

**TOP STORIES**

- Global Markets Mixed Behind Strong Earnings from 3M, Facebook
- South Korean GDP Rebounds on Heavy Government Spending
- Decline in German Business Morale Fuels Recession Fears
- Hong Kong Exports Suffer Biggest Fall Since 2016 on Trade Friction

**INDEX FUTURES**

Futures	Change	Fair Value
<b>S&amp;P 500</b>	<b>3020.5 (-1)</b>	<b>-1.26</b>
<b>Nasdaq</b>	<b>8013 (-25)</b>	<b>-12.6</b>
<b>Dow</b>	<b>27293 (56)</b>	<b>40.03</b>

**GLOBAL INDICES**

INDEX	CLOSE	CHANGE
<b>FTSE</b>	<b>7508.19</b>	<b>0.09%</b>
<b>DAX</b>	<b>12505.9</b>	<b>-0.16%</b>
<b>Nikkei</b>	<b>21756.55</b>	<b>0.22%</b>
<b>Hang Seng</b>	<b>28594.3</b>	<b>0.25%</b>

**ECONOMIC CALENDAR**

TIME	INDICATOR	CONSENSUS
<b>8:30</b>	<b>Durable Goods</b>	<b>0.5%</b>
<b>8:30</b>	<b>Int'l Trade</b>	<b>-\$72.5B</b>
<b>8:30</b>	<b>Jobless Claims</b>	<b>219K</b>
<b>10:30</b>	<b>EIA Nat Gas Inventories</b>	
<b>11:00</b>	<b>KC Fed Mfg.</b>	

**FOREX**

<b>EUR/USD</b>	<b>1.1139 (-0.01%)</b>
<b>USD/JPY</b>	<b>108.04 (-0.12%)</b>
<b>USD/CAD</b>	<b>1.3132 (-0.05%)</b>
<b>GBP/USD</b>	<b>1.249 (0.08%)</b>
<b>USD</b>	<b>97.42 (-0.04%)</b>

**COMMODITY**

<b>Oil</b>	<b>56.41 (0.95%)</b>
<b>Natural Gas</b>	<b>2.242 (0.99%)</b>
<b>Gold</b>	<b>1426.3 (0.19%)</b>
<b>Copper</b>	<b>2.729 (0.63%)</b>

**VOLATILITY INDICES**

INDEX	SYMBOL	CLOSE
<b>S&amp;P</b>	<b>VIX</b>	<b>12.07 (-4.28%)</b>
<b>Nasdaq</b>	<b>VXN</b>	<b>15.30 (-4.79%)</b>
<b>Oil</b>	<b>OVX</b>	<b>32.86 (1.89%)</b>
<b>Gold</b>	<b>GVZ</b>	<b>14.55 (1.89%)</b>

**MARKET OUTLOOK**

Futures are indicating a slightly higher open for the morning after record closes on the S&P and Nasdaq yesterday. A heavy slate of earnings today but seeing some upbeat reports across a variety of sectors. Facebook (FB) may help tech today with their strong report last night. Tesla (TSLA) likely in focus today after weaker than expected results from the battleground stock. In Washington, the House is expected to vote on the President's budget bill today which would raise spending to \$1.37T in FY20. Puerto Rico's governor resigned late yesterday after weeks of protests over corruption. The ECB left rates unchanged. They raised the prospect of tiering and potential QE.

Asian markets were strong overnight with the Nikkei back near three-month highs. Volumes were light ahead of the ECB later today. South Korean GDP rose to 2.1% in Q2, better than the forecast of 2% and up from 1.7%. Hong Kong Exports fell 9% in June, down from a 2.4% decline in May. Imports fell 7.5%. **Advantest** jumped 20% after earnings showed a decline in sales was not as bad as feared. AI and 5G strong demand drivers. **Sumco** and **Tokyo Electron** higher in sympathy. **Softbank** higher by 2% after reports of a new Vision Fund.

European markets are mixed early ahead of the ECB meeting. German IFO business confidence fell in July to 95.7 vs 97.1 forecast. Expectations also fell below consensus. Italian trade was stronger than expected. We had a run of strong earnings reports. **AB In Bev** higher by 4% after the fastest beer sales growth in five years. **LVMH** strong after earnings and helping lift **Hermes** and **Kering**. **Roche** and **AstraZeneca** both higher on upbeat sales outlooks. Auto parts maker **Valeo** continued a strong run for the group higher by 1.5% after affirming its outlook. **Unilever** fell 1.5% after sales growth slowed due to wet weather in the EU. **Cobham** jumping 35% after private equity group Advent agreed to buy it for \$5B.

**S&P TECHNICALS**

**Levels:** Support 2,975/2,950; Resistance 3,150/3225



5207 Advancing	Declining	2029
67.9%		26.5%
466 New High		New Low 149
75.8%		24.2%
5152 Above SMA50		Below 2430
68.0%		32.0%
4745 Above SMA200		Below 2837
62.6%		37.4%

**KEY EVENTS TO WATCH**

**Earnings After the Close:** AFL, ALK, GOOG, AMZN, AJG, TEAM, BJRI, SAM, BVN, CARB, CHE, COLM, CVA, CUBE, CY, DECK, BOOM, EMN, EIX, EHTH, ENVA, EXPE, FII, FISV, FLEX, FTV, FWRD, HTH, IEX, INTC, TILE, JNPR, LYV, LOGM, LPLA, MAT, MXL, MMSI, MGM, MITK, MINI, MHK, BABY, OMCL, POWI, PFPT, RRC, RSG, RMD, SCHL, SNBR, SBUX, SPSC, SYK, SIVB, TCO, TNET, UHS, VRSN, VCRA, WERN

**Tomorrow...** GDP at 8:30 AM; **International Earnings:** Yandex, Nestle, Asahi, Audi AG, Renault, Caixabank.

**Earnings BMO:** ABBV, AON, ABG, AVX, B, COG, CHTR, CL, COWN, ROCK, GT, ITW, LEA, MCD, TYPE, PSX, TWTR, WY, WETF, YNDX, ZBH

**ANALYST ACTION/COMMENTS**

**Activision Blizzard (ATVI)** upgraded to Buy at BAML

**GrafTech (EAF)** upgraded to Neutral at Citigroup

**Etsy (ETSY)** upgraded to Buy at BTIG Research

**Dorian LPG (LPG)** upgraded to Outperform at Wells Fargo

**Meritage (MTH)** upgraded to Buy at Citigroup

**Navigator (NVGS)** upgraded to Outperform at Wells Fargo

**AT&T (T)** upgraded to Neutral at Credit Suisse

**UPS (UPS)** upgraded to Buy at BAML

**Align Tech (ALGN)** downgraded to In-line at Evercore

**Central Pacific Financial (CPF)** downgraded to Neutral at Compass Point

**Dollar General (DG)** downgraded to Market Perform at Wells Fargo

**Electronic Arts (EA)** downgraded to Neutral at BAML

**Knight-Swift (KNX)** downgraded to Hold at Stifel

**Manitowoc (MTW)** downgraded to Sector Perform at RBC

**Navient (NAVI)** downgraded to Neutral at Credit Suisse

**PTC (PTC)** downgraded to Hold at Stifel

**Spirit Airlines (SAVE)** downgraded to In-line at Evercore

**Teradyne (TER)** downgraded to Hold at Stifel

**Vanda Pharma (VNDA)** downgraded to Hold at Stifel

**MEDIA HIGHLIGHTS**

**Charter (CHTR)** submitted plan to DOJ to buy Sprint/T-Mobile assets - Reuters

**L Brands (LB)** board reviewing Jeffrey Epstein's role at company - WSJ

Trump weighs order to cut drug prices for Medicare (**NVS, BMY, JNJ, AZN**) - Reuters

**LVMH** says **J.C. Penney (JCP)** tie-up 'favorable' for Sephora - Reuters

**Nike (NKE)** exploring potential sale of Hurley surfwear brand - Reuters

**Toyota (TM)** aims to invest \$600M in **Didi Chuxing** Technology. WSJ

Brazil aims to give workers \$8B to increase growth (**EWZ, PBR**). WSJ

**Apple (AAPL)** supply chain cautious about orders for new iPhones – Digitimes

**Nokia (NOK)** Maintains Forecasts as Earnings Beat Shows 5G Plan on Track - Bloomberg

**AstraZeneca (AZN)** 'Open' to M&A as Sales Forecast Raised on New Cancer Treatments – Bloomberg

**Diageo (DEO)** Plans to Return \$5.6 Billion to Investors on Sales Gain – Bloomberg

**SK Hynix** warns Japan export curb may pose 'problems' for production – Nikkei

Russia's **Sberbank** and **Mail.ru** to form JV in taxis (**YNDX**) – Reuters

**STOCK SPECIFIC NEWS OF NOTE**

**Bristol-Myers (BMY)** says CheckMate-227 Part 2 did not meet primary OS endpoint

**Spirit of Texas (STXB), Chandler Bancorp** to merge

**Regenxbio (RGNX)** and Neurimmune to develop antibodies for neurodegenerative diseases

**Live Nation (LYV)** acquires OCESA Entretenimiento

**Avianca (AVH), Fortress Transportation (FTAI)** reach agreement for sale, purchase of 14 planes

NEJM publishes results for **FibroGen's (FGEN)** roxadustat trial in CKD China patients

**Epizyme (EPZM):** FDA accepts NDA for accelerated approval of tazemetostat

**PRE-MARKET MOVERS**

**Moving Higher:** NOK 6%, BUD 5.6%, MMM 5%, ETSY 2.8%, ERIC 2.2%, S 2%, FB 1.3%

**Moving Lower:** ALGN -20%, PTC -15%, TSLA -12%, TAL -10%, LUV -5%, F -5%, XLNX -4.7%

**INSIDER TRADING (Form 4 Filings)**

**Buying:** FARM, SNY, URI

**Selling:** WK, HQY, NUE, JBHT, PNC, NEOG, GRMN, CRM, NFLX, NOW, WWE

**POTENTIAL SYMPATHY TRADES**

**RSG, WCN** – on WM earnings

**EDU** – on TAL weakness

**PLCE** – on CRI earnings

**STZ, BREW** – on BUD earnings

**MGM, WYNN, MLCO** – on LVS earnings

**OPTION HIGHLIGHTS (Prior Day)**

**Keysight Tech (KEYS)** with buyers early in the ITM January \$85 calls and then 2,000 September \$92.50 calls bought to open \$5.10 to \$5.30. KEYS had buyers in the January \$85 calls on 7-12 and put sales last week in the September \$77.50 puts over 1000X. Shares are looking to break out of a small flag today above \$95 and larger cup-and-handle targets a long-term move up to \$115. KEYS has consolidated a big run from 2016 well with MACD and RSI both turning higher today after resetting, ready to run. The \$16.69B company trades 19.5X earnings, 4X sales, and 27.8X FCF with mid-teens EPS growth. KEYS expects 7.6% and then 10.1% revenue growth through FY21. KEYS is coming off a strong quarter with strength across communications and industrial solutions. The company is mitigating China issues well with 7-8% growth outlook intact behind another record 5G order quarter and double-digit software and services growth. Analysts have an average target for shares of \$95 with 5 buy ratings, 2 hold and 1 sell. Goldman downgraded to Neutral on 7-21 citing valuation and would prefer to see signs of a re-acceleration in its business before being constructive again. Jefferies positive in late May with a \$100 PT. The firm thinks KEYS has many drivers to regain lost Huawei business. DB with a \$110 PT citing a long runway in both 5G and Wi-Fi 6. Short interest is 3.2% but jumping lately from 1.4% in late April. Hedge Fund ownership fell 1.6%. Jericho Capital and AQR two top buyers.

**AFTER HOURS MOVERS**

**Gainers:** NTGR 9.6%, MTH 7.6%, AXTA 4%, SU 3%, RRC 2.5%, FTI 2.4%, KN 2%, ALKS 1.8%

**Losers:** ALGN -20%, OII -17%, PTC -14%, SAVE -13%, TSLA -11%, CARA -9.5%, XLNX -6%, F -5.5%

**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
<b>Stock</b>	<b>54.4X</b>	<b>16.6X</b>	<b>9.4X</b>	<b>44.6X</b>	<b>52.4X</b>
<b>Industry Avg.</b>	<b>100X</b>	<b>5.1X</b>	<b>5.8X</b>	<b>27.7X</b>	<b>62.6X</b>

**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 3<sup>rd</sup> 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>
Constellium (CSTM)	LKQ (LKQ)	At Home (HOME)
Exelon (EXC)	FLIR Systems (FLIR)	Dillards (DDS)
Sientra (SIEN)	Cadence (CADE)	Genworth (GNW)
Ultra Clean (UCTT)	Equifax (EFX)	Mallinckrodt (MNK)
Rambus (RMBS)	NetApp (NTAP)	Yelp (YELP)
Bloomin Brands (BLMN)	Rollins (ROL)	Entegris (ENTG)
<u>Lowest Put/Call Ratio</u>	<u>Highest Put/Call Ratio</u>	<u>Implied Volatility Decliner</u>
Home Bancshares (HOMB)	Welbilt (WBT)	Snap (SNAP)
At Home (HOME)	Clear Channel (CCO)	Irobot (IRBT)
Teradata (TDC)	Rapid7 (RPD)	Sprint (S)
Tri Pointe (TPH)	Uniti (UNIT)	Intra-Cellular (ITCI)
Churchill Downs (CHDN)	ASGN (ASGN)	Wix (WIX)
ANGI Home (ANGI)	Mallinckrodt (MNK)	Flir Systems (FLIR)
<u>OTM Calls on Offer</u>	<u>OTM Puts on Offer</u>	<u>Elevated IV30</u>
EnCana (ECA)	Mattel (MAT)	GlycoMimetics (GLYC)
Devon Energy (DVN)	GlycoMimetics (GLYC)	Intra-Cellular (ITCI)
NIO (NIO)	Dell (DELL)	Deciphera (DCPH)
World Wrestling (WWE)	Chesapeake (CHK)	Puma Bio (PBYI)
At Home (HOME)	Marriot (MAR)	Retrophin (RTRX)
<u>Positive Net Delta</u>	<u>Negative Net Delta</u>	<u>Option Volume Gainers (%)</u>
Snap (SNAP)	Coca Cola (KO)	Equifax (EFX)
NIO	CSX Corp (CSX)	NetApp (NTAP)
Bank of America (BAC)	Sirius (SIRI)	Rollins (ROL)
Baidu (BIDU)	Qualcomm (QCOM)	Rambus (RMBS)
Fire-Eye (FEYE)	Apple (AAPL)	Bloomin Brands (BLMN)
<u>Bullish Call Flow</u>	<u>Bearish Put Flow</u>	<u>Large Spread Trades</u>
Elastic (ESTC)	Western Digital (WDC)	SEAS, August \$33/\$37 call spread 2,500X
Crown Castle (CCI)	Irobot (IRBT)	WWE, 3,000 October \$75/\$60 bull risk reversals
Facebook (FB)	Dish Network (DISH)	GPS, January \$22/\$18 strangle sold 2500X
Oracle (ORCL)	XPO Logistics (XPO)	MMM, 3000 August \$170/\$160 put spreads
Rockwell (ROK)	Cal-Maine (CALM)	WDC, 1500 October \$45/\$40 put spreads



### Stock Specific News

**Salesforce (CRM)** expands footprint into China with **Alibaba (BABA)** partnership – Reuters

**SoftBank** to commit \$40 bln to second Vision Fund -WSJ

China's **Wanda Sports (WSG)** cuts U.S. IPO size, lowers price range – Reuters

**Cobham** to be acquired by **Advent International** – FT

**Oaktree, Navis Capital** Put Plans to Sell Asia Fitness Business on Hold – WSJ

### Extras

**Marathon Petroleum (MPC)** seeing 10,000 January \$60 calls adjust back to buy 20,000 October \$62.50 calls today for \$1.46

**Pinterest (PINS)** afternoon buyer 1000 January \$29 calls \$3.20 offer

**Cheniere Energy (LNG)** with 1,000 January 2021 \$80/\$60 bull risk reversals opening for a small credit

**Heritage Commerce (HTBK)** unusual 1000 December \$12.50 calls opening \$0.55 ahead of earnings Thursday night

**Zoetis (ZTS)** will report earnings on 8/6 before the open and buyers active yesterday for 4,500 August 9th (W) \$115 calls for \$2.75 to \$2.80. ZTS has seen buyers active in the August \$114 calls and August \$110 calls recently with some longer-dated January 2021 calls in OI as well. The Street is looking for \$0.82 on \$1.52B with the FY estimates at \$3.49 and \$6.19B. Shares have closed higher each of the last four with an average closing move of 4.58%. Shares are trading in a narrow range above the 20-day MA with a breakout targeting \$120. MACD is nearing a bullish crossover while RSI remains strong at 62. The long-term range targets a move up to \$130. The \$55.67B company trades 29.8X earnings, 9.4X sales, and 31X cash with a 0.57% yield. ZTS is guiding to 10.9% and 12.8% EPS growth with revenue growth of 6.7% and 6.3%. Analysts have an average target for shares of \$112. Stifel raising their PT to \$130 on 7-22 with recent checks indicating that a Triple combo product "is the most sought after future pharmaceutical product innovation that Veterinarians want to see" and he believes being first to market such a "Triple" can meaningfully increase Zoetis' market share in parasiticides. In addition to a Triple, Veterinarians' want for a product for feline pain, which Zoetis may introduce in 2021. Craig Hallum raising their PT to \$132 on 6-25 despite livestock headwinds. Guggenheim starting at Buy on 5-23 with a \$114 PT. They think ZTS's current "big three" of Simparica, CYTOPOINT, and Apoquel will allow it to meet near-term growth targets and thinks the company should see significant growth from new products in pain and parasiticides that are currently underappreciated. Short interest is 0.8% and down from around 1.4% earlier this year. Hedge Fund ownership rose 12.29% in Q1. AQR, DSM Capital, and Bristol Gate notable holders.

### Earnings

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
ALGN	Align Tech	\$1.83	\$1.39	\$600.70	\$599.86	22.50%	FY Below
ALGT	Allegiant Travel	\$4.33	\$4.70	\$491.80	\$504.81	12.60%	FY In Line
AMP	Ameriprise Financial	\$4.06	\$4.05	\$3,247.00	\$2,931.92	3.20%	
ANIK	Anika Therapeutics	\$0.67	\$0.40	\$30.42	\$27.41	-0.40%	FY Above
ASGN	ASGN Incorporated	\$1.10	\$1.19	\$972.30	\$972.24	10.70%	FY In Line
BHE	Benchmark Electronics	\$0.36	\$0.32	\$601.60	\$569.45	-8.90%	FY Below
BCOV	Brightcove	-\$0.04	-\$0.06	\$47.58	\$45.74	14.20%	
CLS	Celestica	\$0.12	\$0.12	\$1,445.60	\$1,438.59	-14.70%	FY Below
CERN	Cerner	\$0.66	\$0.64	\$1,431.10	\$1,440.88	4.60%	FY In Line
CTXS	Citrix Systems	\$1.21	\$1.34	\$748.70	\$772.00	0.90%	FY In Line
CLGX	CoreLogic	\$0.82	\$0.76	\$459.54	\$444.22	-5.90%	FY In Line
ECHO	Echo Global Logistics	\$0.42	\$0.41	\$553.78	\$572.60	-12.80%	FY Below
FFIV	F5 Networks	\$2.52	\$2.48	\$563.39	\$556.15	3.90%	FY In Line
FB	Facebook	\$1.99	\$1.87	\$16,886.00	\$16,493.01	27.60%	
F	Ford Motor	\$0.28	\$0.31	\$35,905.00	\$35,207.39	0.40%	FY Below
GGG	Graco	\$0.50	\$0.53	\$428.30	\$444.93	0.90%	
HNI	HNI	\$0.38	\$0.42	\$526.00	\$551.13	-3.20%	
ICLR	ICON plc	\$1.69	\$1.68	\$695.14	\$693.56	8.30%	
NGVT	Ingevity	\$1.36	\$1.33	\$352.80	\$362.06	14.30%	
ISBC	Investors Bancorp	\$0.18	\$0.18		\$173.01		
KNL	Knoll	\$0.48	\$0.45	\$367.30	\$339.13	13.60%	
KN	Knowles	\$0.22	\$0.19	\$205.20	\$195.06	8.90%	FY In Line
KRA	Kraton	\$1.58	\$1.12	\$495.28	\$539.35	-8.00%	
LSTR	Landstar System	\$1.53	\$1.53	\$1,045.00	\$1,067.82	-11.60%	FY Below
LVS	Las Vegas Sands	\$0.72	\$0.79	\$3,334.00	\$3,387.94	0.90%	
LMAT	Lemaitre Vascular	\$0.23	\$0.21	\$29.48	\$28.90	9.10%	FY Above
MLNX	Mellanox Tech	\$1.52	\$1.53	\$310.30	\$307.24	15.60%	
MTH	Meritage	\$1.31	\$1.03	\$864.60	\$808.02	-1.50%	FY Above
MSA	MSA Safety	\$1.22	\$1.18	\$349.68	\$351.73	3.00%	
NTGR	NETGEAR	\$0.28	\$0.25	\$230.85	\$224.35	-9.60%	FY In Line
ORLY	O'Reilly Auto	\$4.51	\$4.67	\$2,589.87	\$2,605.70	5.40%	

PYPL	PayPal	\$0.86	\$0.83	\$4,310.00	\$4,333.76	11.70%	
PTC	PTC	\$0.36	\$0.34	\$322.40	\$322.42	2.30%	
RJF	Raymond James	\$1.80	\$1.82	\$1,900.00	\$1,936.48	3.50%	
NOW	ServiceNow	\$0.71	\$0.64	\$833.90	\$831.50	32.10%	
SAVE	Spirit Airlines	\$1.69	\$1.64	\$1,013.00	\$1,012.58	18.90%	
FTI	TechnipFMC	\$0.39	\$0.35	\$3,434.00	\$3,268.46	16.00%	
TSLA	Tesla	-\$1.12	-\$0.36	\$6350.0	\$6,440.98	58.7%	
UFPI	Universal Forest	\$0.88	\$0.81	\$1,239.82	\$1,296.77	-4.20%	
VAR	Varian Medical	\$1.32	\$1.13	\$825.80	\$762.29	16.50%	FY In Line
XLNX	Xilinx	\$0.97	\$0.92	\$849.60	\$849.76	24.10%	FY In Line

**ALGN - Beat on EPS and Revenues, Guidance Weak** - CEO Joe Hogan said, "Our second quarter revenues were at the high-end of our guidance, reflecting Invisalign volume growth primarily from international doctors, as well as very strong sales from iTero scanner and services. Q2 Invisalign volumes were up 24.6% year-over-year reflecting continued adoption from teenage and younger patients, as well as increased utilization among orthodontists and expansion of our customer base which totaled 60,000 active doctors worldwide. In Q2, total Invisalign case shipments were lower than expected, primarily due to a softness in China related to a tougher consumer environment and slower growth in young adult case in North America. Given the uncertainty in China, our outlook for the third quarter reflects a more cautious view for growth in the Asia Pacific region."

**CTXS - Missed on EPS and Revenues** - Our second quarter 2019 performance reflects a faster than anticipated shift towards our subscription model transition which accelerated in the period to record levels. Demand in the quarter was strong and total product bookings were consistent with our guidance. The difference between reported revenue and our revenue guidance range was entirely attributable to the higher than anticipated mix of subscription bookings. Longer-term, this is a great development for our business and a strong endorsement of our multi-year transition strategy. Third quarter guidance reflects our expectation that subscription bookings as a percentage of product bookings will be in the range of 60% to 65%. The accelerated mix shift towards subscription impacts Revenue and EPS in the near-term. As noted, the change in our fiscal year guidance is entirely attributable to the acceleration in the subscription bookings mix.

**FB - Beat on EPS and Revenues** - Daily active users were 1.59B on average for June 2019, an increase of 8% year-over-year and monthly active users were 2.41B as of June 30, 2019, an increase of 8% year-over-year. The company's mobile advertising revenue represented approximately 94% of advertising revenue for Q2, up from approximately 91% of advertising revenue in Q2 of last year. Facebook estimates that more than 2.1B people now use Facebook, Instagram, WhatsApp, or Messenger every day on average, and more than 2.7B people use at least one of its family of services each month.

**LVS - Missed on EPS and Revenues** - "We delivered solid financial results in the quarter, with hold-normalized Adjusted Property EBITDA reaching nearly \$1.3 billion," said Sheldon Adelson, chairman and CEO. "We remain enthusiastic about our future growth opportunities in Asia, which will be enhanced



through the introduction of our Four Seasons Tower Suites Macao later this year, the Londoner Macao throughout 2020 and 2021 and the expansion of Marina Bay Sands in Singapore thereafter. We are also aggressively pursuing additional development opportunities in new markets, including in Osaka, Japan. Finally, we remain deeply committed to maintaining our industry-leading financial strength while continuing to return capital to shareholders."

**PYPL - Beat on EPS and Missed on Revenues, Guidance Light** - Reports 9M net new active accounts, bringing total active accounts to 286 million accounts, up 17%; 3.0B payment transactions, up 28%; \$172B in total payment volume, up 24%, or 26% on a currency-neutral basis; 39.0 payment transactions per active account on a trailing twelve months basis, up 9%. The company said, "PayPal delivered another solid quarter, and consequently we are raising EPS guidance for the year. Net new active accounts increased by a record 41 million over the last 12 months, and engagement per active account once again increased by 9% to 39 times a year. Venmo's momentum continues, with 70% growth in total payment volume to \$24 billion. Earlier this month, Xoom expanded to 32 new send markets throughout Europe."

**TSLA – Missed on EPS and Revenues** - This quarter, we are simplifying our approach to guidance. We are most focused on expanding our manufacturing footprint in new regions, launching new products and continuing to improve the customer experience, while generating and using cash sustainably. Local production and improved utilization of existing factories is essential to be cost competitive in each region. We remain on track to launch local production of the Model 3 in China by the end of the year and Model Y in Fremont by fall of 2020. We are also accelerating our European Gigafactory efforts and are hoping to finalize a location choice in the coming quarters. We are working to increase our deliveries sequentially and annually, with some expected fluctuations from seasonality. This is consistent with our previous guidance of 360,000 to 400,000 vehicle deliveries this year. Additionally, we expect positive quarterly free cash flow, with possible temporary exceptions, particularly around the launch and ramp of new products. We believe our business has grown to the point of being self-funding. We continue to aim for positive GAAP net income in Q3 and the following quarters, although continuous volume growth, capacity expansion and cash generation will remain the main focus. Our 2019 capex is expected to be about \$1.5B-\$2.0B, a reduction from prior guidance. We continue to find opportunities to improve capital efficiency and shift cash outflows to future periods. This estimate includes the development of our main projects, on the timelines referenced, and to expand our Supercharger and service networks.

### Earnings Before the Open

Ticker	Company	EPS Actual	EPS Estimate	Revs Actual	Revs Estimate	Growth	Notes
MMM	3M	\$2.20	\$2.07	\$8,171.00	\$8,104.90	-2.60%	
AAN	Aaron's	\$0.93	\$0.87	\$968.14	\$966.50	4.30%	
ABB	ABB Ltd	\$0.34	\$0.28	\$7,171.00	\$7,206.41	6.50%	
APD	Air Products	\$2.17	\$2.13	\$2,224.00	\$2,321.10	-1.50%	
ALKS	Alkermes	\$0.09	-\$0.12	\$279.90	\$251.40	-8.10%	
ALLE	Allegion	\$1.26	\$1.32	\$731.20	\$750.76	3.80%	

AB	AllianceBernstein		\$0.59		\$778.88		
AIMC	Altra Industrial Motion	\$0.71	\$0.79	\$466.50	\$488.01	96.60%	
AMCR	Amcor		\$0.73		\$1,020.51		
AAL	American Airlines		\$1.79		\$11,978.79		
AEP	American Electric	\$1.00	\$0.97	\$3,600.00	\$4,134.29	-10.00%	
BUD	Anheuser-Busch InBev	\$1.25	\$1.18	\$13,963.00	\$13,814.78	-0.20%	
AXE	Anixter	\$2.05	\$1.56	\$2,262.60	\$2,233.97	5.80%	
ARD	Ardagh Group	\$0.48	\$0.47	\$2,268.00	\$2,315.00	-3.40%	
AZN	AstraZeneca	\$0.73	\$0.60	\$5,718.00	\$5,571.32	10.90%	
AUO	AU Optronics	-\$0.28	-\$0.23	\$70,070.00	\$70,058.28	-6.60%	
AXTA	Axalta Coating Systems	\$0.52	\$0.43	\$1,157.50	\$1,192.36	-4.50%	
BAX	Baxter	\$0.89	\$0.81	\$2,840.00	\$2,799.25	-0.10%	
BWA	BorgWarner	\$1.00	\$1.00	\$2,551.00	\$2,524.93	-5.30%	
BMJ	Bristol-Myers	\$1.18	\$1.06	\$6,273.00	\$6,101.10	10.00%	
BC	Brunswick	\$1.45	\$1.41	\$1,164.20	\$1,214.92	-16.90%	
CCJ	Cameco		-\$0.04		\$360.50		
CRR	Carbo Ceramics	-\$0.57	-\$0.50	\$43.10	\$51.85	-25.70%	
CRI	Carter Holdings	\$0.95	\$0.81	\$734.38	\$730.86	5.50%	
CVE	Cenovus Energy	\$0.22	\$0.27		\$5,305.46		
CMS	CMS Energy	\$0.33	\$0.37	\$1,445.00	\$1,483.50	-3.20%	
COLB	Columbia Banking		\$0.61		\$147.10		
CMCSA	Comcast	\$0.78	\$0.75	\$26,858.00	\$27,081.03	23.60%	
DLX	Deluxe		\$1.37		\$495.90		
DBD	Diebold Nixdorf	\$0.06	-\$0.15	\$1,200.00	\$1,056.93	8.50%	
DOW	Dow	\$0.86	\$0.84	\$11,014.00	\$11,307.75	-14.30%	
ENTG	Entegris	\$0.39	\$0.43	\$378.90	\$382.02	-1.10%	
EQT	EQT Corp.	\$0.09	\$0.04	\$958.40	\$929.86	-5.80%	
FAF	First American Financial	\$1.64	\$1.37	\$1,498.60	\$1,517.88	0.50%	
FDC	First Data	\$0.42	\$0.41	\$2,278.00	\$2,267.02	2.00%	
FCN	FTI Consulting		\$0.97		\$528.56		
THRM	Gentherm	\$0.47	\$0.51	\$243.33	\$254.53	-8.70%	
GPI	Group 1 Auto	\$2.83	\$2.75	\$3,005.69	\$2,922.44	2.10%	
HEES	H&E Equipment	\$0.63	\$0.56	\$333.60	\$337.96	7.50%	
HSY	Hershey Foods	\$1.31	\$1.17	\$1,767.22	\$1,770.86	0.90%	

HBAN	Huntington Banc		\$0.32		\$1,181.78		
IP	Int'l Paper	\$1.15	\$1.00	\$5,667.00	\$5,770.80	-2.80%	
IVZ	Invesco	\$0.65	\$0.59	\$1,031.50	\$1,034.98	5.90%	
KIM	Kimco Realty		\$0.36		\$281.96		
KEX	Kirby	\$0.79	\$0.80	\$771.00	\$767.04	-3.90%	
KKR	KKR	\$0.39	\$0.34	\$528.00	\$445.34	32.70%	
LH	Laboratory Corp	\$2.93	\$2.92	\$2,880.00	\$2,891.76	0.50%	
LNTH	Lantheus Holdings	\$0.27	\$0.25	\$85.70	\$88.72	0.10%	
LAZ	Lazard	\$0.73	\$0.68	\$630.00	\$604.18	-15.00%	
TREE	LendingTree	\$1.18	\$1.40	\$278.40	\$267.46	51.20%	
LKQ	LKQ	\$0.65	\$0.64	\$3,248.10	\$3,283.95	7.20%	
HZO	MarineMax	\$0.84	\$0.83	\$383.50	\$391.48	6.10%	
MAS	Masco	\$0.88	\$0.81	\$2,275.00	\$2,338.84	-1.00%	
MTRN	Materion		\$0.77		\$306.43		
MNRO	Monro Muffler		\$0.66		\$320.60		
NEM	Newmont Goldcorp	\$0.12	\$0.23	\$2,257.00	\$2,294.55	35.80%	
NOK	Nokia	\$0.05	\$0.03	\$5,694.00	\$5,403.73	7.20%	
NVCR	NovoCure	-\$0.01	-\$0.06	\$86.70	\$78.98	41.00%	
OAK	Oaktree Capital		\$0.55		\$311.80		
ODFL	Old Dominion	\$2.16	\$2.12	\$1,060.60	\$1,075.33	2.60%	
ORI	Old Republic		\$0.48		\$1,564.00		
PATK	Patrick Industries		\$1.10		\$621.33		
PTEN	Patterson-UTI	-\$0.17	-\$0.21	\$675.77	\$670.28	-20.90%	
POL	PolyOne	\$0.74	\$0.73	\$903.80	\$933.34	-1.20%	
PDS	Precision Drilling	-\$0.05	-\$0.09	\$359.00	\$346.66	8.60%	
PRLB	Proto Labs	\$0.71	\$0.70	\$115.90	\$116.49	5.70%	
RTN	Raytheon	\$2.92	\$2.66	\$7,159.00	\$7,018.76	8.10%	
RS	Reliance Steel	\$2.71	\$2.56	\$2,883.50	\$2,925.16	-3.50%	
ROK	Rockwell Automation	\$2.40	\$2.29	\$1,665.10	\$1,717.34	-2.00%	
ROP	Roper	\$3.07	\$3.05	\$1,332.00	\$1,350.18	2.80%	
RCL	Royal Caribbean		\$2.43		\$2,794.30		
SILC	Silicom Limited		\$0.33		\$25.40		
SAH	Sonic Automotive	\$0.62	\$0.47	\$2,614.08	\$2,522.62	4.30%	
LUV	Southwest Air	\$1.37	\$1.35	\$5,909.00	\$5,939.25	2.90%	

SMP	Standard Motor		\$0.81		\$302.47		
STM	STMicroelectronics	\$0.18	\$0.17	\$2,173.00	\$2,113.25	-4.20%	
TAL	TAL Education	\$0.03	\$0.15	\$702.80	\$717.09	27.60%	
TCF	TCF Financial		\$0.49		\$365.47		
TECK	Teck Resources	\$0.81	\$0.85		\$2,984.50		
TPX	Tempur Sealy Int'l	\$0.79	\$0.67	\$722.80	\$723.28	9.50%	
TMUS	T-Mobile US		\$0.97		\$11,139.51		
TSCO	Tractor Supply		\$1.81		\$2,353.99		
TPH	TRI Pointe Homes	\$0.18	\$0.15	\$692.10	\$635.33	-10.00%	
TRTN	Triton International	\$1.15	\$1.11	\$338.60	\$345.61	2.70%	
VLO	Valero Energy	\$1.51	\$1.51	\$28,933.00	\$25,445.18	-6.70%	
VC	Visteon	\$0.28	\$0.37	\$733.00	\$719.55	-3.30%	
VMC	Vulcan Materials		\$1.47		\$1,305.46		
GRA	W.R. Grace	\$1.16	\$1.14	\$513.60	\$508.65	5.70%	
WM	Waste Mgmt	\$1.11	\$1.09	\$3,946.00	\$3,935.61	5.50%	
WST	West Pharm	\$0.89	\$0.72	\$469.70	\$459.90	5.00%	
WRLD	World Acceptance		\$1.87		\$134.64		
WWE	World Wrestling		\$0.02		\$271.21		
WH	Wyndham Hotels & Resorts	\$0.84	\$0.81	\$533.00	\$532.61	22.50%	