



Technical Market View

The **S&P 500 (SPX)** continued to rebound last week with Friday's close back above the 50-MA for the first time since 2/21. We cleared the 50% retracement level on the S&P, Nasdaq and Dow while small-caps the only group lagging. The rising wedge off the March lows continues to be in focus with Friday's close near resistance and a move under support and the 8-EMA at 2,770 triggering pressure lower. VWAP from the 4/5 open and start of the recent run is at 2,738.50 and the 4/6 breakout level at 2,637 key support now which also aligns with the rising 20-MA. Major support is lower at 2,588 which is not only the mid-point from the late March / early April consolidation but also VWAP from the March lows. But, until we get a close under that 8-EMA, the trend of least resistance is higher. The 200-MA is just above at 3,010.50. MACD is back around the zero level while RSI remains strong around 60.



Market Sentiment/Breadth

The latest AAll sentiment survey for the week ending 4/15 showed a rise in neutral sentiment by 3.7% while bulls fell 1.7% and bears down 1.9%. Bearish sentiment remains well above the long-term average. NAAIM Exposure Index rose slightly to 28.71 and remains well below the mid-point for the year. Lipper Fund Flows with \$5B of inflows to equities, the third straight week of positive flows. As of Friday's close there were 64 new highs vs 36 new lows, more positive breadth than in recent weeks. The percentage of stocks above their 50-day MA remains low at 25.4% but improving. NYSE Summation continues to climb to -401.87 and well above its 8-EMA, bullish signal. The 50-day MA of CBOE Equity P/C continues to flatten around 0.72. NYMO closed at 67 but remains elevated. Cumulative AD looks set to regain the 50-MA and confirming the recent strength. CNN Fear and Greed closed at 44, "Fear", and continues to inch higher after hitting a bearish extreme at 5 last month.

Market Event Outlook

Monday: Chicago Fed at 8:30am; **International Data:** New Zealand CPI, Japan Exports, PBOC LPR, German PPI, EU Trade Balance, RBA Minutes; **International Earnings:** Philips, Vivendi, William Hill; **Earnings Before the Open:** ALLY, BOH, CBU, HAL, KALU, LII, MTB, ONB, PHG, TFC; **Earnings After the Close:** ACC, BXS, CDNS, CCK, EFX, ELS, FFBC, HXL, IBM, PNFP, STLD, TBK, ZION

Tuesday: Redbook at 8:55am, Existing Home Sales at 10:00am, API Inventories at 4:30pm; **International Data:** UK Employment, German ZEW Sentiment, EU ZEW Sentiment; **International Earnings:** SAP, Kering, Reckitt Benckiser, Danone, LSE, Adyen, Peugeot; **Earnings Before the Open:** CIT, KO, CMA, DOV, EMR, FITB, FHN, GPK, HCA, LMT, MAN, EDU, NTRS, PCAR, PM, BPOP, PLD, SAP, SFNC, SNA, SYF, TECK, TRV, WBS; **Earnings After the Close:** CP, CSL, CMG, CB, , FULT, HCSG, IBKR, MANH, NBHC, NAVI, NFLX, SNAP, TER, TXN, UCBI, USNA, WRB, WAFD, WTEC

Wednesday: Housing Price Index at 9:00am, EIA Inventories at 10:30am; **International Data:** UK CPI, Japan Services PMI; **International Earnings:** Roche, Heineken, ST Micro, CRH, Akzo Noble, Moncler, Ingenico, Ipsen; **Earnings Before the Open:** APH, T, BKR, BIIB, BOKF, DAL, ERIC, EVR, FCFS, KMB, KNX, LAD, NDAQ, NEE, NEP, DGX, RCI, SLGN, STM, TDY, TMO, WWW; **Earnings After the Close:** AA, SAM, BDN, CDE, CNS, CLB, CSX, CVBF, DFS, ECHO, FNF, FR, GL, GGG, HLX, HNI, ICLR, KMI, LRCX, LSTR, LVS, MC, NTGR, ORLY, PHR, PLXS, ROIC, SLM, STX, SLG, SNBR, SUI, AMTD, FTI, TCBI, UMPQ, UFPI, VMI, WRE, XLNX

Thursday: Weekly Claims at 8:30am, Manufacturing PMI at 9:45am, Composite PMI at 9:45am, Services PMI at 9:45am, New Home Sales at 10:00am, KC Fed Mfg. at 11:00am; **International Data:** Singapore CPI, UK Retail Sales, German Manufacturing PMI, EU Manufacturing PMI, EU Services PMI, EU Composite PMI; **International Earnings:** Volvo, Unilever, Hermes, Pernod Ricard, Dassault Systems, Credit Suisse; **Earnings Before the Open:** APD, ALLE, ADS, ARCH, BX, , GTLS, CTXS, CROX, CTS, DPZ, EWBC, LLY, ENTG, FNB, FAF, FSV, GWW, HRI, HSY, HBAN, IVZ, , HZO, MTRN, ODFL, ORI, PTEN, POOL, PHM, RS, SBNY, LUV, , TSCO, UNP, UBSI, WSO, WST, WNS; **Earnings After the Close:** ABCB, ASB, OZK, COF, BOOM, ETFC, EW, EHTH, ESRT, IEX, INTC, LLNW, LOGM, MLNX, MMSI, PBCT, RHI, SEIC, SKX, SSB, SIVB, TPH, VRSN, VICR, VCRA, WWE

Friday: Durable Goods at 8:30am, Michigan Consumer Sentiment at 10:00am; **International Data:** Russian Rate Decision; **International Earnings:** Nestle, Sanofi, SAAB, Eni; **Earnings Before the Open:** AXP, ALV, B, FHB, GNTX, MOG.A, POR, SNY, SNV, TRTN, VZ

Weekly Open Interest Radar

Take-Two (TTWO) shares trading back above YTD VWAP as well as big consolidation range above \$121.50 with support on Friday at the rising 8-EMA. TTWO is setting up for a big long-term breakout with a weekly MACD crossover and inverted head-and-shoulders under \$138.50. TTWO has seen a number of bullish trades lately including 1,250 May \$105 short puts, 1,750 June \$105 short puts, 3,450 January \$120 calls and 5,000 January \$110 calls bought.

Trade to Consider: Long the **TTWO** June \$130 Calls for \$6.50 or Better



Weekly Options Technical Trade Set-Up

Ticker	PEP
Trigger Level	\$138.50
Call/Put	Calls
Strike	\$138
Target	\$142
Stop	\$134.50



Insider Trade of the Week

Synnex (SNX) notable insider buying recently from director Matthew Miao of 52,000 shares at \$74.20, a more than \$3.85M buy. Miao has been the Chairman Emeritus since 2008 and formerly served as Chairman of the Board since 1992. SNX has traded down 40% in 2020 and back to 2019 support as well as the 50% retracement of the big bull run from 2008. Shares are in a narrow range under \$87.50 with a range breakout targeting the 200-MA at \$110 and then YTD VPOC around \$140. The \$4.04B company trades 6X earnings and 0.17X sales. SNX focuses on B2B IT services as a leader in IT distribution and customer care outsourced services. Their Concentrix business helps build better business decisions through analyzation of customer engagement and process automation. They have exposure to verticals like healthcare, pharma, financial services, and insurance. They face headwinds in the near-term with nearly one-third of their workforce unable to work at all in call centers. New occupancy guidelines will also weigh on results. CSFB noted in late March that demand remained strong and call volumes in their call centers was extremely high. In January, they announced a plan to spin out the Concentrix business now that the \$2.4B deal for Conversys has been integrated and some talk the company could initiate a restructuring. Analysts have an average target for shares of \$129. Raymond James with a \$165 PT in late March. They note that investors understand the unusual environment of massive restrictions clearly present issues for large scale human capital-focused businesses and are hopefully not permanent issues. Short interest is 1.9%. Hedge fund ownership was unchanged in Q4. Lyrical Asset Management a top buyer.

Earnings Preview

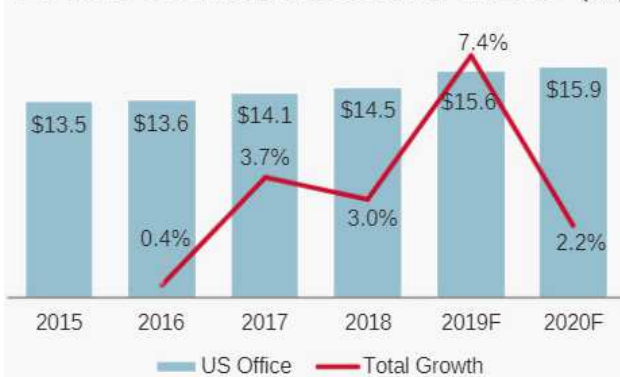
TI (TXN) will report earnings on 4/21 After the Close with the Street looking for \$1.00 on \$3.17B in revenue (range \$3.01B to \$3.36B). The FY guidance was \$4.53/\$13.38B, down 7%, but didn't factor in COVID-19's impact. Shares have closed higher in four of the last five with an average closing move of 5.41%. Skew is bearish with the 25-delta P/C at 26.8% vs 14.9% and the market implying a 7.3% move, higher than any of the previous six quarters. The \$105.93B semiconductor trades 21.3X earnings and 7.37X sales with a 3.2% yield. TXN has a Current Ratio of 4.1X, Net Debt / EBITDA of 0.1X and strong cash flows. TXN has been a strong performer within the semiconductor space but carries a lot of guidance risk given their exposure to industrial and auto which make up near 70% of overall revenue. Analysts have an average target for shares of \$124. Barclays cut shares to Sell on 4-17 with a \$105 PT. The firm thinks there's risk to long-term estimates from the top of the industrial cycle which creates a greater downswing as those projects roll off. Further, Texas Instruments is fab heavy with elevated inventories and likely needs to reduce utilization further. MSCO downgrading to Sell on 4-13 with a \$101 PT. They think there is above average risk to its gross margins given the severe reduction in demand in their major end markets. Goldman Sachs cut to Sell on 3-24 with an \$88 PT. They think TXN is set to lose share in its core analog business due to changes in their go-to-market strategy. Also, their above-peer operating leverage should pressure margins over the next few quarters and drive negative earnings revisions in excess of those for its peers. CSFB on 4-14 noted they expect lackluster but not disastrous Q2 as customers are still willing to build inventory, with a more significant COVID impacts in Q3. Short interest is 2.1%. Hedge fund ownership rose 2.2% in Q4. Marsico Capital a new 757k share position.

Date	Description	Volume	Open.Int	Price	Delta	Impl Vol	Prob.ITM	Premium Paic
4/16/2020	TXN 100 (Weeklys) 1 MAY 20 120 CALL	3,387	58	\$0.92	0.2	45.68%	17.25%	\$311,604
4/13/2020	TXN 100 (Weeklys) 22 MAY 20 110 PUT	1,552	3	\$8.46	-0.54	48.44%	60.56%	\$1,312,992
4/13/2020	TXN 100 18 SEP 20 95 PUT	501	108	\$7.65	-0.3	46.01%	42.32%	\$383,265
4/8/2020	TXN 100 18 SEP 20 115 CALL	680	430	\$8.40	0.45	38.47%	35.49%	\$578,000
4/6/2020	TXN 100 15 MAY 20 115 CALL	1,038	770	\$2.06	0.26	38.31%	22.07%	\$215,904
3/31/2020	TXN 100 17 APR 20 105 CALL	1,794	691	\$2.92	0.41	49.34%	36.53%	\$592,020
3/27/2020	TXN 100 15 JAN 21 95 PUT	1,001	601	\$12.40	-0.384	43.29%	54.95%	\$1,241,240
3/10/2020	TXN 100 19 JUN 20 115 CALL	790	192	\$7.90	0.45	46.09%	36.28%	\$651,750

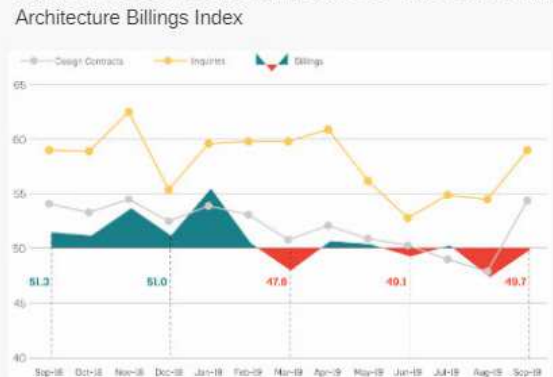
Top 40 Micro-Cap Profile of the Week

Kimball International (KBAL) is a \$437M maker of workplace and hospitality furniture company and its furniture solutions are used in collaborative and open work spaces, conference and meeting/huddle rooms, training rooms, private offices, learning areas, classrooms, lobby/reception areas, and dining/café areas with a vast mix of wood, metal, laminate, paint, fabric, solid surface, and plastic options. In addition, we offer products designed specifically for the healthcare market, such as case goods and seating for patient exam rooms and lounge areas. In the hospitality industry, Kimball Hospitality works with leading designers, purchasing agents, and hotel owners to create furniture that extends the unique ambiance of a property into guest rooms and public spaces by providing furniture solutions for hotel properties and mixed use commercial and residential developments. Competitors in its space include Herman Miller (MLHR), Knoll (KNL), Steelcase (SCS), and JNl Corp. (HNI).

BIFMA FURNITURE INDUSTRY TREND¹ (\$B)



ARCHITECTURE BILLINGS INDEX DATA²



KBAL is a company that started FY20 with a strong turnaround as sales hit a multi-quarter high and Adjusted EBITDA margins rose to 11.8% from 9.6% the prior quarter. It posted Y/Y growth in three key verticals of Healthcare, Hospitality and Government and also has exposure to Finance, Commercial and Education. New products were a key growth driver rising 19% and now 30% of total office furniture sales. KBAL shares are -45% YTD in large part due to its exposure to the Hospitality industry. It announced its transformational restructuring plan in June 2019 and it also acquired David Edward Furniture.

KBAL shares currently trades just 10.2X trailing earnings, 0.57X Sales, 1.8X Book, 20.9X FCF and 7.3X FY19 EV/EBITDA. KBAL has a debt-free balance sheet and trades 4.5X Cash with a 3.16% dividend yield. Comparing it peers it screens cheap with the healthiest balance sheet, best revenue growth and strongest ROIC. It lags on margins but the transformation is causing expansion. KBAL announced plans on 3/31 to prioritize manufacturing operations to the healthcare business in an effort to better align with demand during the COVID-19 crisis. In February the CEO bought 12,000 shares of stock at \$17.48.

Tickers	Company	1 Year % Change	Mkt. Cap	EV to EBITDA	Income CAGR	EBITDA CAGR	P/E	Revenue CAGR	EBITDA Margin	3 Year ROIC	EV to FCF	FCF Margin	Debt to EBITDA	FCF to Debt
HNI	HNI Corp	(36.24%)	1,042	4.9x	7%	12%	12.16x	1%	11.68%	7.77	7.7x	6.79%	0.8x	0.76
KBAL	KIMBALL INTERNATIONAL INC	(23.80%)	420	4.0x	25%	-1%		9%	9.58%	23.71	10.5x	5.73%	0.0x	
KNL	Knoll Inc	(51.88%)	493	5.0x	14%	3%	6.47x	2%	13.60%	8.85	10.4x	6.18%	2.3x	0.17
MLHR	HERMAN MILLER INC	(46.26%)	1,192	4.3x	19%	20%	6.84x	4%	11.64%	14.10	6.2x	4.90%	0.9x	0.43
SCS	Steelcase Inc.	(41.81%)	1,129	3.1x	10%	23%	16.05x	-4%	9.20%	7.44	4.9x	7.72%	1.4x	0.30

OpEx Notable Open Interest

Date	Description	Volume	Price	Premium Paid	Date	Description	Volume	Price	Premium Paid
4/8/2020	BA 100 (Weeklys) 24 APR 20 160 CALL	4,340	\$9.15	\$4,036,200	4/13/2020	COF 100 (Weeklys) 24 APR 20 55 PUT	1,385	\$3.25	\$484,750
3/5/2020	BABA 100 (Weeklys) 24 APR 20 232.5 PUT	1,506	\$20.90	\$3,147,540	4/15/2020	PDD 100 (Weeklys) 24 APR 20 43 PUT	3,413	\$1.35	\$477,820
3/6/2020	GILD 100 (Weeklys) 24 APR 20 80 CALL	4,377	\$7.00	\$3,063,900	4/15/2020	WYNN 100 (Weeklys) 24 APR 20 75 CALL	1,560	\$2.90	\$466,440
3/20/2020	BABA 100 (Weeklys) 24 APR 20 165 CALL	1,051	\$24.12	\$2,574,950	16-Mar	F 100 (Weeklys) 24 APR 20 5 PUT	5,347	\$0.79	\$443,801
4/3/2020	V 100 (Weeklys) 24 APR 20 148 CALL	1,890	\$10.93	\$2,065,770	3/11/2020	AVGO 100 (Weeklys) 24 APR 20 275 CALL	502	\$8.60	\$431,720
						COUP 100 (Weeklys) 24 APR 20 147 CALL	509	\$8.10	\$412,290
3/11/2020	GILD 100 (Weeklys) 24 APR 20 75.5 CALL	2,522	\$6.48	\$1,664,520	3/25/2020	CALL			
3/13/2020	TWTR 100 (Weeklys) 24 APR 20 29.5 PUT	3,751	\$4.15	\$1,612,930	4/14/2020	COST 100 (Weeklys) 24 APR 20 310 CALL	462	\$8.76	\$404,712
4/1/2020	ORCL 100 (Weeklys) 24 APR 20 50 PUT	3,112	\$3.75	\$1,275,920	3/9/2020	TGT 100 (Weeklys) 24 APR 20 104 PUT	600	\$6.67	\$400,200
4/9/2020	EXPE 100 (Weeklys) 24 APR 20 65 CALL	2,604	\$4.84	\$1,260,336	4/16/2020	AXP 100 (Weeklys) 24 APR 20 90 CALL	2,925	\$1.25	\$386,100
4/15/2020	ABT 100 (Weeklys) 24 APR 20 90 CALL	2,865	\$3.75	\$1,117,350	3/6/2020	LEN 100 (Weeklys) 24 APR 20 64 CALL	1,000	\$3.75	\$375,000
4/15/2020	SEAS 100 (Weeklys) 24 APR 20 13 PUT	3,577	\$2.82	\$1,108,870	3/31/2020	ORCL 100 (Weeklys) 24 APR 20 50 PUT	1,100	\$3.35	\$368,500
4/7/2020	TWLO 100 (Weeklys) 24 APR 20 95 CALL	5,270	\$1.75	\$1,001,300	4/16/2020	BIDU 100 (Weeklys) 24 APR 20 106 CALL	2,196	\$1.56	\$342,576
4/16/2020	WORK 100 (Weeklys) 24 APR 20 29 CALL	7,274	\$1.27	\$981,990	4/14/2020	BABA 100 (Weeklys) 24 APR 20 190 PUT	3,620	\$0.94	\$340,280
3/23/2020	CVX 100 (Weeklys) 24 APR 20 60 CALL	2,053	\$3.50	\$964,910	4/7/2020	CSX 100 (Weeklys) 24 APR 20 60 PUT	1,302	\$1.70	\$330,708
3/27/2020	CSX 100 (Weeklys) 24 APR 20 55 PUT	2,202	\$4.29	\$944,658	4/13/2020	PTON 100 (Weeklys) 24 APR 20 28.5 PUT	3,449	\$0.94	\$324,206
4/9/2020	ROKU 100 (Weeklys) 24 APR 20 100 CALL	4,681	\$1.78	\$837,899	3/26/2020	CVX 100 (Weeklys) 24 APR 20 89 CALL	2,012	\$0.55	\$313,872
4/15/2020	GS 100 (Weeklys) 24 APR 20 172.5 CALL	808	\$8.30	\$763,560	3/24/2020	V 100 (Weeklys) 24 APR 20 170 CALL	1,630	\$1.85	\$301,550
3/20/2020	MSFT 100 (Weeklys) 24 APR 20 165 CALL	3,012	\$2.56	\$753,000	4/7/2020	CAT 100 (Weeklys) 24 APR 20 118 PUT	1,101	\$2.58	\$296,169
3/27/2020	MO 100 (Weeklys) 24 APR 20 39.5 CALL	2,034	\$0.75	\$640,710	3/6/2020	WLL 100 (Weeklys) 24 APR 20 1.5 PUT	5,100	\$0.58	\$295,800
4/9/2020	OLED 100 (Weeklys) 24 APR 20 125 CALL	372	\$15.82	\$617,520	3/10/2020	LBTYK 100 (Weeklys) 24 APR 20 17.5 CALL	2,528	\$1.15	\$290,720
4/2/2020	NKE 100 (Weeklys) 24 APR 20 90 PUT	602	\$9.93	\$597,786	4/16/2020	SPOT 100 (Weeklys) 24 APR 20 140 CALL	807	\$3.60	\$290,520
4/16/2020	GILD 100 (Weeklys) 24 APR 20 80 CALL	5,647	\$1.04	\$587,288	4/8/2020	X 100 (Weeklys) 24 APR 20 7 CALL	7,122	\$0.40	\$284,880
4/3/2020	DPZ 100 (Weeklys) 24 APR 20 340 CALL	355	\$15.56	\$585,750	4/13/2020	UNP 100 (Weeklys) 24 APR 20 145 CALL	404	\$6.75	\$272,700
4/8/2020	MCD 100 (Weeklys) 24 APR 20 182.5 CALL	1,262	\$3.50	\$498,490	3/6/2020	LEN 100 (Weeklys) 24 APR 20 71 CALL	2,000	\$1.25	\$250,000
3/23/2020	AGNC 100 (Weeklys) 24 APR 20 9.5 CALL	1,025	\$2.00	\$492,000	4/14/2020	BIIB 100 (Weeklys) 24 APR 20 310 PUT	351	\$7.06	\$249,210

Disclaimer:

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

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