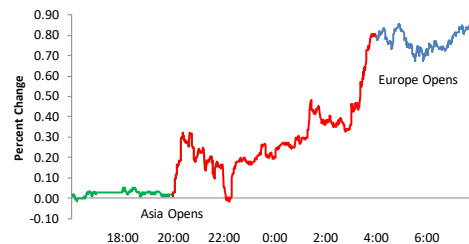




Today's Events

Overnight Trading



Other Markets

Japan	↑	0.2 %
China	↑	2.4
Germany	↑	0.7
UK	↑	0.5
Oil	63.54 ↑	\$0.1
Gold	1286 ↓	-\$5.3
\$/Euro	0.884 ↓	0.00
\$/Yen	111.93 ↓	-0.1
10-Yr	2.57 ↑	0.01

Noteworthy Macro Events

- Futures Rally on Strong Earnings Data and 3% Gain in China.

Overnight Trading

Trading Up (\$):

AMZn (8.83), NFLX (6.12), UNH (5.3), JNJ (2.48), CRSP (1.65), ROKU (1.61)

Trading Down (\$):

JBHT (-4.25), FB (-1.35), KSS (-0.72), HFC (-0.65), BRS (-0.37), FDX (-0.25)

Stock Specific News of Note

Ticker	News
BAC	Beat EPS forecasts by 5 cents (0.71 vs 0.66) on weaker revenues.
BLK	Beat EPS forecasts by 48 cents (6.61 vs 6.13) on stronger revenues.
CMA	Beat EPS forecasts by 15 cents (2.08 vs 1.93) on inline revenues.
CRM	Lowered EPS guidance to account for just announced \$300 mln acquisition of salesforce.org
EA	KeyBanc Says that Apex game remains a hit but trends slowed in March.
EXPE	Announces deal to acquire Liberty Expedia Holdings in an all-stock deal.
FB	NBC reports that company leveraged user data to compete with rivals.
FHN	Reported inline EPS (0.35) on stronger revenues.
INTU	Guggenheim analyst says TurboTax live support saw a pick up in demand this year.
JBHT	Missed EPS forecasts by 16 cents (1.09 vs 1.25) on weaker revenues.
JNJ	Beat EPS forecasts by 6 cents (2.10 vs 2.04) on stronger revenues; reaffirmed guidance.
OMC	Beat EPS forecasts by 7 cents (1.17 vs 1.10) on weaker revenues.
ROKU	Needham says Disney+ could add \$1 bln to company's market cap.
T	Sells 9.5 minority interest in Hulu back to company for \$1.43 bln.
UNH	Beat EPS forecasts by 13 cents (3.73 vs 3.60) on inline revenues; raised guidance.
WTFCT	Missed EPS forecasts by 1 cents (1.52 vs 1.53) on inline sales; sees growth across the board.

Analyst Actions

Upgrades

Ticker	Firm	From	To
ADNT	Barclays	Mkt Wgt	Overwgt
CMI	Citigroup	Neutral	Buy
CTLT	UBS	Neutral	Buy
ELF	DA Davidson	Neutral	Buy
MRO	RBC Capital	Mkt Perf	Outperf
NFLX	Deutsche	Hold	Buy

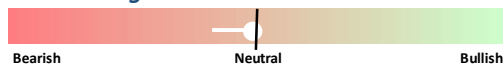
Downgrades

Ticker	Firm	From	To
CTSH	Wells Fargo	Outperf	Mkt Perf
DWDP	RBC Capital	Outperf	Mkt Perf
LII	Baird	Outperf	Neutral
MIC	Barclays	Mkt Wgt	Underwgt
SNA	Merrill	Buy	Neutral
SUN	Barclays	Overwgt	Mkt Wgt

Initiations/Reiterations

Ticker	Firm	Action	Rating
CSCO	Goldman	Reiterated	Buy
DOW	RBC Capital	Initiated	Top Pick
EXAS	UBS	Reiterated	Buy
GS	Soc Gen	Reiterated	Underperf
MU	Nomura	Initiated	Neutral
SKYW	Stifel	Initiated	Buy

Market Timing Model



Expected S&P 500 Return (%)

Category	One Week	Two Weeks	One Month
Sentiment	0.07	0.20	0.54
Technicals	0.07	0.27	0.41
Fundamental	0.16	0.28	0.65
Overall	0.10	0.24	0.53
Average (all days)	0.13	0.25	0.51

Indicators/Events

Time	Event	Estimate	Date	Est	Act.	Diff.	S&P	Best	Worst
9:15	Industrial Production	0.2	3/15	0.4	0.1	-0.3	0.50	Tech	Indu
9:15	Capacity Utilization	79.2	3/15	78.5	78.2	-0.3	0.50	Tech	Indu
10:00	NAHB Housing Index	64	3/18	63	62	-1	0.37	Ener	Tel Svcs
14:00	Fed's Kaplan Speaks in New Mexico								

Tomorrow

Economic Indicators & Events

Time	Event	Estimate	Date	Act.	vs. Est.	S&P
10:00	Wholesale Inventories	0.3	3/22	1.1	-1.90	

Earnings Reports

Ticker	Date	TOD	Estimate	EPS	Revs.
ABT	4/17/19	AM	0.62	7,490	
BK	4/17/19	AM	0.96	4,011	
MS	4/17/19	AM	1.17	9,968	
PEP	4/17/19	AM	0.93	12,683	
TXT	4/17/19	AM	0.68	3,177	
USB	4/17/19	AM	1.00	5,621	
AA	4/17/19	PM	-0.12	2,878	
CCI	4/17/19	PM	1.37	1,388	
CCK	4/17/19	PM	1.03	2,767	
LVS	4/17/19	PM	0.86	3,466	
URI	4/17/19	PM	3.06	2,056	

Conferences & Meetings

10:30	DoE Energy Inventories
12:30	Fed's Harker Speaks on Economic Outlook
12:45	Fed's Bullard Speaks at Hyman Minsky Conference
14:00	Fed Releases Beige Book

Dividends & Splits

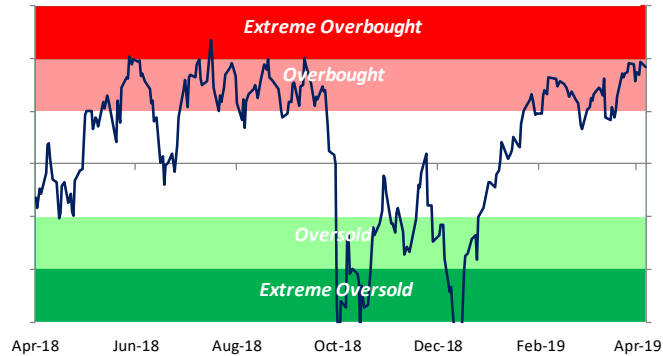
GFF	1.39	FIX	0.38
CBRL	1.25		

Index Changes

CGC	Will replace GG in the TSX 60 effective 4/18.
BOOM	Will replace BEL in the S&P 600 effective 4/18.



S&P 500 50-Day Moving Average Spread



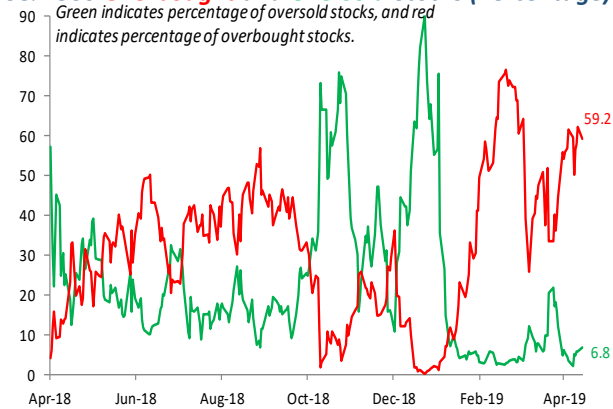
S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↓	3.6 %	4.0 %
10-Day A/D Line	↓	735	1496
# of Overbought Stocks	↓	296	298
# of Oversold Stocks	↑	34	11
P/E Ratio			
Trailing	↑	19.08	19.02
Forward	↑	17.55	17.46
Dividend Yield	↓	1.90 %	1.90 %
Net Earnings Revisions	↓	-18.4 %	-17.5 %
Credit Spreads (bps)			
High Yield	↓	379	386
Corporate Bonds	↓	120	123

Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
EFII	29.3	2	-4.1	0.0	1.0	100.0
ADNT	14.5	3	0.0	66.7	3.7	33.3
CTLT	13.1	1	-2.2	0.0	3.5	100.0
BGG	8.3	7	0.5	57.1	4.2	71.4
ADS	-9.3	7	0.5	57.1	-0.7	57.1
CUTR	-6.8	21	0.8	61.9	1.5	61.9
BBBY	-6.2	14	0.8	71.4	1.3	57.1
ESV	-5.8	70	-0.2	48.6	-0.3	45.7

S&P 500 Overbought and Oversold Stocks (Percentage)



Trading Ranges: Sectors

Index/Sector	Current	1 Wk Ago	OS	N	OB
S&P 500	OB	OB			
Cons Discret.	OB	OB			
Cons Staples	OB	OB			
Energy	OB	OB			
Financials	OB	OB			
Health Care	OS	N			
Industrials	OB	OB			
Materials	OB	OB			
Technology	OB	OB			
Comm. Svcs	OB	OB			
Utilities	OB	N			

S&P 500 Overbought Stocks Most Likely to Fall

Ticker	Price	Standard Deviations		Avg % Return (One Week)	Percent of Time Positive
		Above 50-Day Avg	Below 50-Day Avg		
HRB	26.07	3.26		-4.47	0.1
PRGO	50.42	1.51		-1.40	0.4
JNPR	27.58	1.58		-0.52	0.5

Relative Strength of Stocks versus Bonds



Trading Ranges: Bonds/Commodities

Commodity	Current	1 Wk Ago	OS	N	OB
\$/Euro	N	N			
\$/Yen	OB	N			
2-Year	N	N			
10-Year	N	N			
Gold	OS	N			
Silver	OS	N			
Copper	N	N			
Crude Oil	OB	OB			
Heating Oil	OB	OB			
Gasoline	OB	OB			
Natural Gas	OS	N			

S&P 500 Oversold Stocks Most Likely to Rise

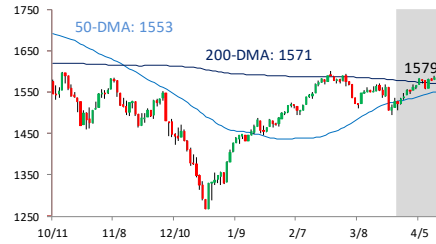
Ticker	Price	Standard Deviations		Avg % Return (One Week)	Percent of Time Positive
		Below 50-Day Avg	Above 50-Day Avg		
INCY	78.07	-2.60		1.03	70.0
NFLX	347.57	-1.63		1.65	65.6
NUE	57.84	-1.05		0.50	58.3
HUM	254.50	-1.66		1.01	55.8
ABMD	272.59	-1.63		0.63	50.0



S&P 500: Last Six Months



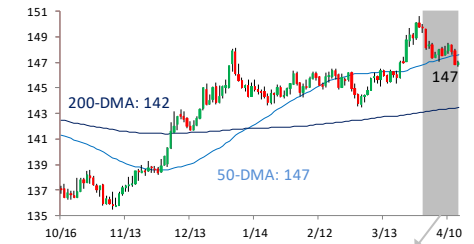
Russell 2000: Last Six Months



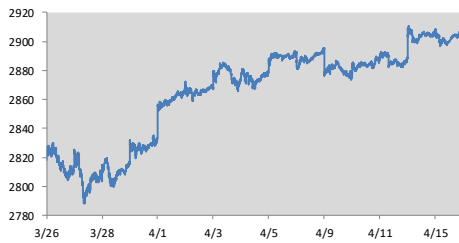
Gold Future: Last Six Months



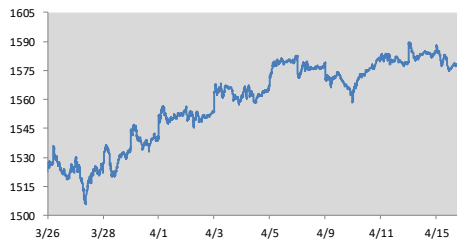
Long Bond Future: Last Six Months



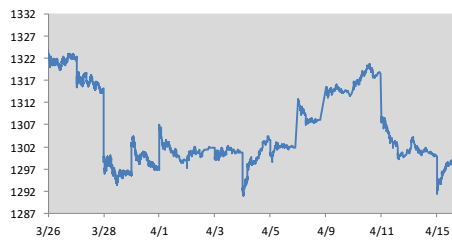
S&P 500: Last 15 Trading Days



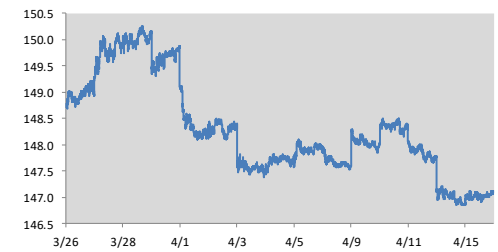
Russell 2000: Last 15 Trading Days



Gold Front Month Future: Last 15 Trading Days



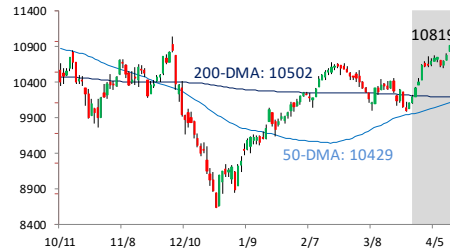
Long Bond Future Intraday: Last 15 Trading Days



Nasdaq Composite: Last Six Months



DJ Transports: Last Six Months



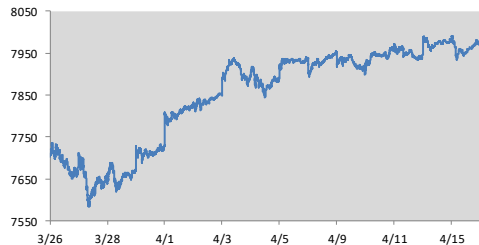
Oil Future: Last Six Months



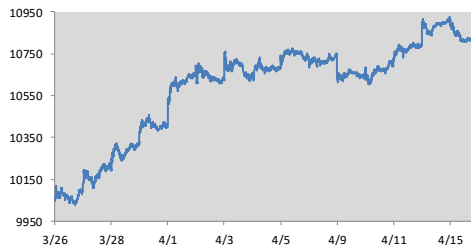
BBG US Dollar Index: Last Six Months



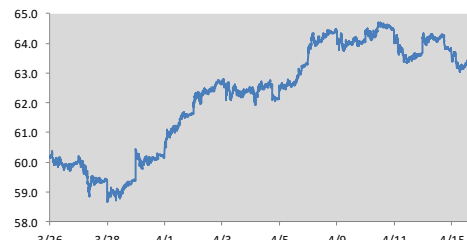
Nasdaq Composite: Last 15 Trading Days



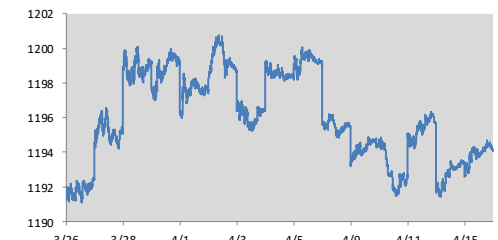
DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days





Morning Commentary

Overview: The US equity market is set to open 33 bps higher this morning and futures are near session highs thanks to strong large cap financials and health care beats this morning. The dollar is mixed, rates are slightly higher, and crude oil is up very slightly at \$63.50. Global markets took a positive tone overnight from China and are replicating it in Europe (thanks to some positive company news) as well as in the US thanks to positive earnings results. [Economic scorecard](#)

Notable Earnings: This morning we've had a series of high-profile earnings: BAC, BLK, JNJ, PGR, UNH. BAC has followed in the footsteps of other money-centers (C, JPM) as well as GS in reporting slightly stronger than forecast trading revenue and a solid EPS beat. BLK also reported strong adjusted EPS of \$6.61 versus \$6.13 expected by analysts; shares are down modestly pre-market, though, thanks to risk aversion by Blackrock clients throwing off flows and therefore fees (down 5% QoQ). UnitedHealth (UNH) is likely to get a serious bounce out of its earnings; the name closed down over 21% from December highs and over 2 standard deviations oversold two days ago, thanks to concerns over impacts to the group from more transparency in drug prices. Given oversold conditions, the fact the company handily beat revenues, EPS, and raised guidance for full year EPS creates a very high chance of a substantial bounce. PGR reports too late for this recap, but Johnson & Johnson (JNJ) beat revenue and EPS and is up over 1.8% as-of this writing.

Coming up tonight: CSX, IBM, Netflix (NFLX), United Continental (UAL), and specialty brokerage Interactive Brokers (IBKR). [Earnings Explorer](#)

APAC Markets: Stocks ripped higher throughout the session in China after opening red. With H-shares in full rally mode, Taiwan, Korea, Indonesia, and India all ripped and closed at session highs as well. Chinese stocks outperformed dramatically with the CSI 300 up almost 3% while the KOSPI, TWSE, and Jakarta composite saw more modest gains of less than 1%. Stories about accelerating credit growth, capital flight from highly-rated corporates, and general optimism on the Chinese economy fill our news feeds, suggesting this is a very bad time to be adding to shorts related to China. Eventually that time will come, but the proclivity of markets like the CSI 300 to rip tens of percentage points in very short periods of time suggest laying off bets against economic turnaround in China.

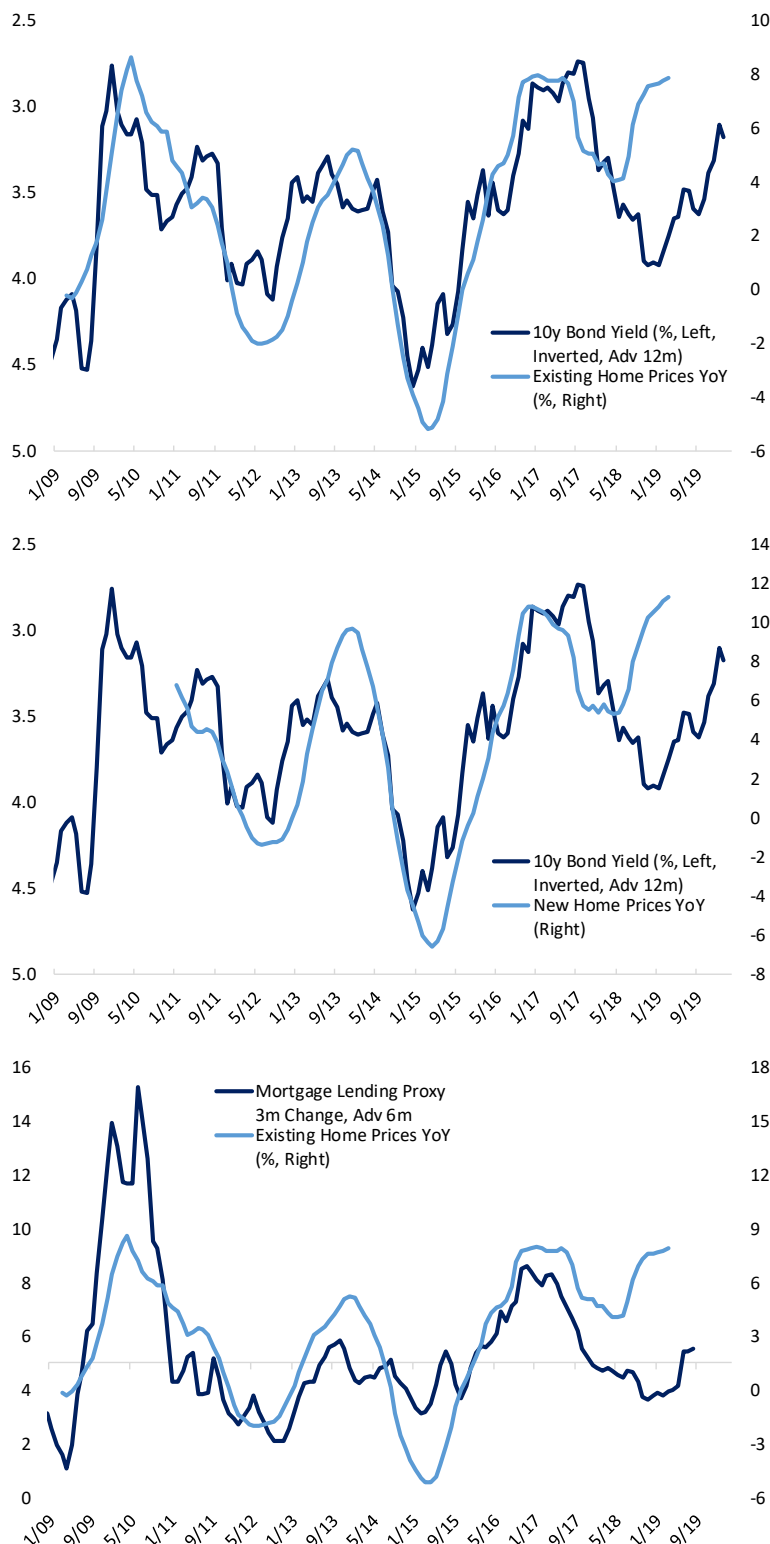
Europe Markets: European equity markets are all off their highs but generally up on the session as the DAX leads the charge. The best-performing stock in the region is the 10.2% rip for Zalando, a German online fashion accessory retailer that is up 84% YTD! The name has a relatively modest market cap of 10bn EUR, trading for 109x 2019 earnings. The rip today was on a company announcement of a small Q1 gain versus loss previously expected. Rio Tinto is flat after announcing iron ore shipment disruptions could extend all the way to June; volumes are already at a five year low. Semis (especially Swiss names) are seeing a good day as VAT Group reported less-weak than expected new orders this morning (-5% QoQ, -41% YoY, stock up 7.5%). German industrial name thyssenkrupp has seen no news but its move above its 50-DMA is seeing strong volume; the stock is down 56% from mid-2017 highs. Cyclical are once again leading the Stoxx 600 at the group level with Financial Services, Insurance, Banks, Autos, Chemicals, and Retail all at the top of the charts. In rates, curves are steeper and spreads are wider, while credit spreads are up slightly (off session highs), and EURUSD is flat (despite a tumble on a report ECB officials are "skeptical" about second-half growth forecasts for improvement).



Morning Commentary

China Property: Historically, the Chinese real estate market has done a reasonable job following the signals from interest rates and mortgage credit extension. As shown in the charts at right, however, the recent uptick in property price growth to the strongest level on record (for new home prices) and near-record levels (for existing home prices) is not consistent with *either* interest rates or mortgage credit growth. To be sure, both of those home price drivers are moving in the right direction, they just aren't showing the same relationship they have historically. One way to interpret this data would be to suggest that Chinese property prices have become totally unanchored from fundamental inputs that should have some bearing on them, which would indicate a speculative mania. It's also possible that our interest rate or mortgage credit proxies have for some reason lost their relevance due to changes in behavior. Either way, Chinese property prices are in uncharted territory and rising at a staggering clip, as well as broadly across the various individual cities for which we have data. On the next page, we show a heatmap of YoY price changes for newly built homes in China by city, with a similar chart for existing home prices on the page following that.

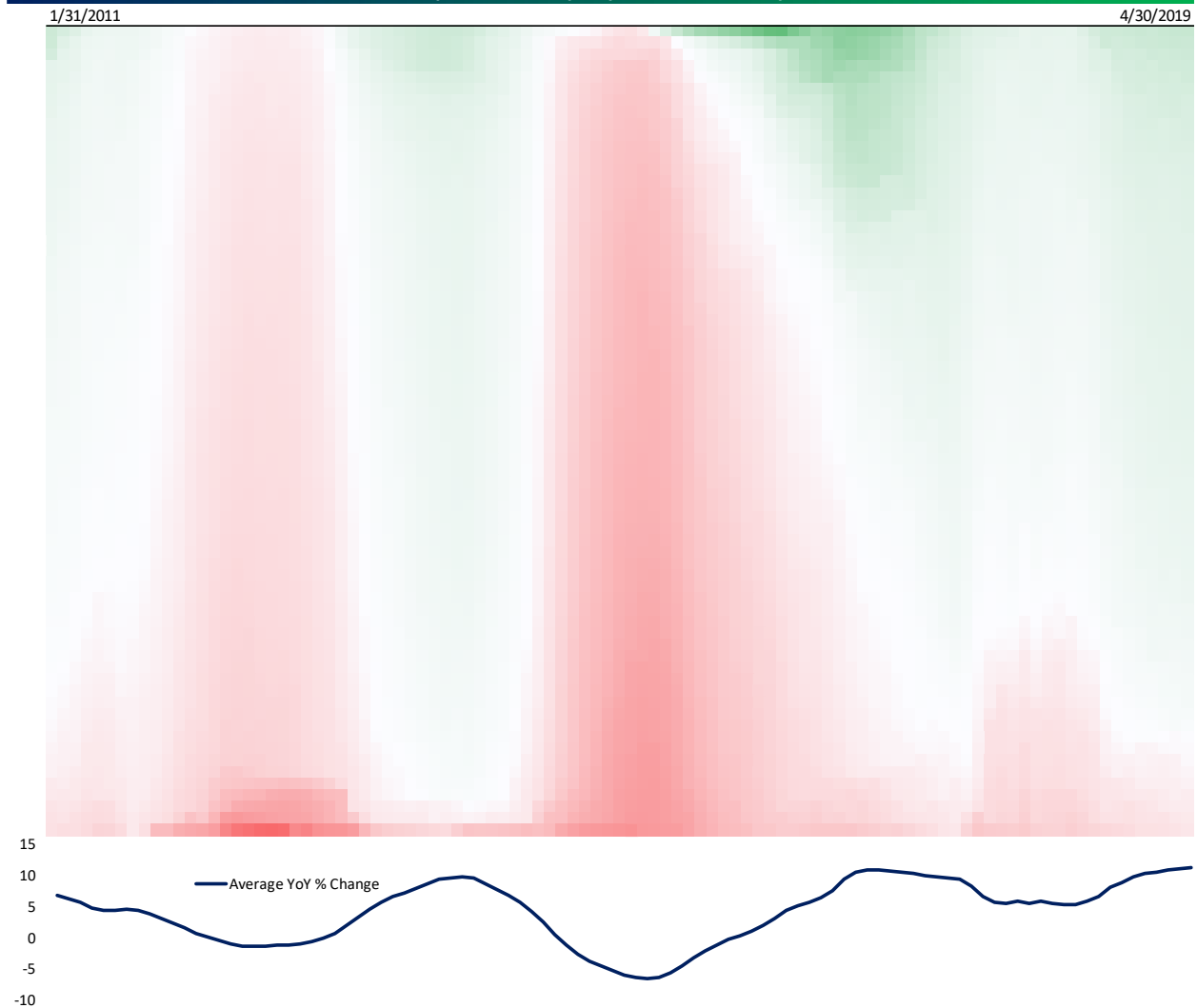
Chinese Home Prices Have Totally Disconnected From Rates + Lending





Morning Commentary

China Top 70 Cities Property Prices YoY (Newly Built)



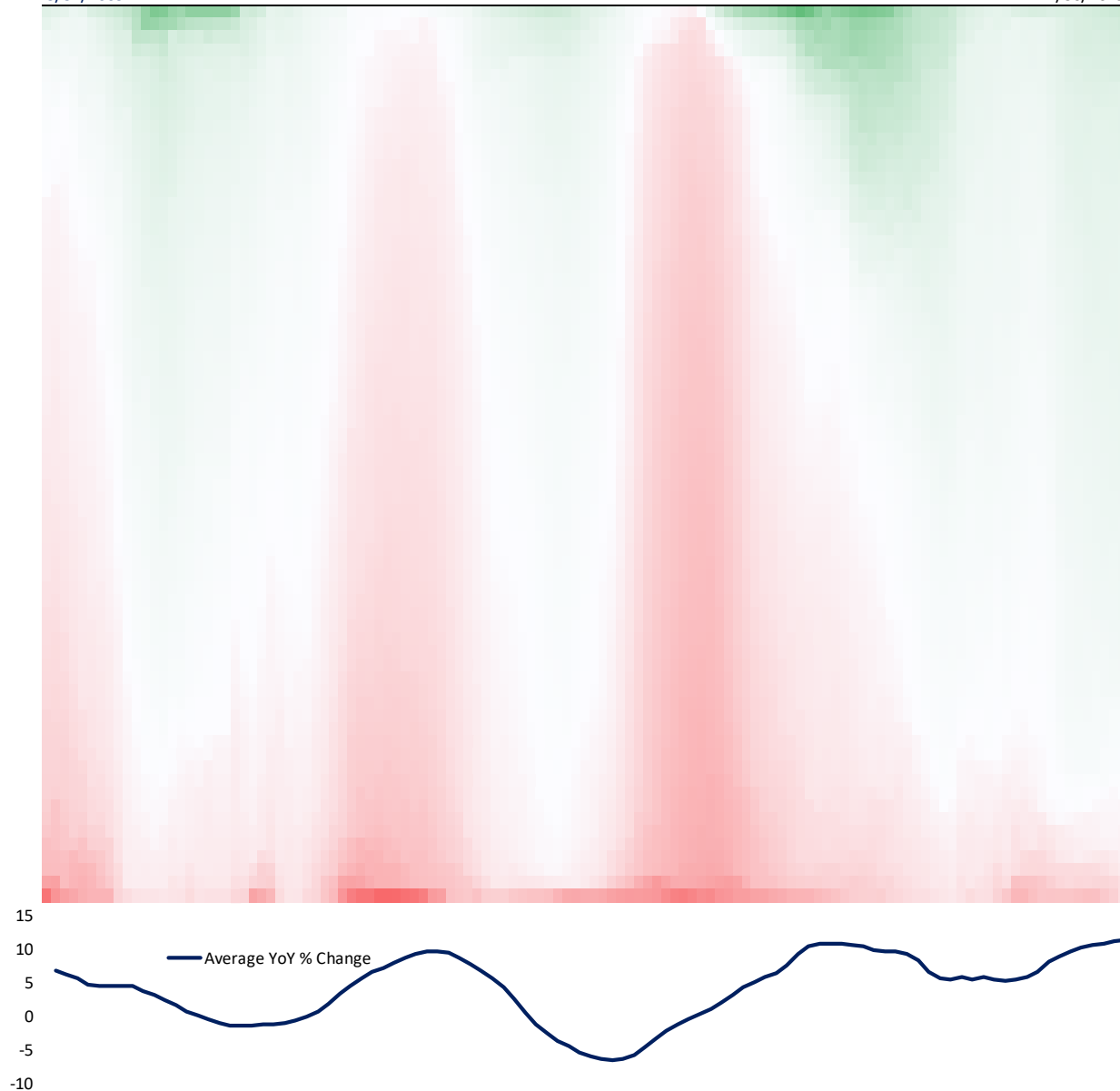


Morning Commentary

China Top 70 Cities Property Prices YoY (Existing)

3/31/2009

4/30/2019





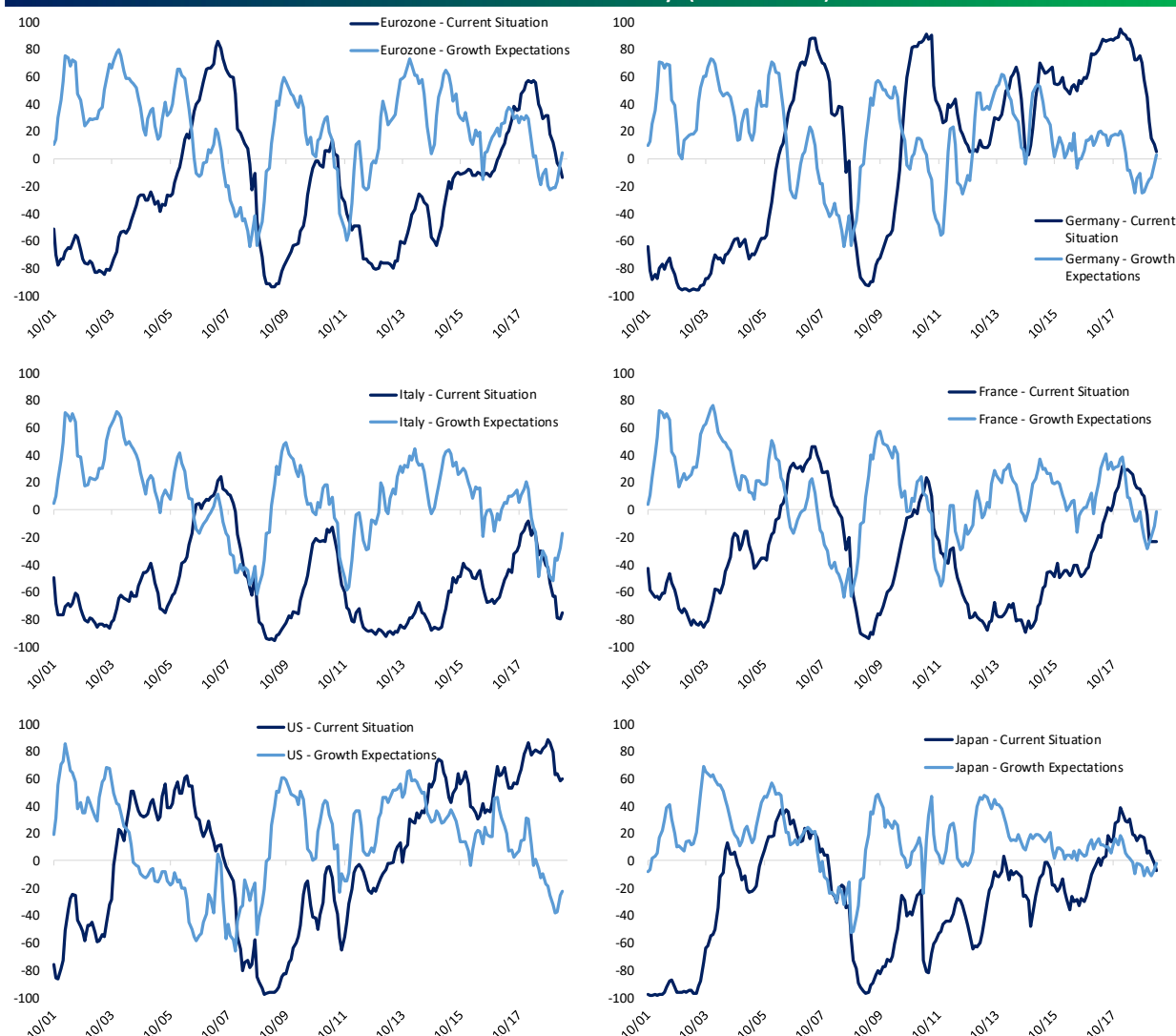
Morning Commentary

ZEW Economic Assessment Surveys

Country	Category	Current	Last Month	Change	Year Ago	Change
Eurozone	Current	-13.2	-6.6	-6.6	57.7	-70.9
France	Current	-23.2	-22.9	-0.3	29.7	-52.9
Germany	Current	5.5	11.1	-5.6	87.9	-82.4
Italy	Current	-75.2	-79.3	4.1	-14.0	-61.2
Japan	Current	-7.1	-2.2	-4.9	28.1	-35.2
UK	Current	-38.7	-38.7	0.0	1.0	-39.7
US	Current	59.9	58.2	1.7	79.6	-19.7
Eurozone	Expectations	4.5	-2.5	7.0	1.9	2.6
France	Expectations	-1.6	-11.7	10.1	9.0	-10.6
Germany	Expectations	3.1	-3.6	6.7	-8.2	11.3
Italy	Expectations	-16.8	-27.8	11.0	-12.7	-4.1
Japan	Expectations	-2.2	-6.7	4.5	3.1	-5.3
UK	Expectations	-62.0	-57.0	-5.0	-44.7	-17.3
US	Expectations	-22.4	-25.2	2.8	-3.3	-19.1

ZEW: Analyst surveys from ZEW this month show the trend of falling growth assessments but rapidly improving forecasts was still intact. Historically that's a good sign for the economic cycle, as it tends to happen as things are beginning to bottom out. At left we show the current and expectations assessments for the countries charted below, along with changes. Eurozone and Germany expectations are both up versus a year ago now, while the UK is the only economy where expectations fell MoM.

ZEW Economic Assessment Surveys (2000 - Current)



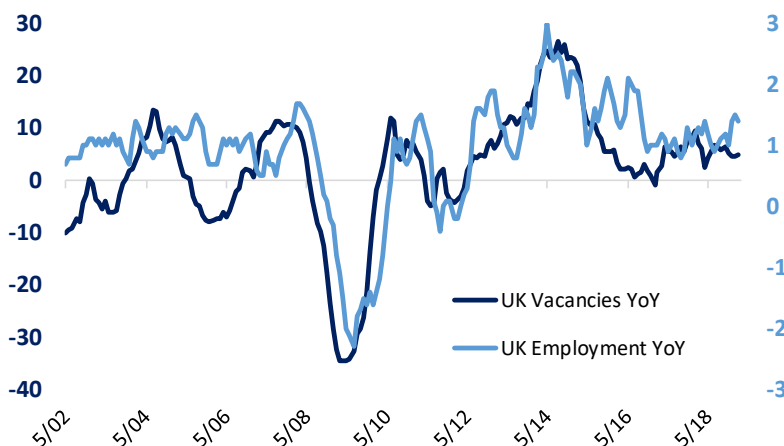


Morning Commentary

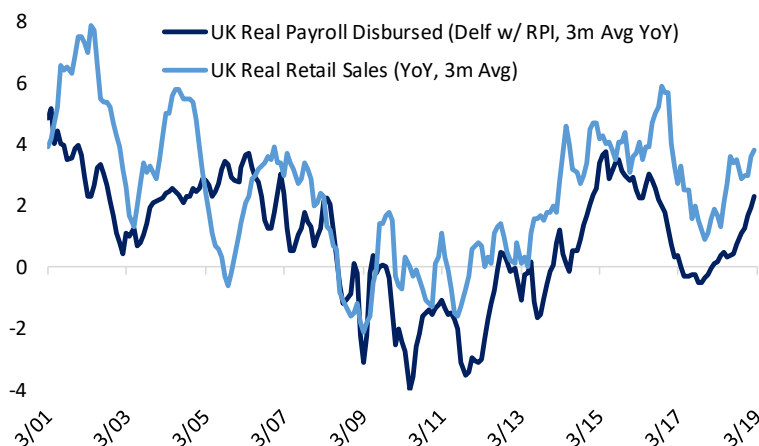
UK Labor: Today the UK's ONS reported labor market data that was broadly in-line with expectations of economists. The UK labor market is in pretty good shape despite the confidence shock to business from poorly executed Brexit negotiations, and the 6 month reprieve should give the UK economy room to stretch its legs a bit; the BoE meeting on May 2nd may be a stage for a more hawkish signal given the strong data run ([Central Bank Monitor](#)).

As far as the actual data goes, UK vacancies broadly tend to lead the growth of employment and while they're not rising at a very strong pace, they also don't signal anything untoward amidst what appears to be a tight labor market. Real labor income is surging and nearing the pace that it saw early in 2015 before the Brexit referendum derailed sterling and the broader UK economy. Incomes are still lagging real retail sales growth, but they're both picking up. The reason is strong *nominal* wage growth (hovering just below 4% in the last year or so) and falling inflation as the pound gets its footing. All told, the UK labor market looks to be in reasonable shape for now, though that may change given slow home prices.

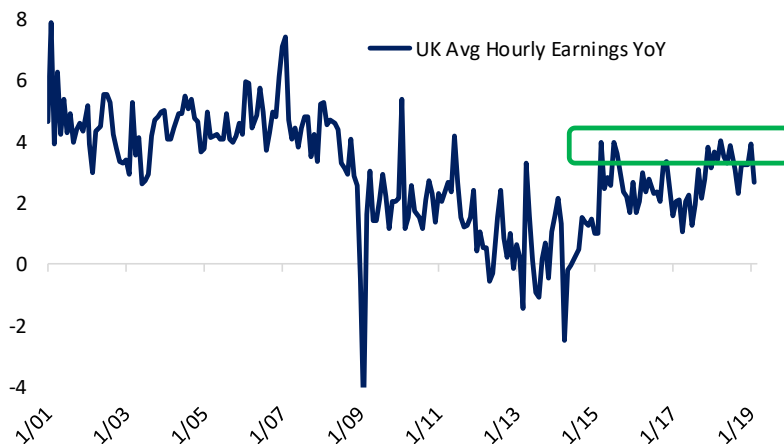
UK Vacancies Typically Lead And Are Still In Decent Shape



UK Real Income Growth Is Picking Up Dramatically



Nominal Wages Weak In February But Have Been Strong





Morning Commentary

US Markets: The Fed reports industrial production numbers this morning, along with monthly numbers on the outlook for homebuilders courtesy of the NAHB. One Fed speaker (Kaplan) is scheduled, so most of the focus will be on earnings data that's starting to come in at a healthy clip. [Economic scorecard](#). [Interactive Earnings Calendar](#).

Major Asset Class Dashboard

Asset	Level	Change	5d Chg	3m Chart	Asset	Level	Change	5d Chg	3m Chart
		(bps)					(bps)		
Equity Futs	S&P 500	2912.50	0.0	46.6	Commodity	Gold	1289.00	-47.9	-96.8
	Russell	1590.70	9.4	39.1		Silver	14.88	-58.8	-226.7
	VIX Fut	12.78	3.9	-1081.6		WTI	63.29	-93.9	-181.5
	TSX	982.70	-6.1	61.4		Copper	293.10	-50.9	-10.2
Trsy Yields	2 Year	240.19	1.1	4.0	Int'l Equity	Nikkei	22169.11	136.5	187.2
	5 Year	238.54	0.5	5.8		CSI 300	3975.52	-32.8	-201.4
	10 Year	256.51	0.0	4.3		ASX 200	6251.44	0.2	48.4
	30 Year	297.69	0.0	5.0		Stoxx 600	387.95	10.8	11.4
Curves/BE	2s10s	16.12	-0.8	0.3	FX	BBG USD	1192.61	0.4	-16.5
	5s30s	58.98	-0.5	-0.9		EURUSD	1.1307	7.1	39.1
	5 Yr BE	187.42	-0.1	185.6		USDJPY	111.98	-3.6	44.9
	10 Yr BE	196.29	-0.1	194.4		EM FX	63.23	-5.2	17.7
Eurodollars	Jun '19	97.42	-1.0	-2.5	Credit	CDX IG	56.82	-1.0	-3.2
	Sep '19	97.45	-1.0	-2.5		iTraxx IG	57.25	-1.0	-4.3
	Dec '19	97.44	-2.0	-6.0		CDX HY	326.26	-2.0	-11.6
	Mar '20	97.53	-2.5	-7.5		iTraxx HY	247.91	-2.5	-10.9