER - Beat on EPS and Revenues – CEO Mark Jagiela says: "We exceeded our revenue and profit guidance for the second quarter on stronger than expected results in semiconductor test as continued growth in 5G infrastructure, networking and memory test spending more than offset lower demand from automotive and industrial device makers. In Industrial Automation, our Universal Robots and MiR

collaborative robots business grew 20% in the quarter, highlighting their compelling value even in a challenging global industrial investment environment."

TXN - Beat on EPS and Revenues – Rich Templeton, TI's chairman, president and CEO, made the following comments: "Revenue decreased 9% from the same quarter a year ago due to broad-based weakness. In our core businesses, Analog revenue declined 6% and Embedded Processing declined 16% 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 \$5.9 billion and 39% 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. We have returned \$8.0 billion to owners in the past 12 months through stock repurchases and dividends. Our strategy is to return all our free cash flow to owners. Over the last 12 months, our dividends represented 47% of free cash flow, underscoring their sustainability."

V - Beat on EPS and Revenues – Visa Direct continues to deliver transaction growth with more than 60M Visa credentials have sent or been sent through Visa Direct over the last 12 months. Q3 'an exciting quarter' for the company and the company aims to expand network with acceptance options and payment options. Fuel prices ultimately were a growth driver in Q3. Growth in EMEA remained "robust" in Q3 with Latin America growth driven by improvement in Brazil and Mexico.

Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
ALXN	Alexion Pharma	\$2.64	\$2.34	\$1,203.30	\$1,175.44	15.10%	FY In Line
APH	Amphenol		\$0.93		\$2,013.52		
ANTM	Anthem	\$4.64	\$4.62	\$25,200.00	\$24,877.48	10.90%	FY Above
ARCH	Arch Coal	\$3.53	\$3.59	\$570.22	\$558.75	-3.70%	
T	AT&T	\$0.89	\$0.89	\$44,957.00	\$44,969.46	15.30%	
BA	Boeing		-\$6.66		\$15,053.25		
BSX	Boston Scientific	\$0.39	\$0.38	\$2,631.00	\$2,644.68	5.70%	FY In Line
BCO	Brinks		\$0.80		\$898.98		
CAT	Caterpillar		\$3.11		\$14,473.57		
CHKP	Check Point Software	\$1.38	\$1.37	\$488.10	\$487.53	4.30%	
CSTM	Constellation	\$0.11	\$0.33	\$1,538.00	\$1,538.95	4.30%	
DTE	DTE Energy	\$0.99	\$1.09		\$2,980.59		
EVR	Evercore	\$2.07	\$1.73	\$535.80	\$473.07	18.20%	
FSV	FirstService		\$0.92		\$550.77		
FLIR	FLIR Systems		\$0.54		\$478.42		
FCX	Freeport-McMoRan		-\$0.05		\$3,538.24		

GD	General Dynamics	\$2.77	\$2.69	\$9,555.00	\$9,355.18	4.00%	
GWW	Grainger		\$4.64		\$2,968.40		
HLT	Hilton	\$1.06	\$1.02	\$2,484.00	\$2,436.09	8.40%	FY Light
IART	Integra	\$0.73	\$0.66	\$383.60	\$373.29	4.80%	FY In Line
IQV	IQVIA	\$1.53	\$1.49	\$2,740.00	\$2,695.11	6.70%	FY In Line
KNX	Knight-Swift		\$0.57		\$1,279.42		
LAD	Lithia Motors	\$2.95	\$2.82	\$3,221.70	\$3,190.37	4.00%	
MKTX	Marketaxess	\$1.27	\$1.32	\$125.50	\$126.06	17.40%	
MLCO	Melco Resorts		\$0.18		\$1,319.93		
NDAQ	NASDAQ	\$1.22	\$1.20	\$665.00	\$629.06	2.50%	
NEE	NextEra Energy		\$2.31		\$4,683.06		
NSC	Norfolk Southern		\$2.79		\$2,950.23		
NTRS	Northern Trust		\$1.68		\$1,505.51		
NOC	Northrop Grumman	\$5.06	\$4.65	\$8,456.00	\$8,405.30	18.80%	FY In Line
OC	Owens Corning	\$1.31	\$1.16	\$1,918.00	\$1,831.38	5.20%	
BPOP	Popular		\$1.56		\$620.22		
ROL	Rollins		\$0.21		\$523.88		
RES	RPC	\$0.03	\$0.05	\$358.50	\$362.40	-23.40%	
SC	Santander Consumer	\$1.05	\$0.92	\$1,174.00	\$1,153.09	4.50%	
SLGN	Silgan Holdings	\$0.55	\$0.54	\$1,093.00	\$1,077.80	3.20%	FY In Line
SLAB	Silicon Labs	\$0.83	\$0.74	\$206.71	\$206.57	-4.80%	FY In Line
SIX	Six Flags	\$0.94	\$0.99	\$477.20	\$468.44	7.10%	
SCL	Stepan Company	\$1.50	\$1.34	\$473.00	\$519.20	-9.00%	
TROW	T. Rowe Price		\$1.88		\$1,387.30		
TEL	TE Connectivity	\$1.50	\$1.42	\$3,389.00	\$3,433.84	-5.40%	FY Light
TDY	Teledyne Tech	\$2.80	\$2.42	\$782.00	\$781.55	6.80%	FY Above
MDCO	The Medicines Co	-\$0.63	-\$0.59		\$0.97		
TMO	Thermo Fisher	\$3.04	\$3.00	\$6,316.00	\$6,308.89	3.90%	FY In Line
TZOO	Travelzoo		\$0.06		\$28.30		
TRVG	trivago	\$0.02	\$0.03	\$223.40	\$218.28	-4.90%	
TUP	Tupperware	\$0.98	\$1.02	\$475.30	\$503.40	-11.20%	FY Light
UMC	United Micro	\$0.15	\$0.10	\$36,030.00	\$36,057.38	-7.30%	
UPS	UPS	\$1.96	\$1.93	\$18,048.00	\$17,976.14	3.40%	
VFC	V.F. Corp	\$0.30	\$0.29	\$2,271.50	\$2,241.03	6.30%	FY In Line

WIX

[Wix.com](https://www.wix.com)

\$0.34

\$0.17

\$185.40

\$183.92

26.90%

FY In Line