



FIRST READ

AUG 26th, 2019

Pre-Market Futures

DOW JONES	S&P 500	NASDAQ
25885.00 (+215.00)	2873.75 (+18.15)	7570.00 (+65.50)

International Markets

NIKKEI	HANG SENG	SHANGHAI	KOSPI	ASX 200	BSE SENSEX
20261.04 (-2.17%)	25680.33 (-1.91%)	2863.57 (-1.17%)	1916.31 (-1.64%)	6440.06 (-1.27%)	37490.34 (+2.15%)
DAX	FTSE	CAC	FTSE MIB	IBEX 35	SMI
11673.32 (+0.53%)	Holiday (+0.00%)	5363.56 (+0.69%)	20695.97 (+1.08%)	8691.70 (+0.49%)	9750.22 (+0.05%)

Commodities & Currencies

Crude Oil	Natural Gas	Gold	Silver	Copper	Corn
54.58 (+0.76%)	2.19 (+1.72%)	1530.74 (+0.25%)	17.76 (+1.17%)	254.35 (+0.24%)	371.00 (+0.88%)
EUR/USD	GBP/USD	USD/JPY	USD/CAD	USD/CHF	AUD/USD
1.1118 (-0.18%)	1.2242 (-0.34%)	105.851 (+0.47%)	1.3309 (+0.20%)	0.9799 (+0.56%)	0.6766 (+0.26%)

Economic Calendar

Time (ET)	Data	Actual	Previous	Beat/Miss
Sun Night	New Zealand Exports (Jul)	5.03B	4.97B	Beat
Sun Night	New Zealand Imports (Jul)	5.71B	4.63B	Beat
1:00AM	Japan Leading Index	93.3	94.9	Miss
1:00AM	Singapore Industrial Production (YoY) (Jul)	-0.4%	-8.1%	Beat
3:00AM	Spain PPI (YoY)	-0.8%	-0.8%	In-Line
4:00AM	German Business Expectations (Aug)	91.3	92.1	Miss
4:00AM	German Current Assessment (Aug)	97.3	99.6	Miss
4:00AM	German Business Climate Index (Aug)	94.3	95.8	Miss
4:30AM	Hong Kong Exports (MoM) (Jul)	-5.7%	-9.0%	Beat
4:30AM	Hong Kong Imports (MoM) (Jul)	-8.7%	-7.5%	Miss
8:30AM	US Core Durable Goods Orders (MoM) (Jul)	Waiting...	1.0%	Waiting...
10:30AM	Dallas Fed Manuf. Business Index (Aug)	Waiting...	-6.3	Waiting...

Major Market News

Asia-Pacific

The vast majority Asian equities traded sharply lower today while the Yuan weakened to an 11-year low. The Hang Seng led Chinese market declines, with property developers under acute pressure after Hong Kong protests turned violet again. Focus continues to be largely centered around the latest ramp in US-China trade tensions, although Chinese Vice Premier Liu He did say overnight that China is willing to resolve its trade dispute through “calm negotiations” and “resolutely opposes the escalation of the conflict”.

- **Macro wrap:** July delivered an unadjusted monthly trade deficit of \$685M for New Zealand, due to less dairy and meat products being exported during winter. On an unadjusted basis, export returns were down 5.8% YoY while imports were up 3.1%. Meanwhile, Japan’s Leading Index came in unchanged from initial estimates at 93.3 (weakest since Feb 2010), reaffirming weakening economic conditions for the Japanese economy in 1H19. Hong Kong’s July exports “accelerated” to -5.7% as their trade data continues to weaken on an absolute basis.
- President Trump said the US and Japan have reached a trade deal "in principle" that would pave the way for more US farm exports to Japan, while dropping the threat of increased US tariffs on Japanese cars. Trump added he expected the leaders to sign the deal next month, around the time of the United Nations General Assembly.
- According to Reuters, in a work report submitted to a regular meeting of Parliament’s standing committee on Saturday, China’s National Reform and Development Commission said it will “reasonably expand effective investment” by lowering the minimum capital ratio requirement for some infrastructure projects.
- Other headlines: Yuan slumps to 11-year low ([Reuters](#)); Liu open to dialogue ([Reuters](#)); PBOC unveils new mortgage loan policy ([WSJ](#)); Seoul to max out fiscal easing next year ([Yonhap](#))

Europe

European equities are currently trading higher. It's been a relatively quiet session with the UK closed for a bank holiday.

- **Macro wrap:** German business expectations extended its decline in August, falling to the weakest level since 2009, as a deepening manufacturing slump put Europe’s largest economy on the brink of recession. Meanwhile, Ifo’s business climate index fell to 94.3, marking its 5th straight decline. “In manufacturing, the fall in the business climate indicator has yet to find a floor,” Ifo President Clemens Fuest said in a statement. “Not a single ray of light was to be seen in any of Germany’s key industries.”
- The FT reported on an internal document from EU officials, which showed that Brussels is planning to simplify the Eurozone's complex budgetary rules to provide governments with softer debt reduction targets that do not push struggling economies into trouble during downturns. They are eyeing a proposal to revamp the rules within the first 12 months of the new commission coming into office in November.

- Italy's deficit for next year is on track to be well below target with public finances going much better than expected, according to outgoing Economy Minister Giovanni Tria: "Even under current laws, without other measures, the 2020 deficit would be substantially below the 2.1% of GDP". He said the deficit, under current conditions, would be more than 0.3% lower than forecast.
- Other headlines: Italy's parties scramble to form government by Tuesday deadline ([Guardian](#)); UK PM Johnson says £39B divorce bill not due in no-deal Brexit ([Reuters](#)); Johnson: Chances of Brexit deal 'improving' ([Sky](#)); Bundesbank chief Weidmann does not see need for big stimulus ([FT](#))

United States

S&P futures were down as much as 1.6% overnight, but are now significantly higher after Trump claimed he received "two calls from China" and said they wanted to restart trade talks (see below).



- **Macro wrap (previous day):** Sales of new US homes fell in July, missing estimates. Single-family home sales fell 12.8% to a 635K annualized pace and the median sales price decreased 4.5% YoY to \$312K. However, the June tally was revised up to 728K from 646K, suggesting that lower borrowing costs may be luring more buyers than thought into the real estate market. Meanwhile, Baker Hughes reported that the number of active US rigs drilling for oil declined by 16 to 754, the biggest weekly decline since late April.
- According to Bloomberg, US President Donald Trump told reporters that the Chinese government called his team in Washington on Sunday in a bid to restart talks on trade. China Foreign Ministry spokesman Geng then responded during Beijing's Monday briefing by saying he not aware of US-China weekend phone calls: "I can tell you clearly that I haven't heard of such a thing". Trump then tweeted he had "Great respect for the fact that President Xi & his Representatives want calm resolution" and that "Talks are continuing!"
- Trump's ordering of American companies "to immediately start looking for an alternative to China" was followed up by his assertion at the G7 that he could declare the trade war "a national emergency" if he wanted to. Trump referred to the Emergency Economic Powers Act of 1977. According to the Congressional Research Service, Trump must first declare a national emergency, though such a declaration would likely be challenged as unconstitutional.
- Reuters cites a source close to negotiations, who says that French and US negotiators have reached a compromise agreement on France's digital tax, a levy which prompted President Trump to threaten a separate tax on French wine imports. It adds that the compromise struck between French Finance Minister Le Maire, US Treasury Secretary Mnuchin and White House economic adviser Kudlow envisages that France would repay to companies the difference between a French tax and a planned mechanism being drawn up by the OECD.
- Other headlines: Corporate America sounds alarm on Trump's threats over China ([Bloomberg](#)); Hard for US companies to shift operations outside China ([WSJ](#)); Trump pledges 'very big trade deal' for UK ([NYT](#))

Company News

- **Amgen (AMGN)** – Announced that it has entered into an agreement with Celgene, in connection with its previously announced merger with Bristol-Myers, to acquire worldwide rights to Otezla, "the only oral, non-biologic treatment for psoriasis and psoriatic arthritis," and certain related assets and liabilities, for \$13.4B in cash. The transaction is expected to close by the end of 2019.
- **Ascena Retail (ASNA)** – Is raising new bankruptcy worries alongside a New York Post report that the company hasn't returned calls or emails to a group of lenders for at least a month. "It's been radio silence from Ascena, and the lenders – who collectively are owed more than \$1.4B – are "just spooked at this point," a source tells the Post.
- **Deutsche Bank (DB)** – Yet again, explored ways with UBS Group to combine their businesses earlier this year, including talks as recently as mid-June to form an alliance of investment-banking operations, WSJ reports. However, the two sides "failed to sort out thorny issues," including how to structure and allocate capital to any joint operations.
- **Disney (DIS)** – Unveiled a collaboration that will open 25 Disney stores inside select Target stores across the US on Oct 4th, with plans for 40 additional locations by Oct 2020. The new Disney "shop-in-shop" stores will be operated by Target employees and carry more than 450 items, including toys, games and clothing.
- **Eli Lilly (LLY)** – Announced that the FDA has approved Taltz injection 80 mg/mL for the treatment of adults with active ankylosing spondylitis, a type of arthritis affecting the spine and large joints.
- **GoPro (GPRO)** – Reiterated that it does not expect the recently announced tariffs to have an impact on its 2H19 financial performance as most of its US-bound camera production will come from Mexico.
- **Green Thumb (GTBIF)** – Announced it has closed on a transaction to acquire New York-based Fiorello Pharmaceuticals, one of only 10 companies approved to operate a medical marijuana company in the state. Assets include a manufacturing and cultivation facility in Schenectady County and a retail store in each of the following locations: Manhattan, Rochester, Halfmoon and Nassau County.
- **Johnson & Johnson (JNJ)** – Is bracing itself for a ruling today from an Oklahoma judge (at 4:00pm ET) over whether it should be held liable in a lawsuit by the state's attorney general who argues the company sowed the seeds of the US opioid crisis. The state has asked for more than \$17B to fix the epidemic over a 30-year plan (which would represent the biggest monetary award ever handed down in a bench trial in US history).
- **PDC Energy (PDCE)** – Announced they have entered into a definitive merger agreement with SRC Energy under which PDC will acquire SRC in an all-stock transaction valued at approximately \$1.7B, including SRC's net debt of approximately \$685M as of June 30th. SRC shareholders will receive a fixed exchange ratio of 0.158 PDC shares for each share of SRC common stock, representing an implied value of \$3.99 per share.
- **Stifel (SF)** – Announced it has entered into a definitive agreement to acquire B&F Capital Markets, an "industry leader in providing regional and community banks with extensive interest rate swap capabilities". Terms of the transaction were not disclosed and it is expected to close in 3Q19.

- **Tesla (TSLA)** – Will increase prices in China on Aug 30th, earlier than expected, and is mulling raising prices again in December if Chinese tariffs on US-produced vehicles are put in place, Reuters reports. The company, had to adjust prices several times over the past year amid tariff changes and Yuan devaluations, and they are now mulling another one after China said it would reinstate tariffs of 25% on vehicles and 5% on auto parts.
- **The Medicines Co. (MDCO)** – Announced topline results from the first pivotal Phase 3 clinical trial evaluating the efficacy, safety and tolerability of inclisiran to decrease LDL-cholesterol through twice-yearly dosing. The ORION-11 study of inclisiran sodium 300 mg met all primary and secondary endpoints with efficacy consistent with findings from Phase 1 and 2 studies.
- **Verisk Analytics (VRSK)** – Has signed a definitive agreement to acquire Genscape, a global provider of real-time data and intelligence for commodity and energy markets, wholly owned by DMGT, for \$364M in cash. Genscape will become part of Wood Mackenzie, a Verisk business, and will enhance their existing sector intelligence in energy data and analytics.
- **Zoegenix (ZGNX)** – Announced that it has entered into a definitive agreement to acquire Modis Therapeutics, a privately held biopharmaceutical company focused on developing novel therapies for rare genetic diseases with high unmet medical need, with a \$250M upfront payment.

Pre-Market Movers (Price Movement as of 8:00AM ET)

	
Monster Beverage (MNST)	Eaton Corp. (ETN)
Bristol-Myers Squibb (BMY)	Alexion Pharmaceuticals (ALXN)
Wynn Resorts (WYNN)	Amgen Inc. (AMGN)
Realty Income (O)	Newell Brands (NWL)
Celgene (CELG)	Westinghouse Air Brake (WAB)

Events Calendar

Conferences:

- None scheduled

Analyst/Investor Days:

- None scheduled

Meetings:

- Credit Suisse with Noble Energy (NBL)
- Buckingham with Sysco (SYY)
- JP Morgan with Lionsgate (LGF.A)

- Wolfe Research with Enterprise Products (EPD)
- JP Morgan with Royal Caribbean Cruises (RCL)
- SunTrust Robinson Humphrey with Ashland Global (ASH)
- Wells Fargo with Rambus (RMBS)
- William Blair with Appian (APPN)
- Barrington with Paysign (PAYS)

13D/G/F Filings (Latest Filings)

Manager/Hedge Fund	Change	Ticker	Company
Jon Plexico Stonepine Capital	Increased Stake	NVLN	Novelion Therapeutics

Insider Action (Latest Form 4 Filings)

Ticker	Company	Insider Name	Insider Role	Price	Total Value
FSLY	Fastly	Abdiel Capital	10% Owner	\$21.84	\$7,841,423
ICPT	Intercept Pharmaceuticals	Srinivas Akkaraju	Director	\$66.37	\$4,498,577
DFIN	Donnelley Financial	Jeffrey Jacobowitz	Director	\$11.42	\$3,587,229
FOSL	Fossil Group	Gregory McKelvey	EVP	\$10.07	\$2,014,560
NCMI	National Cinemedia	Standard General	10% Owner	\$7.31	\$1,754,887
SSP	E.W. Scripps	Corina Granado	10% Owner	\$12.00	\$1,199,563
AERI	Aerie Pharmaceuticals	Foresite Capital	10% Owner	\$23.45	\$1,082,449
HD	Home Depot	Carol Tome	CFO, EVP - Corp.	\$219.04	\$31,848,416
EXR	Extra Space Storage	Spencer Kirk	Director	\$121.17	\$30,522,208
LULU	Lululemon Athletica	Dennis Wilson	Director	\$182.89	\$30,005,362
ESS	Essex Property Trust	Michael Schall	President, CEO	\$319.22	\$11,252,505
SCI	Service Corp International	Eric Tanzberger	SVP, CFO	\$47.06	\$10,837,296
STMP	Stamps.com	Mohan Ananda	Director	\$208.81	\$8,352,342
PZZA	Papa Johns	John Schnatter	10% Owner	\$43.09	\$6,464,250
HD	Home Depot	Edward Decker	EVP, Merchandising	\$220.32	\$5,508,000

IPO Tracker

Reported Filings on Friday, August 23rd:



Ping Identity Holding Corp. (PING) – Provides efficient and secure ways to centralize how various connected devices on a network can be authenticated across their cloud and on-premise applications.

Seeking up to \$100M. Lead underwriter is Goldman Sachs.



Datadog Inc. (DDOG) – A monitoring service for cloud-scale applications, providing surveillance of servers, databases, tools, and services, through a SaaS-based data analytics platform.

Seeking up to \$100M. Underwriters include Morgan Stanley, Goldman Sachs, JP Morgan, Credit Suisse, Barclays, Jefferies, and RBC Capital.



Exagen Inc. (XGN) – A commercial-stage diagnostics company committed to providing physicians with clinical tools that address the unmet need for diagnosis, prognosis, and monitoring of autoimmune Connective Tissue Disease.

Seeking up to \$57.5m.

Scheduled to Trade on Monday, August 26th:

None scheduled

Open Interest Check

Top Notable Changes in Open Interest					
	Company	Symbol	Month/Strike	OI-August 23	OI-August 26
1	Anheuser Busch	BUD	December 95 Call	645	1,252
	Qualifying offer to purchase BREW was permitted to expire, BUD will make a one-time \$20M payment and not buy out the craft brewer. Wild card of Hong Kong IPO potential remains a speculative catalyst. Rolling out Natural Light, aimed at younger drinkers.				
2	Salesforce	CRM	January 170 Call	5,611	5,775
	SunTrust raised target from \$189 to \$195 on Buy rating after 2Q results and very strong 3Q guidance. RBC Capital raised price from \$181 to \$200 on Outperform rating, cites lack of "meaningful competition" and no evidence of pricing pressure.				
3	Gold Miners ETF	GDX	October 36 Call	33,846	56,600
	Attempting a break above 2016 levels. Persistent inflow into precious metals and miners, both gold and silver continues its upward climb on foreign exchange/currency wars and general political and economic slowdown.				
4	Gold ETF	GLD	October 155	2,469	23,329
	Price of gold continues its upward climb on foreign exchange/currency wars and general political and economic slowdown. Technically, could see a pause after this bull flag, price is highest it has been since 2013.				
5	Silver ETF	SLV	October 17 Call	70,337	79,674
	Also buyers in October 18 Calls. Persistent inflow into precious metals and miners, both gold and silver continues its upward climb on foreign exchange/currency wars and general political and economic slowdown.				
6	BHP Billiton	BHP	October 45 Put	110	9,244
	Downgraded from Neutral to Underperform by BofA based on deteriorating Chinese economic conditions which are expected to continue. Jefferies downgraded from Buy to Hold, lowered price to \$46.50, cited Yuan devaluation, Chinese market conditions.				
7	Diamondback Energy	FANG	October 85 Put	31	2,084
	Done as 85/750 Put spread. SEC filings from Carl Icahn showed the fund having exited the holdings as of June 30th. Reported 2Q EPS of \$1.70 vs \$1.81 estimates, revenue of \$1.02B vs \$1.06B, managed to lower per-lateral foot well costs by 7%.				
8	Fiserv	FISV	December 105 Put	218	3,627
	Upgraded from Hold to Buy at Deutsche Bank, price raised from \$100 to \$120, cites consistent recurring earnings growth, free cash flow generation and positive from First Data acquisition. Guided FY2019 revenue growth of 4.5%-5.0% and EPS to \$3.39-\$3.52.				
9	Coca-Cola	KO	October 50 Put	2,899	35,803
	Buying occurred shortly after Trump tweeted/announced/requested American companies stop doing business in China, followed by new tariffs. Morgan Stanley added to Fresh Money Buy list, shifting holdings towards more 'defensive' holdings.				
10	McDonald's	MCD	October 195 Put	187	13,668
	Buying occurred shortly after Trump tweeted/announced/requested American companies stop doing business in China, followed by new tariffs. Longbow channel checks point to continued "robust growth", analyst sees 3Q same-store-sales gains of 5%-5%.				
11	Simon Property Group	SPG	September 145 Put	1,794	2,806
	During its 2Q conference call, management highlighted ongoing retail bankruptcies that affected their NOI comps by over 100bps, sequentially declining yearly since 2016. BofA industry note points to overall macro retail news has been negative in malls.				
12	Tesla	TSLA	October 215 Put	12,231	15,337
	Announced launch of no-contract solar panel packages, allows the customer to cancel at any time. Global auto cycle peaked in January 2018 hitting an annual run-rate of 101M, down to 91.8M units by June 2019.				
13	Semiconductor ETF	SMH	August 30th 110 Put	4,262	6,398
	Also buyers of August 30th 103 Puts. Index continues to remain under pressure as inventory and price concerns keep mounting for DRAM and NAND. Datacenter IT spending slowdown is also a concern, are tariffs and China retaliating against US actions.				
14	S&P Biotech ETF	XBI	December 80 Put	1,924	6,459
	Done as 80/65 Put spread. Also buyers of September 80 Puts. Sector remains under pressure from general market instability and possible rhetoric from presidential candidates talking about some sort of healthcare reform during campaigns.				
15	Industrials ETF	XLI	September 13th 75 Put	26	5,534
	Industrials have turned sharply lower on new tariffs and global slowdown concerns of trade war-related raw material cost increases and the risk of passing them on to end-users.				

Analyst Action *(Courtesy of TheFlyOnTheWall)*

Apple (AAPL) – Ability to navigate tariffs may be underappreciated, says JPMorgan

While the potential tariff on the iPhone is concerning, Apple's ability to navigate the headwind might be underappreciated, JPMorgan analyst Samik Chatterjee tells investors in a research note. The analyst estimates that a 10% tariff would result in an 8% annualized earnings impact were Apple to decide to absorb it completely. However, Apple has a "silver lining" from the decline in memory prices, which will likely offset a large portion of the tariffs even if the company kept retail prices consistent for 2019 phones relative to 2018 iPhones, says Chatterjee. The analyst keeps an Overweight rating on Apple shares with a \$243 price target.

Canopy Growth (CGC) – Seaport Global upgrades Canopy Growth to Buy with \$31 price target

Seaport Global analyst Brett Hundley upgraded Canopy Growth to Buy from Neutral with a \$31 price target. Canopy shares have now "round-tripped themselves" YTD, and are down 7.4% compared to a 13.6% increase in the S&P 500, Hundley tells investors in a research note. Although the analyst moderated his sales and margin expectations, he believes the new bar is "increasingly achievable." Further, the beta for cannabis generally, and Canopy specifically, "needs to improve ahead," contends the analyst. He thinks the North American cannabis industry can "actually help to provide some safety for investors" and finds Canopy Growth shares attractive.

Copel (ELP) – Upgraded to Overweight from Neutral at JPMorgan

JPMorgan analyst Fernando Abdalla upgraded Copel to Overweight from Neutral and raised his price target for the shares to R\$63 from R\$48. The company's cash flows are expanding in 2019 and its leverage coming down with the start-up of important greenfield projects, Abdalla tells investors in a research note. Further, Copel's new management team is preparing the sale of non-core assets and studying the possible extension of expiring hydro concession, adds the analyst.

Cree (CREE) – Downgraded to Underweight from Neutral at Piper Jaffray

Piper Jaffray analyst Harsh Kumar downgraded Cree to Underweight from Neutral and cut his price target for the shares to \$38 from \$57. The analyst reduced his estimates reducing to reflect broader weakness in the LED market and the impact of Huawei on the Cree's Wolfspeed business. He's now expecting a "flattish" second half of 2019 and early 2020, with limited gross margin expansion until June 2020. Kumar remains wary of the stock's valuation despite his positive view on the company's long-term growth prospects.

Dynatrace (DT) – Initiated with a Buy at UBS

UBS analyst Jennifer Swanson Lowe started Dynatrace with a Buy rating and \$33 price target. With a "strong" position in the application performance management market, the company is positioned for accelerating revenue growth over the next two-to-three years, Lowe tells investors in a research note. Further, she says Dynatrace's margin profile is among the highest in mid-cap SaaS group.

Elanco (ELAN) – BofA/Merrill downgrades Elanco to Neutral on Bayer deal uncertainty

BofA/Merrill analyst Michael Ryskin downgraded Elanco Animal Health to Neutral from Buy with a \$30 price target. While the acquisition of Bayer's Animal Health business could turn out positive in the longer term, there is too much uncertainty in the near-term, including which parts of the portfolio will be divested due to antitrust issues, Ryskin tells investors in a research note. The analyst does not expect answers until nearer to deal close, which is expected in mid-2020.

Horizon Pharma (HZNP) – Risk/reward 'highly attractive' says Piper Jaffray

After conducting a survey of 27 physicians who manage significant numbers of patients with thyroid eye disease, Piper Jaffray analyst David Amsellem reiterates an Overweight rating on Horizon Pharma with a \$33 price target. The analyst says the survey reinforced his belief that teprotumumab will over time emerge as a go-to option in a broad swath of moderate-to-severe TED patients. He continues to view Horizon as one of the most attractive longer-term EBITDA growth stories in the broader biopharma space. Amsellem sees a "highly attractive" risk/reward profile at current share levels.

iHeartMedia (IHRT) – Initiated with an Equal Weight at Morgan Stanley

Morgan Stanley analyst Benjamin Swinburne started iHeartMedia with an Equal Weight rating and \$15 price target. The analyst is positive on the company's 20% free cash flow yield offering "downside support" for the shares at current levels, but he is also concerned with the rising US recession risk and the radio industry having become "mature" while pointing to iHeartMedia's large operating and financial leverage.

Kura Sushi (KRUS) – Initiated with an Overweight at Stephens

Stephens analyst Will Slabaugh started Kura Sushi USA with an Overweight rating and \$30 price target. The analyst sees a "unique growth story" given the company's "quality, speed of service, labor efficiency, and technology." Kura Sushi is one of only a few company-operated restaurant companies that can hold or expand margins in the coming years, Slabaugh tells investors in a research note.

New Relic (NEWR) – Initiated with an Equal Weight at Barclays

Barclays analyst Raimo Lenschow started New Relic with an Equal Weight rating and \$63 price target. New Relic missed the product cycle its competitors like Dynatrace have gone through over the last few years, Lenschow tells investors in a research note. The analyst believes its new platform, New Relic One, is a "step in the right direction," but adds it is in the very early stages of customer adoption. Lenschow expects the stock to "remain in the penalty box with investors for a while."

Qualcomm (QCOM) – Scores legal victory with appeal, says Mizuho

Qualcomm on Friday scored a victory in its Ninth Circuit Court appeal, with the court granting the company a partial stay of the FTC's motion pending appeal, Mizuho analyst Vijay Rakesh tells investors in a research note. The analyst believes the partial stay is a near-term positive since Qualcomm does not have to renegotiate license and patent deals while the appeal is in process. However, near-term China uncertainty has increased with President Trump raising tariffs for Sept 1st, adds Rakesh. He keeps a Neutral rating on shares of Qualcomm with a \$68 price target.

Steel Dynamics (STLD) – Downgraded to Neutral from Buy at Longbow

Longbow analyst Christopher Olin downgraded Steel Dynamics to Neutral from Buy without a price target. The analyst says his confidence in the Steel Mill segment's ability to meet or beat expectations in the second half of 2019 is eroding. Recent checks with steel distributors revealed a reversal in underlying market sentiment, Olin tells investors in a research note. As such, the analyst sees "lost pricing momentum" for Steel Dynamics.

VICI Properties (VICI) – Raised to Overweight at Morgan Stanley on non-gaming opportunity

Morgan Stanley analyst Thomas Allen upgraded VICI Properties to Overweight from Equal Weight and raised his price target to \$26 from \$25. The analyst notes that the stock has underperformed since the merger announcement between Eldorado Resorts and Caesars Entertainment on concerns that the deal will result in greater tenant risk, but he believes that it makes Caesar's rent "better covered by free cash flows" in a recession and that the underperformance is overdone. Allen also cites the company's recent investor presentation highlighting its non-gaming asset expansion opportunity.

Xilinx (XLNX) – Price target lowered to \$130 from \$140 at KeyBanc

KeyBanc analyst John Vinh lowered his price target for Xilinx to \$130 from \$140 as he believes the launch of Microsoft's FPGA-as-a-Service has been postponed from Q4 to early next year due to the availability of a key software-related feature. The analyst expects Microsoft's FaaS to preview by the end of this year and go live early next year. While Vinh still believes Microsoft represents a significant opportunity longer term, he sees risk to 2020 estimates and to DCG expectations for 60% growth. Nonetheless, he reiterates an Overweight rating on Xilinx shares given long-term secular growth opportunities in 5G and Data Center.

Earnings Central (Price Reaction as of 8:00AM ET)

Results After the Close (Previous Day)

No significant reports

Results Before the Open (Today)

<u>Company</u>	<u>Earnings Notes</u>
OSI Systems (OSIS)	Waiting...

Market Internals

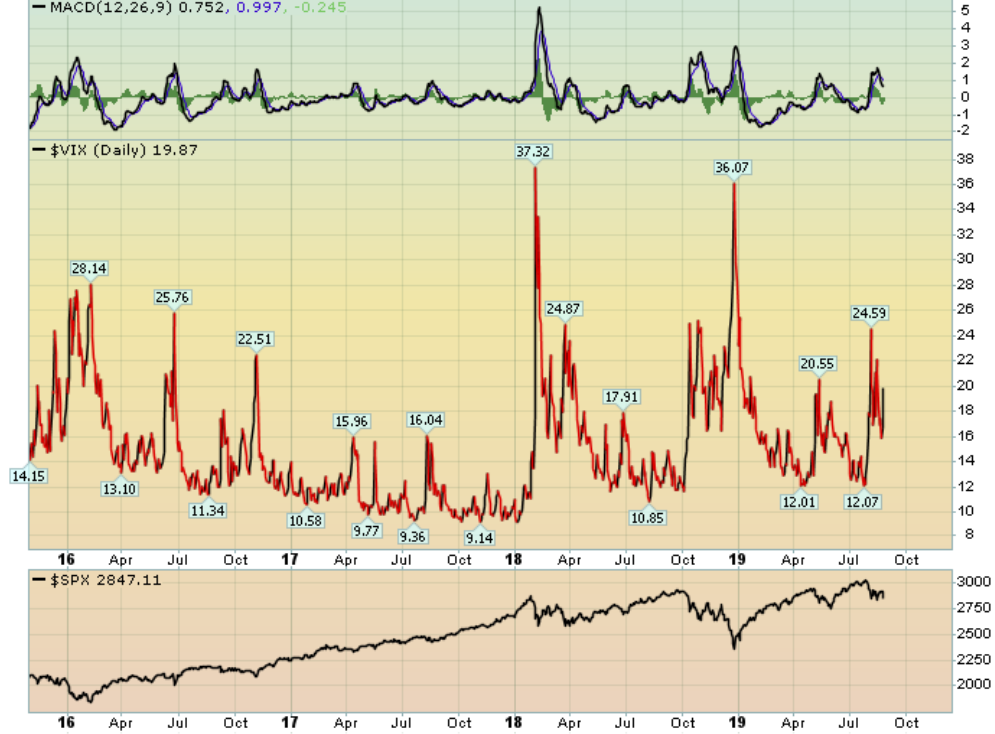
\$VIX Volatility Index - New Methodology INDX

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Friday 23-Aug-2019

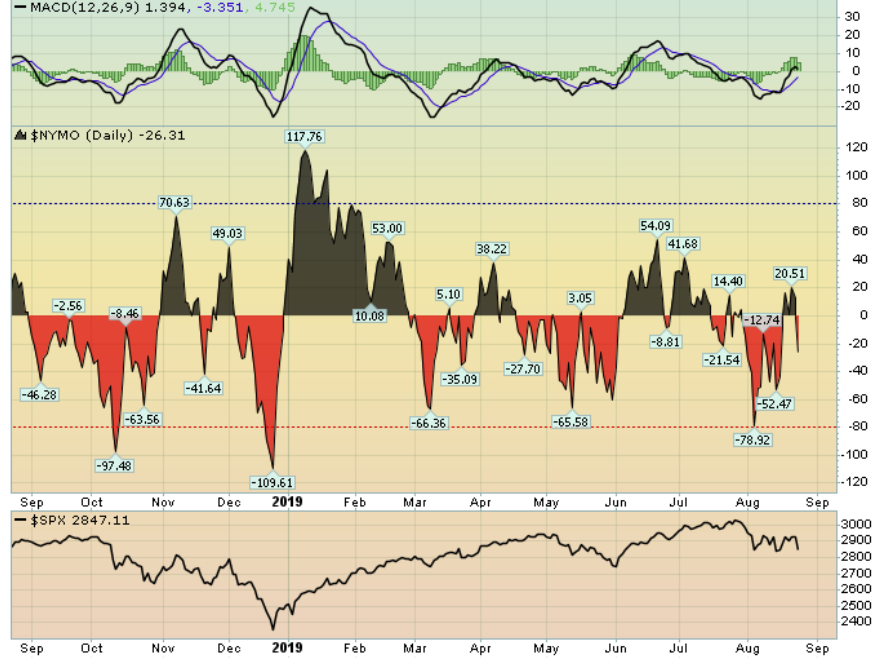
Open:	16.15	Ask:		P/E:		Options:	no		
High:	21.07	Ask Size:		EPS:		Annual Dividend:	N/A		▲ +19.12%
Low:	16.04	Bid:		Last Size:		Yield:	N/A		Chg: +3.19
Prev Close:	16.68	Bid Size:		VWAP:		SCTR:			Last: 19.87
								Volume:	0

MACD(12,26,9) 0.752, 0.997, -0.245



\$NYMO NYSE McClellan Oscillator (Ratio Adjusted) (EOD) INDX ©StockCharts.com

Open: **-26.31** Ask: P/E: Options: **no** Friday 23-Aug-2019
 High: **-26.31** Ask Size: **Extreme market overbought / oversold**
 Low: **-26.31** Bid: **reading occurs at +60/-60.**
 Prev Close: **12.78** Bid Size: **Chg: -39.09**
 Last: **-26.31** Volume: **0**



\$NYSI NYSE McClellan Summation Index (Ratio Adjusted) (EOD) INDX ©StockCharts.com

Open: **Typical intermediate range here is +600**
 High: **to**
 Low: **/A**
 Prev Close: **NYMO reading.** Friday 23-Aug-2019
 Chg: **-8.40%**
 Last: **286.97**
 Volume: **0**



\$NYA50R NYSE Percent of Stocks Above 50 Day Moving Average (EOD) INDX

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A reading above 50% implies broad participation of many sectors which is a sign of market strength, but hyper reading of above 80% also means complacency is too high, potential market topping signal. The same logic in opposite manner applies on the downside. See the relationship below.

Friday 23-Aug-2019
 ▼ **-23.39%**
 Chg: **-8.94**
 Last: **29.28**
 Volume: **0**



\$CPCE CBOE Options Equity Put/Call Ratio (EOD) INDX

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The CBOE put/call ratio below compares all open puts in all stocks and ETFs vs. all open calls. Any reading below 0.60 is considered danger zone and generally coincides with market top.

no
 N/A
 N/A

Friday 23-Aug-2019
 ▲ **+18.92%**
 Chg: **+0.140**
 Last: **0.880**
 Volume: **0**





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