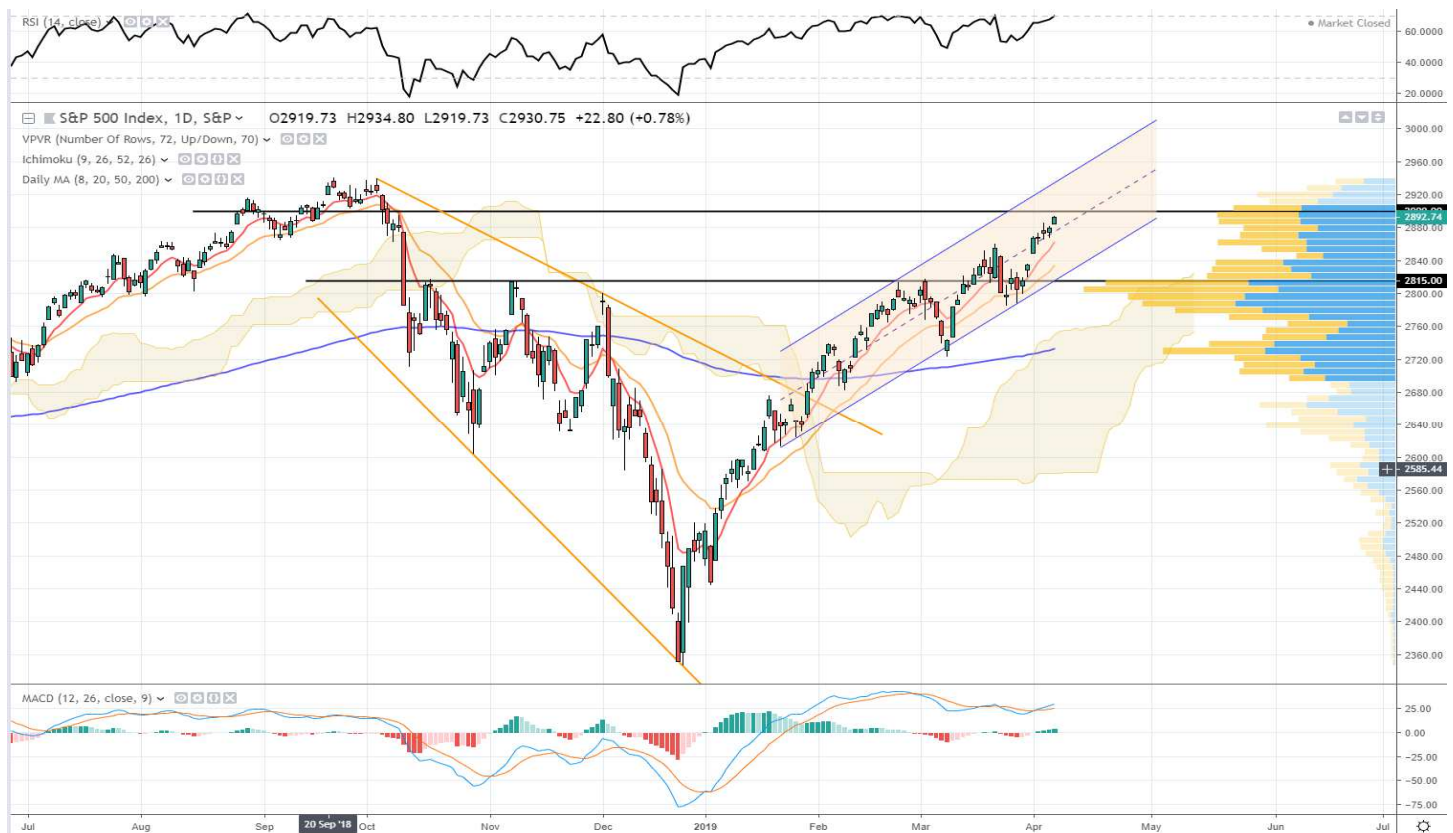




The S&P closed at its highest level since early October last week buoyed by trade optimism and a 'goldilocks' jobs number on Friday which tempered fears of an economic slowdown. We closed higher all five sessions and closed the low-volume gap which was in focus back to 2,890. The September value-area high is just above at 2,920 before new all-time highs above 2,947. There's a narrow channel also forming from late January to late March which targets 2,955. RSI and MACD are both near the upper edges of their range and we could see markets take a breather early this week. However, dips can continue to be shallow much like 'overbought' conditions in July/August/September 2018. Keys to focus on to the downside will be the 8-EMA at 2,860 and then the 20-day EMA at 2,835. The prior breakout from the November highs is at 2,815.



Market Sentiment/Breadth

The latest AAI sentiment survey showed bullish responses up 1.8% while bearish sentiment rose 1.1%. Neutral sentiment fell 2.9% and remains above its long-term average. NAAIM Exposure index jumped back to 91.92 this week after dipping to multi-month lows. This is the highest since August 27th. Lipper Fund Flows showed \$3.9B of outflows from equities, the first back-to-back weeks of outflows in 2019. DSI bullish sentiment for the S&P closed at 91% on Friday, the highest since January 22, 2018. As of Friday's close there were 281 new highs vs just 52 new lows, strong breadth. 71.5% of stocks are trading above their 50-day MA while 57% are above their 200-day MA, continued strength and supportive of the move. NYSE Summation closed at 997.06 and back above its 8-EMA although bullish crossovers this far extended have a mixed history. Cumulative AD and cumulative TICK both made new highs this week. VIX:VXV closed at 0.85. Overall, breadth remains strong but sentiment getting a bit elevated.

Market Event Outlook

Monday: Factory Orders at 10:00 AM; **International Data:** German Merchandise Trade; **Conferences:** IPAA Oil and Gas Symposium (PDCE, GDP, CRC, SM, LLEX, SBOW, CHAP, LONE, PHX, EPM, UNT, CORR, BSM, FTK, PED, DNR, SRCI, FLMN, WTI), Fortinet Accelerate 2019 (FTNT)

Tuesday: NFIB Small Business Optimism at 6:00 AM, JOLTS at 10:00, Richard Clarida Speaks at 6:45 PM; **International Data:** Japanese PPI, Japanese Machine Orders; **Earnings Before the Open:** LNN, SJR; **Earnings After the Close:** PSMT, WDFC; **Analyst Days:** DCI; **Conferences:** Needham Healthcare Conference (WMGI, ZEAL, AKCA, TBIO, ONCY, CSII, XERS, GLYC, BAVA.DK, IONS, ACER, NOVT, ATNX, PFNX, STIM, IVC, INGN, VKTX, OPNT, AGLE, MMSI, VCYT, SCYX, OBSV, BCRX, CRSP, ALBO, COLL, LIVN, ATRC, ATHX, CYTK, ANGO, TTPH, XNCR, AXNX, ARQL, AERI, SRDX, MLND, MASI, ACAD, NBRV, EYPT, PCRX, ALDR, LQDA, MEIP, CMD, SELB, TBPH, AMAG, INFI, RYTM, LXR, CARA, RVNC, SYBX, SPS, CLSD, ESPR, GERN, MGNX, NEO, ARNA, KALV, AIMT, CTIC, LPTX, SNSS, TTOO, EVLO, KZR, CBIO, VCEL, CRY, EVFM, GRTS, GNCA, CDTX, DERM, BRKS, FLXN, PGNX, MRNA, BLUS); **Other:** Senate Finance Committee Hearing on Drug Pricing (HUM, CI, UNH), PSMT Monthly Sales

Wednesday: Jerome Powell Speaks, CPI at 8:30 AM, Atlanta Fed at 10:00, EIA Petroleum at 10:30, FOMC Minutes at 2:00; **International Data:** EU Summit on Brexit, ECB Announcement, UK Industrial Production, UK GDP, China CPI, China PPI; **International Earnings:** Louis Vuitton, Christian Dior; **Earnings Before the Open:** DAL, MSM; **Earnings After the Close:** BBBY; **Analyst Days:** CAG, TEAM; **Conferences:** Needham Healthcare Conference, EASL 2019 (ALT, CNAT, LPCN, EIGR, ENTA, GILD, ALNY, CBAY, KLDO, ALBO, SBPH, QURE, ICPT, VKTX); **Other:** ZUMZ, COST monthly sales, GOOG, TWTR, FB testify to Senate on censorship

Thursday: Jerome Powell Speaks, Jobless Claims at 8:30 AM, PPI-FD at 8:30, Richard Clarida Speaks at 9:30, John Williams Speaks at 9:35, James Bullard Speaks at 9:40, EIA Nat Gas Report at 10:30; **International Data:** German CPI, China Trade Balance; **Earnings Before the Open:** APOG, FAST, RAD; **Analyst Days:** DIS; **Other:** LB, BKE, CATO monthly sales

Friday: Jerome Powell Speaks, Import/Export Prices at 8:30 AM, Consumer Sentiment at 10:00; **International Data:** EU Industrial Production; **Earnings Before the Open:** FRC, JPM, PNC, WFC; **Other:** BMY/CELG shareholder vote

Weekly Open Interest Radar

Leidos (LDOS) shares are consolidating in a narrow range below \$65.25 and moving above February and March value last week. Shares are basing above the 8-, 13-, and 20-EMA while a breakout targets \$68-\$70 and a high-volume node from August. Longer-term, a move over \$70 has significant upside. LDOS has over 3,000 May \$65 calls in open interest, unusual volume for the name which has little other notable OI.

Trade to Consider: Long the **LDOS** May \$65 Calls for \$2.15 or Better



Weekly Options Technical Trade Set-Up

Ticker	DVN
Trigger Level	\$32.50
Call/Put	Calls
Strike	\$32
Target	\$34
Stop	\$30



Insider Trade of the Week

Costco (COST) with a rare insider buy this week into new highs as Director John Meisenbach bought 3,000 shares at \$242.65, a more than \$727K purchase. This is the first buy since 2015 when a director bought \$1.5M in stock at \$155. Meisenbach is the founder and President of MCM a financial services company he founded in 1962. COST has been impressive this year up 20.7% and clearing the 2018 highs this past week. Shares have been one of the strongest names in retail for several years now and have a long-term target to \$280/\$300. The \$107.75B company trades 28.9X earnings, 0.73X sales, and 15X Cash with a 0.93% yield. COST expects 12.6% EPS growth this year and 6.5% and 8.4% through 2021. Sales growth has been steady at 7% while comps are growing 6.5% and e-commerce up 25% and remains the leader in the discount space. COST continues to see subscription renewal rates in the 90% range. The company will report monthly sales figures on Wednesday. Analysts have an average target for shares of \$245 with 16 buy ratings and 7 hold ratings. Baird positive on 4/5 with a \$250 PT expecting a sales rebound in March at 7-8%. Longer-term, they think COST's established low-price position on high-quality merchandise, loyal/sticky membership base, and emerging omnichannel relevance position the company to effectively compete and take market share from higher-cost channels of retail. Oppenheimer positive on 3/8 noting that improving core margins and ability to leverage expenses should alleviate some investor concerns. Institutional ownership rose 11.28% last quarter. Short interest is 1.3%.

Earnings Preview

Fastenal (FAST) will report earnings on Thursday before the open with the Street looking for \$0.67 on \$1.31B in sales, a 10.7% increase Y/Y. Next quarter is guided to \$0.76 on \$1.39B while the FY is \$2.84/\$5.45B. Shares have closed lower four of the last six with an average closing move of 6.0%. The max move was 10.1%. 30-day IV is 32.5% and elevated in the 82% percentile. Skew is slightly bullish at 4.4% vs 6.1% average. The \$19B company trades 21.79X earnings, 3.8X sales, and 115X cash with a 2.58% yield. FAST expects 8.6% EPS growth this year before slowing to 7.9% and 6% through 2021. They see sales growth slowing to 7% and 5.2%. The company reported sales growth in fastener products of 18% last quarter while their larger segment of non-fastener products saw 14.6% growth. FAST has seen mixed sentiment among their end-market customers with some caution in 2018 dissipating late in the year. PMI manufacturing numbers have continued to weaken in 2019 down steadily since early February. The impact of tariffs has been minimal, excluding inventory growth. Analysts have an average target for shares of \$57 with 4 buy ratings and 9 hold ratings. Keybank downgrading to Neutral. The firm sees FAST as the "best-in-class" distributor with a "sizable first-mover advantage" in OnSite and Vending but valuation is unfavorable. They think FAST is facing tough comps against moderating cycle growth and distributor multiples are unlikely to return to historical levels. Institutional ownership fell 10%. Bares Capital remains a top holder with 4.75M shares while Cantillon Capital owns 3.2M shares. FAST has seen a number of insider buys in late 2018 including a \$103K investment from both CEO/President Daniel Florness and Senior EVP Terry Modock.

Date	Description	Volume	Open.Int	Price	%Change	Delta	Impl Vol	Prob.ITM	Premium Paic
4/5/2019	FAST 100 15 NOV 19 70 CALL	543	54	\$3.30	0.00%	0	#ERROR!	0.00%	\$179,190
4/2/2019	FAST 100 16 AUG 19 65 CALL	495	341	\$4.20	-0.24%	0.56	23.92%	50.75%	\$212,850
3/28/2019	FAST 100 17 MAY 19 62.5 PUT	1,351	439	\$2.20	-22.26%	-0.43	26.87%	47.21%	\$297,220
3/28/2019	FAST 100 17 MAY 19 65 CALL	1,351	3,863	\$1.65	26.92%	0.4	24.58%	37.02%	\$229,670
3/22/2019	FAST 100 17 JAN 20 62.5 PUT	532	55	\$5.30	-5.36%	-0.44	25.24%	54.21%	\$308,560
3/22/2019	FAST 100 18 APR 19 62.5 PUT	1,387	190	\$1.85	37.04%	-0.45	29.81%	48.28%	\$256,595
3/7/2019	FAST 100 18 APR 19 62.5 CALL	670	343	\$1.85	-13.15%	0.44	27.70%	40.21%	\$123,950
3/5/2019	FAST 100 18 APR 19 60 PUT	1,103	43	\$1.45	11.54%	-0.35	26.85%	38.63%	\$176,480
2/14/2019	FAST 100 17 MAY 19 60 PUT	1,044	1,124	\$2.10	7.69%	-0.36	25.19%	40.86%	\$229,680
2/13/2019	FAST 100 17 MAY 19 65 CALL	1,628	2,162	\$2.05	-4.65%	0.41	23.61%	36.52%	\$333,740
2/12/2019	FAST 100 17 MAY 19 60 PUT	1,000	151	\$2.30	-19.01%	-0.36	25.15%	41.64%	\$230,000
2/6/2019	FAST 100 17 MAY 19 62.5 PUT	506	15	\$3.63	-1.89%	-0.53	23.53%	58.00%	\$183,678
1/18/2019	FAST 100 17 MAY 19 62.5 CALL	1,350	226	\$1.68	34.40%	0.35	22.99%	30.34%	\$226,800
10/26/2018	FAST 100 17 MAY 19 55 CALL	1,371	17	\$1.89	-0.53%	0.32	27.59%	25.60%	\$259,119
3/28/2018	FAST 100 17 JAN 20 50 PUT	600	20	\$6.10	5.17%	-0.37	26.67%	53.16%	\$366,000
3/28/2018	FAST 100 17 JAN 20 60 CALL	600	2	\$4.50	-25.00%	0.41	28.13%	28.22%	\$270,000

April 12th (W) OpEx Notable Open Interest

Date	Description	Volume	Price	Premium Paid
3/25/2019	AMZN 100 (Weeklys) 12 APR 19 1770 CALL	512	\$38.07	\$1,976,320
4/4/2019	CELG 100 (Weeklys) 12 APR 19 91 CALL	3,268	\$3.43	\$1,634,000
3/1/2019	NTR 100 (Weeklys) 12 APR 19 52 CALL	3,299	\$3.12	\$1,029,288
3/1/2019	MSFT 100 (Weeklys) 12 APR 19 109 PUT	5,939	\$1.63	\$991,813
3/15/2019	UNP 100 (Weeklys) 12 APR 19 165 PUT	3,224	\$2.98	\$960,752
3/4/2019	GS 100 (Weeklys) 12 APR 19 200 PUT	1,007	\$8.17	\$822,719
4/2/2019	DIS 100 (Weeklys) 12 APR 19 114 CALL	5,201	\$1.55	\$816,557
4/4/2019	MU 100 (Weeklys) 12 APR 19 45 PUT	3,138	\$2.62	\$778,224
3/15/2019	OLED 100 (Weeklys) 12 APR 19 150 CALL	800	\$9.65	\$772,000
4/1/2019	ATVI 100 (Weeklys) 12 APR 19 48 CALL	8,549	\$0.85	\$735,214
3/29/2019	CVS 100 (Weeklys) 12 APR 19 60 PUT	1,000	\$6.32	\$632,000
3/27/2019	NFLX 100 (Weeklys) 12 APR 19 367.5 CALL	1,042	\$5.90	\$614,780
4/4/2019	LRCX 100 (Weeklys) 12 APR 19 195 PUT	1,066	\$4.25	\$517,010
4/2/2019	MRVL 100 (Weeklys) 12 APR 19 20 CALL	10,048	\$0.47	\$502,400
3/15/2019	BURL 100 (Weeklys) 12 APR 19 135 CALL	1,001	\$5.00	\$500,500
2/28/2019	UNH 100 (Weeklys) 12 APR 19 255 CALL	1,501	\$3.30	\$495,330
3/14/2019	DIS 100 (Weeklys) 12 APR 19 118 CALL	3,289	\$1.37	\$457,171
3/6/2019	INTC 100 (Weeklys) 12 APR 19 51 PUT	6,698	\$0.63	\$421,974
3/29/2019	DIS 100 (Weeklys) 12 APR 19 108 PUT	3,372	\$1.22	\$411,384
3/5/2019	HUYA 100 (Weeklys) 12 APR 19 29 PUT	1,260	\$3.10	\$390,600
4/1/2019	WFC 100 (Weeklys) 12 APR 19 48.5 CALL	3,608	\$1.02	\$371,624
3/19/2019	QCOM 100 (Weeklys) 12 APR 19 58 CALL	2,883	\$1.24	\$357,492
3/14/2019	DIS 100 (Weeklys) 12 APR 19 116 CALL	1,687	\$2.11	\$355,957
3/29/2019	UPS 100 (Weeklys) 12 APR 19 113 CALL	4,016	\$0.86	\$345,376
3/26/2019	URI 100 (Weeklys) 12 APR 19 108 PUT	1,600	\$2.00	\$320,000
3/28/2019	SPLK 100 (Weeklys) 12 APR 19 116 CALL	395	\$7.80	\$308,100
3/25/2019	AAPL 100 (Weeklys) 12 APR 19 197.5 CALL	1,116	\$2.48	\$272,304
4/1/2019	BAC 100 (Weeklys) 12 APR 19 28.5 CALL	6,809	\$0.37	\$265,551
4/2/2019	EA 100 (Weeklys) 12 APR 19 95 PUT	5,017	\$0.45	\$235,799
3/26/2019	IBM 100 (Weeklys) 12 APR 19 140 PUT	1,088	\$1.76	\$214,336
3/15/2019	JD 100 (Weeklys) 12 APR 19 27 CALL	1,004	\$2.10	\$210,840

Technical Scans

BULL SCANS

Notable 8/21 EMA Bull Crossovers: BAC, MGM, MET, GM, DISCA, JWN, TPR, STAY, ETFC, AXTA, CARB, LM, MT, OLN, EMN, ALK, KNX, CWK, JBHT, HRTX, WHD, IRBT, PLT, NATI, ARNA

Notable 13/34 EMA Bull Crossovers: DWDP, DIS, JPM, APC, GILD, UAA, VIAB, NUE, WRK, SPLK, RUN, TEX, AN, FFIV, MGXN, GNRC, SLAB, SSD, ICLR

Notable 21/55 EMA Bull Crossovers: DIS, LYB, GPS, KAR, HOG, SGMO, ICE, JAG, BWA, SINA, AKCA, MSM, JELD, HII, BGNE, SSD

Notable 55/144 EMA Bull Crossovers: TRU, PSTG, RPAI, SWK, EFX, FMX, TKR, RMBS, DCI, CDK, VECO, PETQ

Notable 89/233 EMA Bull Crossovers: HES, GIS, WSM, PAA, JBL, EDU, ROK, BF.B, TLK, VREX

Emerging Strength (Daily RSI Cross of 50 w/ Accumulation/Distribution Ratio at 12 Week High): APA, CNP, DUK, PPL, AEE, XEL, CMS, WEC, OGE, ES, PEB, LNT, RRGB, DTE, CSFL, LHCG, NJR

100 Day Highs with Strong Closes: XOM, PYPL, NEM, DHI, CVX, SBUX, HES, CTRP, LOW, LEN, MCHP, TXN, NXPI, LVS, ADI, UTX, MCD, PRU, DISH, SGEN, LRCX, DELL, EMR, CAN, WYNN, TSCO, HON, COST, FTV, BR, PLNT, DFS, CBRE, LIN, TSS, MMM, FAST, SWKS, ALXN, TROW, VOYA, CREE, PH, ITW, FMC, CE, SJM, DLR, AKAM, SNBR, SPGI, SHAK, VRSN, MIDD, ROK, QRVO, ULTA, TKR, CDW, PKI, MSCI, ASML, SCCO

Lower Bollinger Bounce Candidates (Above 100 and 200 MA's, Short Term Oversold): JNJ, HRL, CDNA, SPR, VTR, AJG, WMGI, FIVN, DATA, IAC, CLX, KTOS, SAIL, FGEM, CSOD, TAK, GHDX, BNFT, NVCR, XENT, RGEN, PEN, CTLT, APPN, INSP, DGII, SCWX, CYOU, LIVX

Weekly MACD Bull Crossover: VALE, M, PBR, CLF, MGM, GILD, AAL, CXO, URBN, ABBV, TPR, LUV, CBS, GT, UA, ATI, PLAY, DE, ICPT, CHD, SMPL, AAP, DAR, HRTX, HAS, CHRW, SNA, BKNG, RGA, ARNA, BRC, NTGR

BEAR SCANS

Notable 8/21 Bear EMA Crossovers: SQ, LIVN, CRM, JNJ, AFL, RTN, TRGP, PLAN, CBLK, SFIX, SMAR, TVPT, GWPH, QTWO, CG, PRMW, CWST, DNP

Notable 13/34 EMA Bear Crossovers: DATA, WMGI, SPR, FOE, IMO, RCI

Notable 21/55 EMA Bear Crossovers: LIVN, MDT, RECN, BL, CHL

Notable 34/144 EMA Bear Crossovers: MNST

Notable 55/233 EMA Bear Crossovers: FEYE, AVAV, LOMA

Notable 89/233 EMA Bear Crossovers: ABMD, DLTH

Emerging Weakness (Daily RSI Cross Under 40 w/ Accumulation/Distribution Ratio at 6 Week Low): PLAN, CIEN, AXDX

20 Day Lows with Weak Closes: PDD, BMY, PM, ZS, TLRY, SMAR, PLAN, QTT, NOW, FIVN, MIME, CLX, STMP, SCOR, SAM, RGEN, XENT, APPN, TPB, SPSC

OBV 3 Month Low: PDD, BMY, CSX, TWO, DB, TLRY, GBX, PAM, BITA, ICUI, TEO, LOMA

Weekly MACD Bear Crossover: BA, COP, MDT, CCL, MNST, TMUS, CRON, CGC, CAH, HCP, WELL, ABC, KL, ANTM, IAC, TDC, GCI, ESTC, PSDO, NVCR, INSP, RDNT, MITT

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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