



FIRST READ

DECEMBER 2ND, 2024

Pre-Market Futures

DOW JONES	S&P 500	NASDAQ
45038.00 (-0.04%)	6047.00 (-0.07%)	20987.25 (-0.04%)

International Markets

NIKKEI	HANG SENG	SHANGHAI	KOSPI	ASX 200	BSE SENSEX
38513.02 (+0.80%)	19550.29 (+0.65%)	3363.98 (+1.13%)	2454.48 (-0.06%)	8447.85 (+0.14%)	80251.56 (+0.56%)
DAX	FTSE	CAC	FTSE MIB	IBEX 35	SMI
19837.50 (+1.08%)	8305.86 (+0.22%)	7219.90 (-0.21%)	33393.32 (-0.06%)	11762.40 (+1.04%)	11827.63 (+0.54%)

Commodities and Rates

Crude Oil	Natural Gas	Gold	Silver	Copper	Corn
68.80 (+1.18%)	3.17 (-5.65%)	2642.59 (-0.02%)	30.92 (-0.60%)	413.55 (-0.11%)	431.25 (-0.40%)
US 10-YR	German 10-YR	UK 10-YR	Italy 10-YR	Aussie 10-YR	Japan 10-YR
4.21% (+4 bps)	2.05% (-3 bps)	4.23% (-1 bps)	3.23% (-4 bps)	4.33% (-1 bps)	1.06% (+3 bps)

Currencies & Cryptocurrencies

EUR/USD	GBP/USD	USD/JPY	USD/CAD	USD/CHF	AUD/USD
1.0528 (-0.43%)	1.2706 (-0.17%)	150.121 (+0.28%)	1.4036 (+0.27%)	0.8852 (+0.55%)	0.6490 (-0.29%)
BTC/USD	BCH/USD	ETH/USD	LTC/USD	XRP/USD	ZEC/USD
95176.79 (-2.14%)	501.09 (-5.88%)	3600.22 (-2.96%)	119.76 (+0.16%)	2.3457 (+2.11%)	58.77 (-2.35%)

Economic Calendar & Key Summaries

Time (ET)	Data	Actual	Previous	Consensus
Thursday	Prelim. Spain CPI (YoY) (Nov)	2.4%	1.8%	2.3%
Thursday	Italy Business Confidence (Nov)	86.5	85.8	85.0
Thursday	Italy Consumer Confidence (Nov)	96.6	97.4	97.2
Thursday	Eurozone Business and Consumer Survey (Nov)	95.8	95.7	95.1
Thursday	Prelim. Germany CPI (YoY) (Nov)	2.2%	2.0%	2.3%
Thursday	Tokyo CPI (YoY) (Nov)	2.6%	1.8%	N/A
Thursday	Japan Industrial Production (MoM) (Oct)	3.0%	1.6%	3.8%
Thursday	Japan Retail Sales (YoY) (Oct)	1.6%	0.7%	2.1%
Friday	France Consumer Spending (MoM) (Sep)	-0.4%	0.1%	-0.1%
Friday	Germany Retail Sales (YoY) (Oct)	1.0%	0.9%	3.2%
Friday	Germany Unemployment Change (Nov)	7K	27K	20K
Friday	Germany Unemployment Rate (Nov)	6.1%	6.1%	6.1%
Friday	Prelim. Italy CPI (YoY) (Nov)	1.4%	0.9%	1.4%
Friday	Prelim. Eurozone CPI (YoY) (Nov)	2.3%	2.0%	2.3%
Friday	China Manufacturing PMI (Nov)	50.3	50.1	50.2
Friday	China Non-Manufacturing PMI (Nov)	50.0	50.2	50.4
Sun Night	Australia Manufacturing PMI (Nov)	49.4	49.4	N/A
Sun Night	South Korea Manufacturing PMI (Nov)	50.6	48.3	N/A
Sun Night	Japan Manufacturing PMI (Nov)	49.0	49.2	49.0
Sun Night	China Caixin Manufacturing PMI (Nov)	51.5	50.3	50.6
3:15AM	Spain Manufacturing PMI (Nov)	53.1	54.5	53.9
3:30AM	Switzerland procure.ch PMI (Nov)	48.5	49.9	49.6
3:45AM	Italy Manufacturing PMI (Nov)	44.5	46.9	46.1
3:50AM	France Manufacturing PMI (Nov)	43.1	44.5	43.2
3:55AM	Germany Manufacturing PMI (Nov)	43.0	43.0	43.2
4:00AM	Eurozone Manufacturing PMI (Nov)	45.2	46.0	45.2
4:30AM	UK Manufacturing PMI (Nov)	48.0	49.9	48.6
5:00AM	Eurozone Unemployment Rate (Oct)	6.3%	6.3%	6.3%
9:45AM	US Manufacturing PMI (Nov)	Waiting...	48.5	48.8
10:00AM	ISM Manufacturing PMI (Nov)	Waiting...	46.5	47.5

- China's Official Manufacturing PMI edged 0.2 pts higher to 50.3 vs 50.2 expected in November, marking the highest reading since April.** Output grew the most in 7 months while new orders picked up from stagnation and buying activity saw the sharpest expansion since March. However, foreign orders and employment remained in deep contraction, and deflation concerns persisted with both input costs and selling prices dropping sharply. **Separately, the Caixin reading climbed 1.2 pts to 51.5 vs 50.6 expected, suggesting the fastest expansion since June.** The improvement was mainly driven by the strongest growth in foreign orders since February 2023 and output growth hitting its highest level in five months, offsetting a 3rd straight month of contraction in employment. Meanwhile, input prices rose the most in five months due to rising raw material costs and selling prices saw their steepest gain since October 2023.
- Japan's Manufacturing PMI slipped 0.2 pts to a 7-month low of 49.0, unchanged from flash.** This marks the 5th consecutive month of contraction as output shrank the most since April amid a sustained reduction in new orders, firms reducing employment levels for the first time since February, and backlogs of work falling significantly. Input costs remained unchanged from October's 6-month low, while output charges accelerated to its highest rate since July.

- **The Eurozone Manufacturing PMI deteriorated further in November, falling 0.8 pts to 45.2, unchanged from flash.** The result was driven by sharper contractions in production, new orders, purchasing levels, and inventories. Employment also saw its steepest decline since August 2020 while weak demand drove aggressive price discounts. Additionally, backlogs fell sharply, reflecting persistent overcapacity.

Major Market News

Asia-Pacific

Asia finished mostly higher ahead of a data-heavy week for the region. Sentiment was helped by China releasing better-than-expected November PMI data over the weekend, the official Manufacturing reading reaching its highest level since April. Mainland Chinese markets outperformed as a result, with the Shanghai Composite up 1.1%. South Korea was the outlier, finishing flat after preliminary trade data revealed November exports grew at their slowest pace since September 2023.

- Reuters reported the US has launched its *“third crackdown in three years on China's semiconductor industry”*, curbing exports to 140 companies including chip equipment makers. The package is one of the Biden administration's last large-scale efforts to restrict China's ability to access and produce chips that can help advance AI for military applications or threaten US national security. Other measures include curbs on China-bound shipments of high bandwidth memory chips and new curbs on 24 additional chipmaking tools and 3 software tools.
- China vowed *“resolute countermeasures”* on Sunday to an approved \$385M US arms sale of spare parts and support for F-16 jets to Taiwan while criticizing President Lai's visit to Hawaii and the US territory of Guam. China's foreign ministry said in a statement: *“The sale sends a wrong signal to Taiwan independence forces and undermines US-China relations. China will take strong and resolute countermeasures to defend its national sovereignty, security and territorial measures.”*
- China's 10Y yield dropped below 2% to hit its lowest point on record overnight, breaking a psychological barrier as bets on further PBOC rate cuts continue to drive capital flows into bonds. The benchmark reading dropped 5 bps to 1.975% in Monday afternoon trade, the lowest point in historical data from China Central Depository & Clearing. Looking ahead, Morgan Stanley said it expects the PBOC to cut its policy rate by 40 bps by the end of 1Q25.

EMEA

Europe is trading flat-to-higher to start the week, shaking off mounting political uncertainty in France. Risk of an imminent collapse of the French government appears high, with PM Michel Barnier confronted with a Monday deadline to make more budget concessions or face a no-confidence vote. Notably, France's National Rally party said it will likely back a no-confidence motion against the government unless there is a *“last minute miracle”*.

- UK PM Keir Starmer will set out detailed policy targets in the coming week as he sets to achieve the government's five main goals, tackling economic growth, healthcare, crime, and green energy, as his party approaches 5 months in power. Senior Labour minister Pat McFadden has said the plan would also include limiting immigration, a key voter concern according to polls.

- Ukraine will need *“tens of thousands of uncrewed robotic ground vehicles next year”* to shuttle ammunition and supplies to infantry in the trenches and evacuate wounded soldiers, Deputy Prime Minister Mykhailo Fedorov told Reuters. The unmanned vehicles would spare troops from operating in areas near the front where Russian shelling and drones are rife, and are being used along the front and in Russia's Kursk region. Fedorov added that Ukrainian production of long-range drones has increased dozens of times since 2023, with President Zelenskiy *“targeting output of 30,000 of the deep-strike weapons next year”*.

United States

S&P futures are a touch weaker to start December as markets continue to consolidate after the post-election rally. Not a whole lot driving sentiment this morning, though macro data will be in sharp focus this week with Friday's monthly payrolls report set to inform the Fed's thinking about whether to cut rates again on December 18th. A repeat of September's blowout jobs report could kill all expectations for near-term rate cuts.

- Overnight, President-elect Donald Trump said via a post on X: *“The idea that the BRICS Countries are trying to move away from the Dollar while we stand by and watch is OVER. We require a commitment from these Countries that they will neither create a new BRICS Currency, nor back any other Currency to replace the mighty US Dollar or, they will face 100% Tariffs, and should expect to say goodbye to selling into the wonderful US Economy. They can go find another ‘sucker!’ There is no chance that the BRICS will replace the US Dollar in International Trade, and any Country that tries should wave goodbye to America.”*
- Separately, Donald Trump said on Saturday he discussed the border, trade, and energy in a *“very productive”* meeting with Canadian PM Justin Trudeau amid renewed concerns of a trade war. Trump said in a post on Truth Social: *“We discussed many important topics that will require both Countries to work together to address, like the Fentanyl and Drug Crisis that has decimated so many lives as a result of Illegal Immigration, Fair Trade Deals that do not jeopardize American Workers, and the massive Trade Deficit the US has with Canada. Trudeau has made a commitment to work with us to end this terrible devastation of US Families.”*
- Black Friday spending in US retail stores was muted this year in contrast to a more robust rise online, as bargain-hungry Americans skipped stores in favor of their phones and laptops, according to data from Mastercard and analytics firms. Sales at brick-and-mortar stores grew just 0.7% YoY, according to preliminary estimates by Mastercard. Yet US e-commerce sales increased by a hefty 14.6% online, according to SpendingPulse. Meanwhile, data from Facteus said online sales grew 11.1% and in-store sales fell -5.4%.
- Wedbush said it expects tech stocks to end the year strongly with a *“Santa rally,”* citing positive catalysts including deregulation under Donald Trump's 2nd term and stronger AI initiatives. *“We anticipate a 20% or more appreciation in the technology sector by 2025, driven by the AI revolution and AI cap-ex over the next 3 years. While the Inflation Reduction Act would see some major changes/revisions under a Trump Administration which would be a negative for INTC and others, the focus on AI will be front and center in our view and benefit Big Tech... Trump could also accelerate some of the FSD and autonomous initiatives once he is in the White House. We believe a Trump White House helps unlock \$1T+ of autonomous/AI value to Tesla's stock as autonomous/FSD is likely accelerated starting in 2025 and a tailwind for Cybercab timing.”*

Company News *(via Industry)*

HEALTHCARE

- **GE Healthcare (GEHC)** unveiled Sonic DL for 3D, the newest addition to its effortless imaging portfolio, designed to accelerate MRI scans across a wide range of clinical applications. Separately, the company has agreed to acquire the remaining 50% stake in **Nihon Medi-Physics** from **Sumitomo Chemical**, aiming to assume full ownership of the Japanese radiopharmaceutical company.
- **Merus (MRUS)** announced the publication of an abstract regarding petosemtamab in previously treated (2L+) patients (pts) with recurrent/metastatic head and neck squamous cell carcinoma. *“Petosemtamab 1500 mg monotherapy continues to demonstrate consistent, durable, and clinically meaningful efficacy in 2L+ r/m HNSCC, underscoring its potential to become a new standard of care.”*
 - **Inside JaguarFlow:** *There was a buyer of 1,000 December 50 Calls on November 25th. This stock was also last covered by Chronicle in Conversations on November 18th.*
- **RadNet’s (RDNT)** subsidiary **DeepHealth** announced a strategic collaboration with **Siemens Healthineers** aimed at transforming ultrasound operations through the implementation of SmartTechnology by embedding AI-powered health informatics within workflows and imaging hardware.
- **Varex Imaging (VREX)** introduced the LUMEN HD and LUMEN HD Pro digital radiography detectors, designed to meet the evolving standards of healthcare imaging.

CONSUMER

- **Disney’s (DIS)** Moana 2 cemented a new Thanksgiving box office record with \$221M over the five-day holiday frame, obliterating the previous high-water marks set by 2019’s Frozen II (\$125M) and 2013’s Hunger Games: Catching Fire (\$109M). It also stands as the biggest five-day debut in history, overtaking Universal’s 2023 behemoth The Super Mario Bros (\$205.6M).
- **Treehouse (THS)** has acquire certain subsidiaries that operate the private brand tea business of **Harris Freeman & Co.** for ~\$205M.
- **LVMH**-owned jeweler **Bulgari** is looking to India to mitigate the effects of faltering luxury demand in China amid an economic slowdown, Bloomberg reports.
- Black Friday spending in US retail stores was muted this year in contrast to a more robust rise online, as bargain-hungry Americans skipped stores in favor of their phones and laptops, according to data from Mastercard and other data providers.
 - **Sympathy Plays:** *Keep an eye on **XRT** and brick-and-mortar stores like **JWN, KSS, M***
- According to the Gaming Inspection and Coordination Bureau, Macau GGR in November reached MOP18.44B, up 14.9% from a year earlier, but down 11.3% M/M.
 - **Sympathy Plays:** *As is always the case, watch **LVS, MGM, MLCO, WYNN***

FINANCIALS

- **Arthur J Gallagher (AJG)** announced IT has acquired the UK-based operations of Caytons Law LLP for an undisclosed sum.
- **BlackRock (BLK)** is nearing a deal to buy **HPS Investment Partners**, a purchase that would vault the firm into the top ranks of private credit.
- **JPMorgan (JPM)** agreed to drop a lawsuit it filed against **Tesla (TSLA)** three years ago seeking \$162M tied to stock warrant transactions, Bloomberg reports.

INDUSTRIALS

- **Baidu (BIDU)** has received a license to test autonomous vehicles with its Apollo Go robotaxi service in Hong Kong as it expands its footprint outside the Chinese mainland, according to Reuters.
- **Li Auto (LI)** announced that it delivered 48,740 vehicles in November, up 18.8% Y/Y.
- **Nio (NIO)** announced it delivered 20,575 vehicles in November, an increase of 28.9% Y/Y.
- **Ferrari (RACE)** getting a positive mention in Barron's over the weekend in which they say that after a recent decline, the stock may be getting ready to rally again. The Maranello-based company's latest car, the \$3.8M F80, is set to deliver a significant earnings boost that could help Ferrari shares gain 30% from here.
- **XPeng (XPEV)** announced it delivered 30,895 Smart EVs in November, representing growth of 54% Y/Y and 29% M/M.
- **Zeekr (ZK)** announced it delivered 27,011 vehicles in November, up 106% Y/Y.
- **Volkswagen** workers will go on warning strikes on Monday at plants across Germany, labor union IG Metall said, marking the first large-scale walkouts at Volkswagen's domestic operations since 2018, Reuters reports.
- After the early close on Friday, it was reported that the US Department of Commerce announced its preliminary affirmative determinations in the antidumping duty investigations of Crystalline Photovoltaic Cells Whether or Not Assembled into Modules from Cambodia, Malaysia, Thailand and Vietnam. Commerce is conducting concurrent countervailing duty investigation of Crystalline Photovoltaic Cells Whether or Not Assembled into Modules from Cambodia, Malaysia, Thailand and Vietnam. The department set a preliminary estimated weighted-average dumping margin rate of 125.37% on **Hounen Solar, Solar Long PV Tech Cambodia**, and others.



MATERIALS

- **Northern Star Resources** will buy **De Grey Mining** in a takeover valued at about A\$5B, as gold producers seek to secure more supply amid soaring prices for the precious metal, Bloomberg reports.

TECHNOLOGY

- **Keysight Technologies (KEYS)** has reached an agreement with **Spirent Communications** on an all-cash acquisition for 201.5 British pence per share.
- **Meta Platforms (META)** intends to construct a new, major, fiber-optic subsea cable extending across the globe, a 40,000-plus kilometer project that could total more than \$10B of investment, TechCrunch's Ingrid Lunden reports. Notably, the Facebook parent would be the sole owner and user of this subsea cable, the author says.
- **NetApp (NTAP)** announced NetApp on-premises enterprise storage arrays for AWS Outposts, a new integrated solution allowing AWS Outposts customers to simplify the use of external block data volumes running on NetApp on-premises enterprise storage arrays in AWS Outposts deployments directly through the Amazon Web Services Management Console.

Market Movers (Price Movement as of 7:45AM ET)

	
Hasbro (HAS)	Incyte (INCY)
Fox Corp. (FOX)	PG&E (PCG)
First Solar (FSLR)	FirstEnergy (FE)
Tesla (TSLA)	Super Micro Computer (SMCI)
Emerson (EMR)	CoStar (CSGP)

Today's Events

Conferences:

- Amazon re:Invent Conference
- BTIG Ophthalmology Day
- Citizens JMP Hematology and Oncology Summit
- Craig-Hallum Online Gaming Conference
- UBS Global Technology and AI Conference

Analyst/Investor Days/AGMs:

- None scheduled

Corporate Events Calendar (Bullish, Bearish)

December 2024 (Preliminary version. Calendar will be updated as the month progresses):

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 ZS earnings	3 CRM, OKTA, PSTG earnings	4 AVAV, FIVE, PVH, S earnings	5 DG, GTLB, LULU, RBRK, ULTA earnings	6	7
8	9 MDB, TOL earnings	10 AZO, OLLI earnings	11 ADBE earnings	12 AVGO, COST earnings	13	14
15	16	17	18 MU earnings	19 FDX, KMX, NKE earnings	20	21
22	23	24 Christmas Eve	25 Christmas Day	26	27	28
29	30	31 New Year's Eve				

Actionable Catalysts (updated every weekend, latest/updated entries highlighted in yellow)

Ticker	Company	Potential Catalyst
DNB	Dun & Bradstreet	Working with BofA to evaluate takeover interest from potential buyers.
BLCO	Bausch + Lomb	TPG and Blackstone are teaming up to jointly bid up to \$25/share for the company.
INTC	Intel	Qualcomm's interest in potentially acquiring Intel has reportedly waned.
CVS	CVS Health	Dan Loeb has acquired a starter stake in the company. Also added 4 new members to its board following "productive engagement" Glenview Capital Management.
FROG	JFrog	Has attracted preliminary takeover interest from potential suitors.
RPD	Rapid7	Exploring options with Goldman Sachs and JPMorgan after attracting interest.
INCY	Incyte	Merck is the latest industry giant to be linked to a takeover bid.
DAN	Dana, Inc.	Has engaged financial advisors to sell its Off-Highway business.

C-Suite Changes

Company	Ticker	Update
Fate Therapeutics	FATE	CEO Scott Wolchko announced his retirement
Fate Therapeutics	FATE	Appointed Bob Valamehr as CEO from President
Stellantis	STLA	CEO Carlos Tavares has resigned

Insider Action (Latest Form 4 Filings)

Ticker	Company	Insider Name	Insider Role	Price	Total Value
BH	Biglari Holdings	Sardar Biglari	COB, CEO, 10%	\$326.46	+\$1,093,635
LILA	Liberty Latin America	Brendan Paddick	Director	\$7.10	+\$746,131
WMT	Walmart	Robert Moritz Jr.	Director	\$91.81	+\$499,997
FGF	Fundamental Global	Fundamental Global	10% Owner	\$21.77	+\$217,720
SEM	Select Medical	Robert Ortenzio	Exec COB	\$19.55	-\$74,383,938
CPRT	Copart	Jayson Adair	Exec COB	\$63.71	-\$31,855,228
OS	OneStream	KKR Group Partnership	10% Owner	\$29.99	-\$28,686,687
OS	OneStream	KKR Blocker Parent LP	10% Owner	\$29.99	-\$28,686,687

OS	OneStream	KKR TFO Partners LP	10% Owner	\$29.99	-\$28,686,687
OS	OneStream	KKR Dream Holdings	10% Owner	\$29.99	-\$28,686,687
GPOR	Gulfport Energy	Silver Point Capital LP	Director, 10%	\$177.00	-\$22,125,000
CMCSA	Comcast	Brian Roberts	COB, CEO	\$42.73	-\$20,063,803
ATUS	Altice USA	Next Alt SARL	Director, 10%	\$24.50	-\$19,728,062
DASH	DoorDash	Tony Xu	CEO, 10%	\$180.07	-\$19,507,595
GILD	Gilead Sciences	Merdad Parsey	Chief Medical O	\$91.92	-\$15,094,013
MP	MP Materials	James Litinsky	COB, CEO, 10%	\$20.49	-\$10,246,000
APP	AppLovin	Eduardo Vivas	Director	\$330.67	-\$10,029,070
K	Kellanova	Kellogg WK Foundation	10% Owner	\$81.21	-\$9,305,618
BGNE	Beigene	Xiaodong Wang	Chair	\$190.08	-\$9,190,570
FYBR	Frontier Communications	Ares Management LLC	10% Owner	\$34.83	-\$6,622,730
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PCTY	Paylocity	Jeffrey Diehl	Director	\$210.03	-\$6,007,706
CMCSA	Comcast	Michael Cavanagh	Pres	\$42.54	-\$5,664,712
PCTY	Paylocity	Jeffrey Diehl	Director	\$201.19	-\$5,131,417
PCTY	Paylocity	Jeffrey Diehl	Director	\$203.31	-\$3,346,931
WMT	Walmart	Douglas McMillon	Pres, CEO	\$91.44	-\$2,662,994
PCTY	Paylocity	Jeffrey Diehl	Director	\$205.25	-\$2,086,556
LOW	Lowe's	Quonta Vance	EVP	\$274.37	-\$1,974,881
APLD	Applied Digital	Wes Cummins	CEO; COB, 10%	\$9.20	-\$1,840,000
MTZ	MasTec	Robert Apple	COO	\$150.00	-\$1,500,000

IPO Tracker

Reported Filings on Friday, November 29th:

*** No new filings reported. ***

Scheduled to Trade on Monday, December 2nd:

*** None scheduled. ***

Open Interest Check

*** No notable OI changes. ***

Analyst Action *(Courtesy of TheFlyOnTheWall)*

Autodesk (ADSK) – Initiated with a Buy at UBS

UBS analyst Taylor McGinnis initiated coverage of Autodesk with a Buy rating and \$350 price target. The firm views Autodesk as attractive given its "breadth of strong growth levers," including recovery tailwinds, cross-sell and share gains. It believes this can support upside to 2025 Street revenue growth estimates. UBS sees a 2025 recovery in the cyclical-sensitivity verticals of construction, design and engineering.

Booz Allen (BAH) – Initiated with a Neutral at UBS

UBS analyst Gavin Parsons initiated coverage of Booz Allen with a Neutral rating and \$159 price target as the firm initiates coverage on Government IT & Services stocks. Government austerity is not the firm's base-case scenario in the current environment of elevated global geopolitical tension and rapid technological advancement, and the 20% de-rating in stocks since the election may ultimately prove overdone, but UBS sees more headline risk than re-rate potential over the next year and as a result, believes it is too early to broadly buy the selloff, the analyst tells investors. While Booz Allen has consistently outgrown peers with expanding margins, UBS does not see any upside to consensus estimates, and following the DOGE-related de-rating in the group, says a quality premium de-rating exists in the stock vs. peers.

Cleveland-Cliffs (CLF) – Initiated with a Buy at Goldman Sachs

Goldman Sachs initiated coverage of Cleveland-Cliffs with a Buy rating and \$16 price target. The prevailing sentiment towards the US steel industry seems pessimistic given concerns on global over supply and weak but improving pricing, the analyst tells investors. The firm is more positive given its belief that both cyclical and structural factors could drive earnings growth for the domestic steel industry despite a weaker global backdrop. Goldman believes the US steel industry and the stocks are near or at the trough of the current cycle.

Dana (DAN) – Upgraded to Overweight from Equal Weight at Barclays

Barclays analyst Dan Levy upgraded Dana to Overweight from Equal Weight with a price target of \$18, up from \$12. Early last week Dana announced a series of significant changes, the most notable of which being confirmation of media reports that it plans to sell its Off-Highway business, the analyst tells investors. The firm says that the stock has rallied since the announcement, "there is significantly more opportunity ahead." The news marks the return of a "special sit" opportunity in the sector, which has lacked for some time, contends Barclays. It believes a transaction could drive a "substantial value unlock."

Diamondback Energy (FANG) – Resumed with a Buy at Goldman Sachs

Goldman Sachs resumed coverage of Diamondback Energy with a Buy rating and \$227 price target, implying 28% upside to current levels. The company continues to offer a "prudent" capital allocation strategy focused on per share growth in shareholder returns, which will continue to create shareholder value, the analyst tells investors. The firm

says the recently closed merger with Endeavor Energy presents significant improvement in inventory, with room for incremental improvements in capital efficiency at scale.

Flywire (FLYW) – Price target raised to \$26 from \$23 at Deutsche Bank

Deutsche Bank analyst Nate Svensson raised the firm's price target on Flywire to \$26 from \$23 and keeps a Buy rating. The company enters 2025 facing several key investor debates, with the primary concern revolving around the impact of regulatory changes in Canada and Australia impacting international student flows, the analyst tells investors. Deutsche expects Flywire will initially guide to 2025 revenue growth of 19%-23% and adjusted EBITDA margin expansion of 300 basis points, given the Q4 organic exit rate and expectations for flat growth in Canada and a deceleration in Australia next year.

Gap (GAP) – Upgraded to Overweight from Neutral at JPMorgan

JPMorgan upgraded Gap to Overweight from Neutral with a price target of \$30, up from \$28. The firm sees a sales, margin and balance sheet inflection for the company following four straight quarters of revenue growth and seven consecutive quarters of market share expansion. JPMorgan expects total addressable market expansion at the Gap brand, quality and value destination with Active accelerator at Old Navy, and multi-year growth post the assortment reset at Athleta.

nCino (NCNO) – Price target raised to \$49 from \$41 at Keefe Bruyette

Keefe Bruyette analyst Ryan Tomasello raised the firm's price target on nCino to \$49 from \$41 and keeps an Outperform rating ahead of quarterly results. With the shares up 39% since early October, the bar has moved higher for nCino to execute on strong second half of the year bookings and accelerate revenue growth in FY2026, the firm says. Keefe Bruyette notes the recent strength in the shares appears partly driven by optimism for a more favorable sales environment for banks under the incoming Trump administration, which it agrees with. With that said, while the firm remains bullish as it believes accelerating revenue growth warrants additional multiple expansion, it also argues that the shares' recent strength could warrant some near-term profit taking.

Paycor HCM (PYCR) – Upgraded to Buy from Hold at TD Cowen

TD Cowen upgraded Paycor HCM to Buy from Hold with a price target of \$22, up from \$18. The firm says the company's recent investor day increased confidence in its ability to deliver mid-teens growth and "materially narrow the gap" in free cash flow margin versus peers over the medium-term. The analyst expects the shares to outperform the comp set as Paycor HCM executes toward its med-term targets and investors begin to acknowledge it has the most attractive risk/reward within the software-as-a-service human capital management group.

Procore (PCOR) – Initiated with a Buy at UBS

UBS initiated coverage of Procore with a Buy rating and \$105 price target. The firm sees upside to Procore given its view that an emerging inflection in construction volumes will drive a re-acceleration in sales growth. The analyst

believes risks with the new sales model roll-out and competition are already embedded in the narrative to some degree. The company's 2025 revenue guide looks conservative, the analyst tells investors.

SentinelOne (S) – Downgraded to Equal Weight from Overweight at Morgan Stanley

Morgan Stanley downgraded SentinelOne to Equal Weight from Overweight with an unchanged price target of \$29. The firm says that while positive on long-term tailwinds in security, it is being more selective into 2025 given a "stable but still tough" spending environment, less favorable US fiscal backdrop and valuation premium versus broader technology. It cites slower expected demand for core endpoint security in 2025 and the continued challenging competitive and pricing environment for the downgrade of SentinelOne.

ServiceNow (NOW) – Price target raised to \$1,250 from \$1,100 at Jefferies

Jefferies raised the firm's price target on ServiceNow to \$1,250 from \$1,100 and keeps a Buy rating. The firm highlights the company's most interesting newer opportunities, namely ERP workflows through its finance and supply chain push; the Front Office with its Sales and Order Management launch; and Operational Technology. Jefferies believes they can collectively drive an additional \$2B in long-term sub revenues once ramped. Tailwinds from these newer, incremental products are among the many reasons the firm has confidence in ServiceNow's \$15B-plus FY26 revenue target.

Southern Copper (SCCO) – Upgraded to Neutral from Underweight at JPMorgan

JPMorgan upgraded Southern Copper to Neutral from Underweight with a price target of \$92.50, up from \$68. The firm added Tia Maria into its estimates. The project, located in Arequipa, is set to significantly enhance EBITDA projections by \$800M by 2027. After years of delays, Southern Copper is poised to commence construction in 2025, supported by successful community engagement and infrastructure plans that address local concerns, the analyst tells investors in a research note. JPMorgan also has constructive views on copper prices.

Under Armour (UAA) – Price target lowered to \$10 from \$11 at Wells Fargo

Wells Fargo lowered the firm's price target on Under Armour to \$10 from \$11 and keeps an Equal Weight rating following a transfer of coverage. The firm believes Under Armour shares will remain range bound over the next 8-12 months, driven by a reset in its strategic focus over next 12-18 months. Under Armour remains a "show me" story, the analyst tells investors. Wells says valuing the shares is difficult given the "depressed nature of the P&L" driven by the company's decision to reset the business.

Upstart (UPST) – Downgraded to Underweight from Neutral at JPMorgan

JPMorgan downgraded Upstart to Underweight from Neutral with a price target of \$57, up from \$45. The firm expects the third-party funding environment to improve in 2025, but says this appears to be more than priced in at current share levels, with Upstart trading 9-times forward sales. It notes the company was doing \$13B in annualized origination volume, or 8-times its current run rate, the last time the stock traded in the high \$70 range.

Earnings Central (Price Reaction as of 7:45AM ET)

Results after the Close (Previous day)

**** No significant reports. ****

Results Before the Open (Today)

**** No significant reports. ****

Notable Callouts (Additional commentaries from previous trading day)

Ooma (OOMA) – Described as a “*smart communications platform for businesses and consumers,*” Ooma will be reporting its Q3 earnings on Wednesday, December 4th, after the close. B. Riley is modeling Subscription and Services Revenue of +7.2% Y/Y and accounting for 93% of revenue with a gross margin of 70.5%. Their core user estimate of 1.25M is +11k during the quarter with business subscribers +13k to 513k (+8.0% Y/Y) and residential customers -2k Q/Q to 742k (-3.1% Y/Y). In aggregate, business customers (SMB and enterprise) have grown to account for 60% of total subscription and services revenue with an average of ~13% Y/Y organic growth since FY23. Looking ahead, even though the stock is up 37% YTD, the company has two growth catalysts in AirDial and 2600Hz that are gaining traction and could lead to a reacceleration of Subscription and Services Revenue growth.

POTS (COPPER LINE) REPLACEMENT



Solves critical infrastructure problem

>10 million line U.S. market opportunity¹

WHOLESALE SOLUTIONS



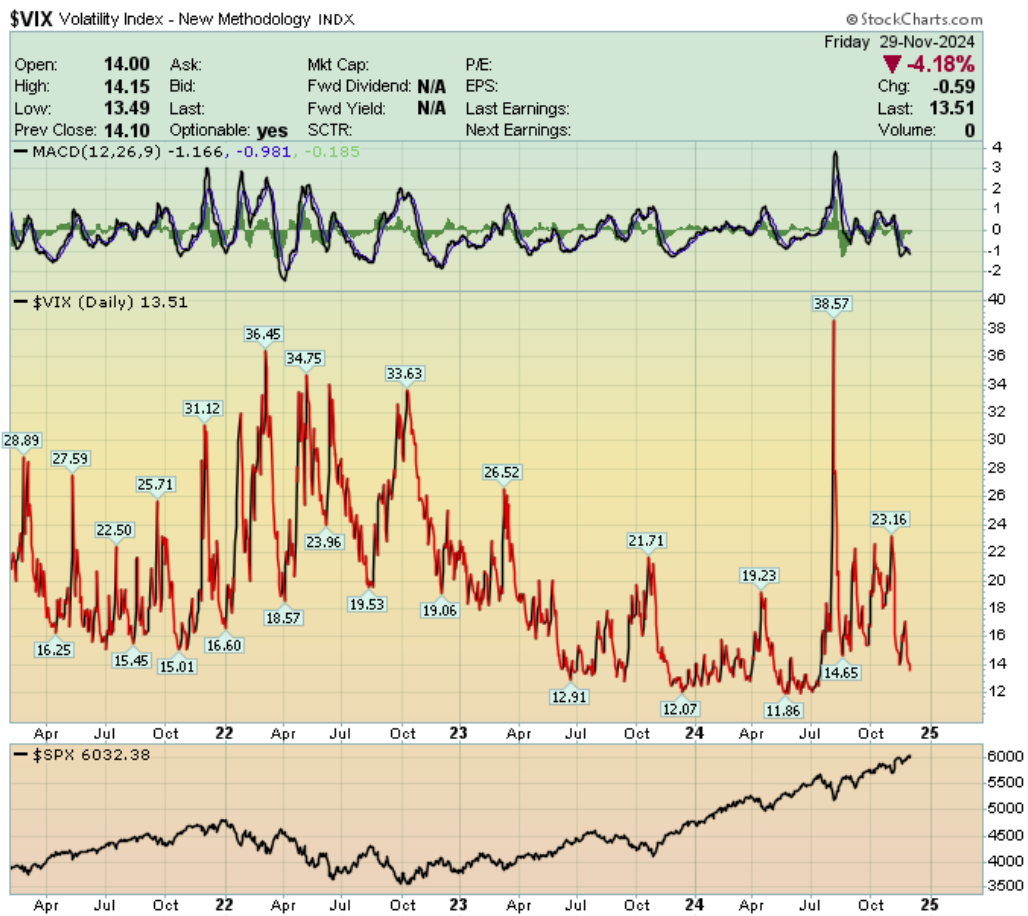
Wholesale platform for carriers/others

Worldwide market, 50+ million users²

AirDial – In Q2, the company said it closed more AirDial customers than ever before and has now secured orders for the first 10k+ AirDial boxes. On the call, management also announced a Top-10 US Incumbent Local Exchange Carrier (ILEC) will begin reselling AirDial and Ooma Telo this year. As background, B. Riley points out that Ooma has partnered with Carahsoft Technology, a government IT solutions provider, to make its Ooma AirDial POTS replacement solution accessible to public sector agencies. Carahsoft will serve as Ooma’s Master Government Aggregator, making its POTS replacement products available to the public sector through Carahsoft’s reseller partners and procurement vehicles.

Metaswitch – Separately, B. Riley believes that the June announcement that **Microsoft (MSFT)** will be sunsetting its Metaswitch platform will be a long-term tailwind for Ooma’s 2600Hz wholesale UC platform, which **secured a new CPaaS customer earlier this year that has the potential to become one of Ooma’s largest revenue customers**. The cadence of activity is likely to continue to be part of a longer tail of migration from Metaswitch and they note that Microsoft’s platform has around 750 logos.

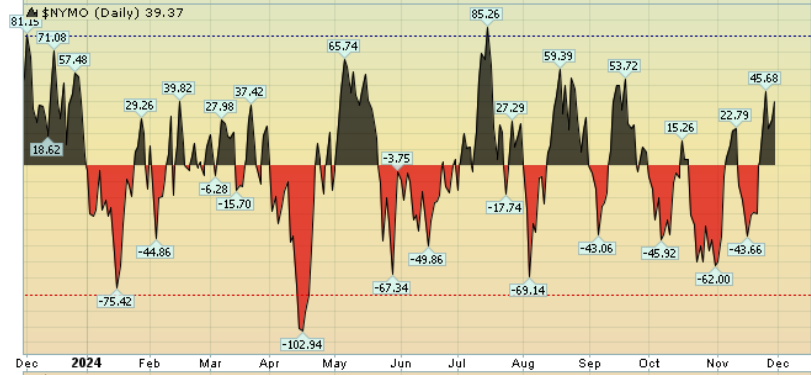
Market Internals



\$NYMO NYSE McClellan Oscillator (Ratio Adjusted) (EOD) INDX

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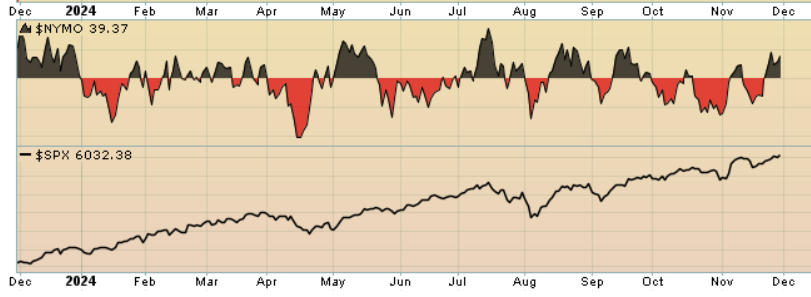
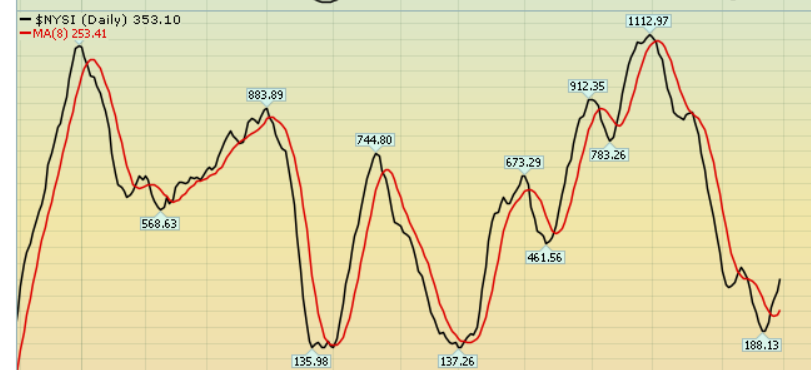
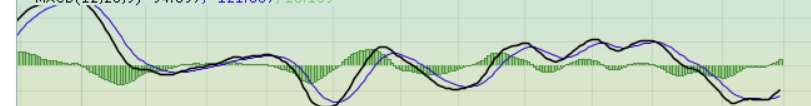
Friday 29-Nov-2024
 ▲ +38.04%
 Chg: +10.85
 Last: 39.37
 Volume: 0



\$NYSI NYSE McClellan Summation Index (Ratio Adjusted) (EOD) INDX

© StockCharts.com

Friday 29-Nov-2024
 ▲ +12.55%
 Chg: +39.38
 Last: 353.10
 Volume: 0



\$NYA50R NYSE Percent of Stocks Above 50 Day Moving Average INDEX

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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 29-Nov-2024
 ▲ +2.29%
 Chg: +1.46
 Last: 65.23
 Volume: 0



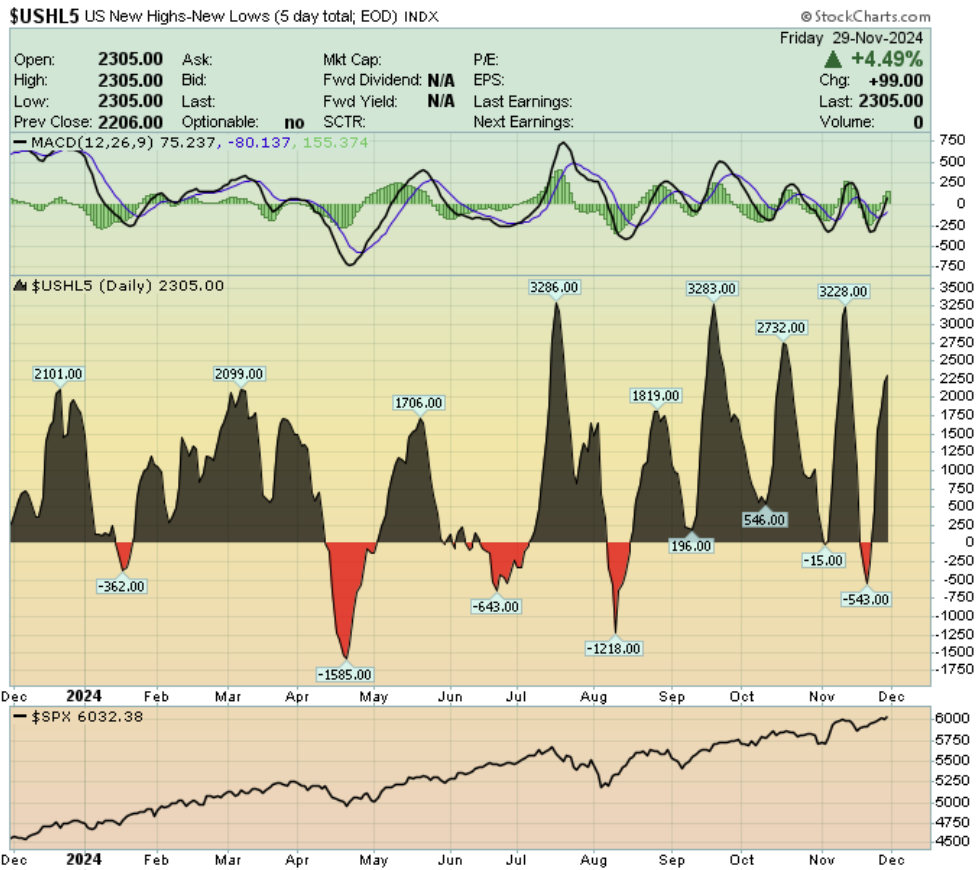
\$SPXA50R S&P 500 Percent of Stocks Above 50 Day Moving Average INDEX

© StockCharts.com

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 29-Nov-2024
 ▲ +2.01%
 Chg: +1.40
 Last: 71.00
 Volume: 0





Chronicle Yu

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