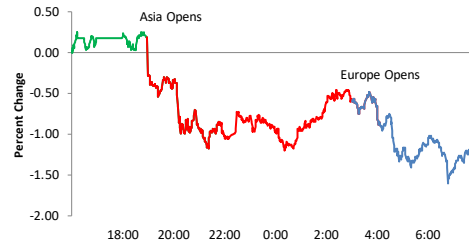




Today's Events

Overnight Trading



Other Markets

Japan	↓	-1.6 %
China	↑	0.4
Germany	↓	-1.6
UK	↓	-0.7
Oil	61.25 ↓	-\$0.4
Gold	1308.4 ↓	-\$9.5
\$/Euro	0.821 ↑	0.00
\$/Yen	106.78 ↑	0.1
10-Yr	2.83 ↓	0.0

Noteworthy Macro Events

- March Picking Up Where February Left Off With Equities Lower.
- Trump Likely to Impose Tariffs on Steel and Aluminum.

Overnight Trading

Trading Up (\$):
CRM (4.75), BBY (3.31), HIIQ (3.15), PTEN (2.96), X (1.78), NWL (1.56)

Trading Down (\$):
PTLA (-7.22), GOOG (-5.4), OSTK (-5.4), MNST (-4.93), LB (-3.58), BOX (-3.42)

Stock Specific News of Note

Ticker	News
BBY	Beat EPS forecasts by 39 cents (2.42 vs 2.03) on stronger revenues; raised guidance.
BID	Beat EPS forecasts by 15 cents (1.47 vs 1.32) on stronger revenues.
BOX	Beat EPS forecasts by 2 cents (-0.06 vs -0.08) on inline revenues.
BUD	Beat EPS forecasts by 5 cents (1.04 vs 0.99) on inline revenues.
CRM	Beat EPS forecasts by 1 cent (0.35 vs 0.34) on stronger revenues; raised guidance.
FOE	Reported inline EPS (0.29) on stronger revenues; raised guidance.
GET	Beat EPS forecasts by 30 cents (0.96 vs 0.66) on stronger revenues; guided inline.
ITRI	Beat EPS forecasts by 8 cents (1.01 vs 0.93) on stronger revenues; guided inline.
KSS	Beat EPS forecasts by 22 cents (1.99 vs 1.77) on inline revenues; raised guidance.
LB	Beat EPS forecasts by 6 cents (2.11 vs 2.05) on stronger revenues; lowered guidance.
LQ	Missed EPS forecasts by 4 cents (-0.05 vs -0.01) on weaker revenues.
MNST	Missed EPS forecasts by 2 cents (0.35 vs 0.37) on weaker revenues.
MYL	Beat EPS forecasts by 2 cents (1.43 vs 1.41) on weaker revenues; guided inline.
NWL	NY Post reports that Carl Icahn has reportedly built a stake in company.
OSTK	Discloses that SEC is investigating its tZERO unit.
PDCO	Missed EPS forecasts by 9 cents (0.43 vs 0.52) on inline revenues; lowered guidance.
SGMS	Missed EPS forecasts by 31 cents (-0.48 vs -0.17) on inline revenues.
SQM	Missed EPS forecasts by 1 cent (0.42 vs 0.43) on stronger revenues.
TWNK	Beat EPS forecasts by 3 cents (0.17 vs 0.14) on stronger revenues; guided inline.
UHS	Beat EPS forecasts by 17 cents (2.00 vs 1.83) on inline revenues; raised EPS guidance.

Analyst Actions

Upgrades

Ticker	Firm	From	To
ETN	JP Morgan	Underwgt	Neutral
K	P Jaffray	Neutral	Overwgt
NAV	P Jaffray	Neutral	Overwgt
TM	Merrill	Underperf	Neutral
WEN	UBS	Sell	Neutral
WRI	Merrill	Neutral	Buy

Downgrades

Ticker	Firm	From	To
CPB	P Jaffray	Neutral	Underwgt
DAR	Goldman	Buy	Neutral
LB	Telsey	Outperf	Mkt Perf
MTZ	Baird	Outperf	Neutral
PTLA	M Stanley	Overwgt	Mkt Wgt
ROCK	KeyBanc	Overwgt	Mkt Wgt

Initiations/Reiterations

Ticker	Firm	Action	Rating
CLH	Needham	Reiterated	Buy
CRM	BMO Capital	Reiterated	Outperf
CRM	Mizuho	Reiterated	Buy
LOW	Telsey	Reiterated	Outperf
TWLO	Merrill	Initiated	Buy

Tomorrow

Economic Indicators & Events

Time	Event	Estimate	Last Report	Date	Act.vs. Est.	S&P
10:00	Michigan Confidence	99.5		2/16	4.4	0.04

Earnings Reports

Ticker	Date	TOD	Estimate	EPS	Revs.
BIG	3/2/18	AM		2.43	1655
FL	3/2/18	AM		1.25	2229
JCP	3/2/18	AM		0.47	4044
JD	3/2/18	AM		0.42	108912
ZEUS	3/2/18	AM		0.11	313

Conferences & Meetings

13:00 Baker Highes Rig Count
GRA Investor Day

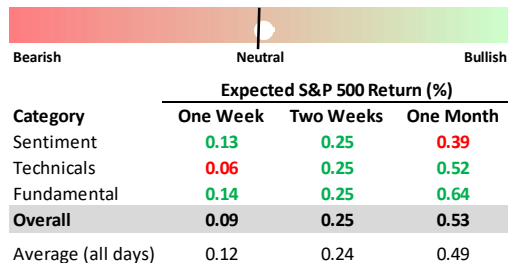
Dividends & Splits

Y	10.00	PFG	0.51
NOC	1.10	ALL	0.46
LYB	1.00	GATX	0.44
MTB	0.75	MLM	0.44
CTL	0.54	TAP	0.41
K	0.54	JACK	0.40

Index Changes

None

Market Timing Model

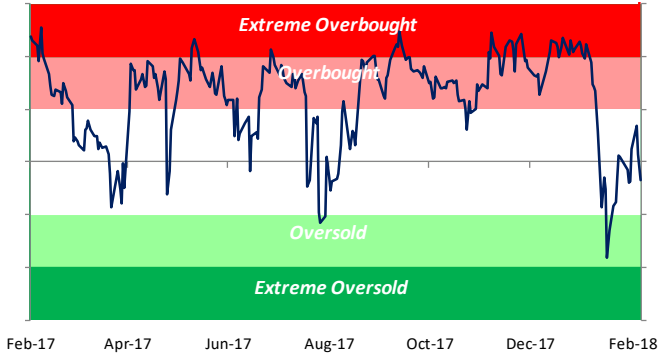


Indicators/Events

Time	Event	Estimate	Last Report							
			Date	Est	Act.	Diff.	S&P	Best	Worst	
8:30	Personal Income	0.3	1/29	0.3	0.4	0.1	-0.67	HC	Ener	
8:30	Personal Spending	0.2	1/29	0.4	0.4	0.0	-0.67	HC	Ener	
8:30	PCE Core	0.3	1/29	0.2	0.2	0.0	-0.67	HC	Ener	
8:30	Initial Claims	225	2/22	230	222	-8	0.10	Ener	Finl	
8:30	Continuing Claims	1925	2/22	1935	1875	-60	0.10	Ener	Finl	
9:45	Markit US Manufact	55.9	2/21	55.5	55.9	0.4	-0.55	Indu	Ener	
10:00	Construction Spend.	0.3	2/1	0.4	0.7	0.3	-0.06	Ener	Util	
10:00	ISM Manufacturing	58.6	2/1	58.6	59.1	0.5	-0.06	Ener	Util	
10:00	ISM Prices Paid	70.0	2/1	68.8	72.7	3.9	-0.06	Ener	Util	
All Day	Total Vehicle Sales	17.20 mln	2/1	17.2	17.1	-0.1	-0.06	Ener	Util	
10:00	Fed's Powell Testifies at Senate									
10:30	EIA Natural Gas Storage (-69)									



S&P 500 50-Day Moving Average Spread



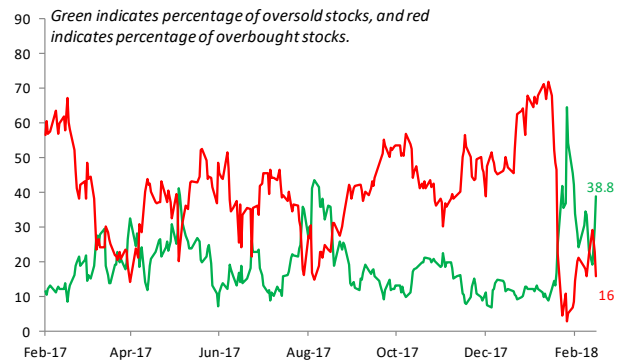
S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↑	-0.8 %	-1.0 %
10-Day A/D Line	↓	215	473
# of Overbought Stocks	↓	78	88
# of Oversold Stocks	↑	194	173
P/E Ratio			
Trailing	↑	21.88	21.78
Forward	↑	17.57	17.30
Dividend Yield	↓	1.88 %	1.89 %
Net Earnings Revisions	↓	10.5 %	17.9 %
Credit Spreads (bps)			
High Yield	↑	347	346
Corporate Bonds	↑	100	98

Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
AAXN	27.8	2	0.8	100.0	3.3	100.0
APEI	21.5	6	2.7	50.0	6.7	66.7
SYNH	17.0	4	2.8	100.0	2.8	75.0
CHS	15.8	4	-1.1	25.0	-0.3	25.0
FTR	-23.9	11	-0.7	54.5	-8.4	18.2
CYH	-17.2	9	2.3	66.7	-0.2	55.6
MHLD	-16.7	5	-0.4	40.0	1.1	40.0
DFIN	-13.5	2	-3.0	0.0	-7.4	0.0

S&P 500 Overbought and Oversold Stocks (Percentage)



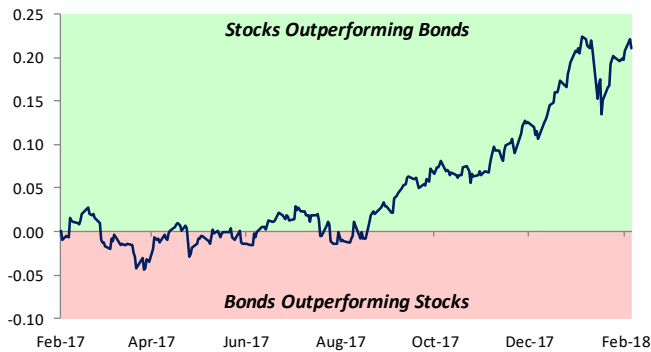
Trading Ranges: Sectors

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

S&P 500 Overbought Stocks Most Likely to Fall

Ticker	Price	Standard Deviations		Percent of Time Positive
		Above 50-Day Avg	Avg % Return (One Week)	
MU	48.83	2.66	-0.67	37.9

Relative Strength of Stocks versus Bonds



Trading Ranges: Bonds/Commodities

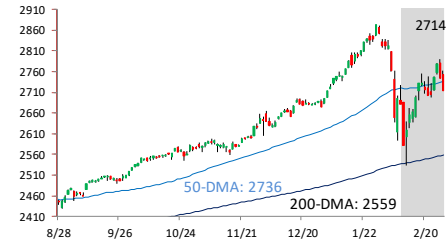
Commodity	Current	1 Wk Ago	OS	N	OB
\$/Euro	N	N	█	●	█
\$/Yen	OS	OS	●	█	█
2-Year	OS	OS	●	█	█
10-Year	OS	OS	●	█	█
Gold	N	N	█	●	█
Silver	OS	N	●	█	█
Copper	OS	N	●	█	█
Crude Oil	N	N	█	●	█
Heating Oil	OS	N	●	█	█
Gasoline	N	N	█	●	█
Natural Gas	N	N	█	●	█

S&P 500 Oversold Stocks Most Likely to Rise

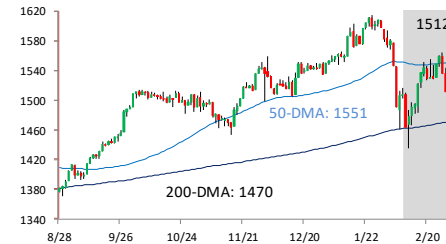
Ticker	Price	Standard Deviations		Percent of Time Positive
		Below 50-Day Avg	Avg % Return (One Week)	
HON	151.27	-1.02	0.69	64.8
DLR	100.61	-1.53	0.59	58.0
TAP	76.34	-1.60	0.34	57.0
AET	177.04	-1.05	0.65	54.8
KO	43.26	-1.70	0.36	52.9
HBI	19.43	-1.69	0.38	52.2



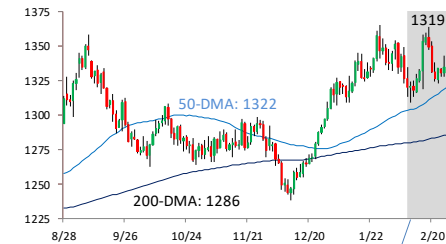
S&P 500: Last Six Months



Russell 2000: Last Six Months



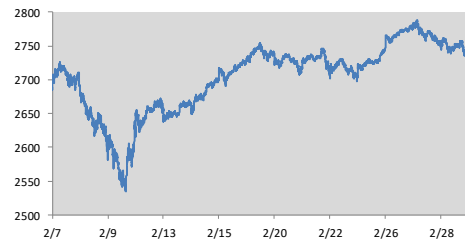
Gold Future: Last Six Months



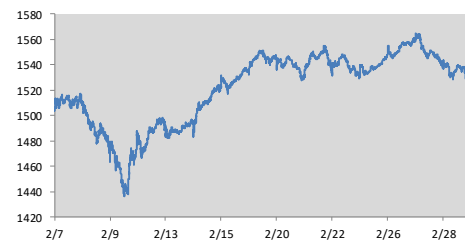
Long Bond Future: Last Six Months



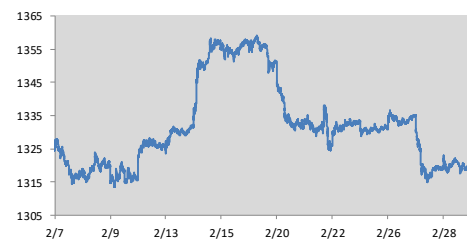
S&P 500: Last 15 Trading Days



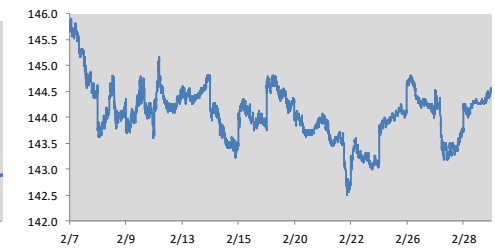
Russell 2000: Last 15 Trading Days



Gold Front Month Future: Last 15 Trading Days



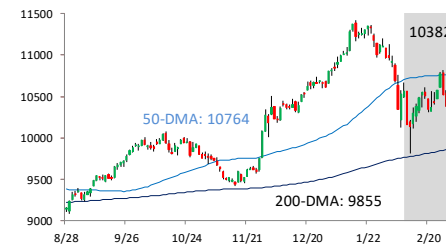
Long Bond Future Intraday: Last 15 Trading Days



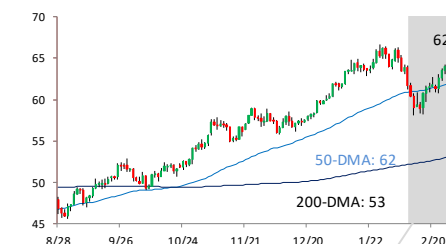
Nasdaq Composite: Last Six Months



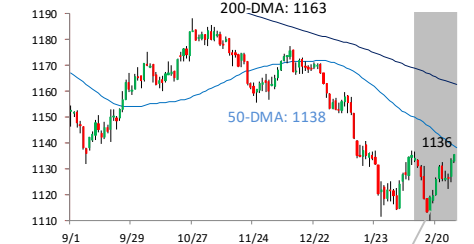
DJ Transports: Last Six Months



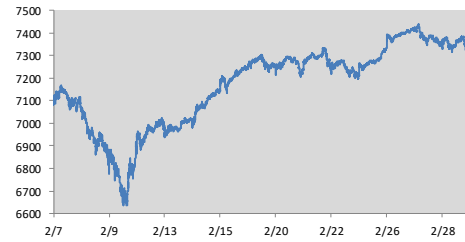
Oil Future: Last Six Months



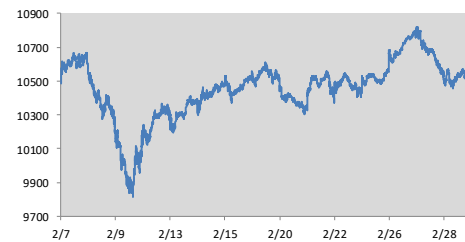
BBG US Dollar Index: Last Six Months



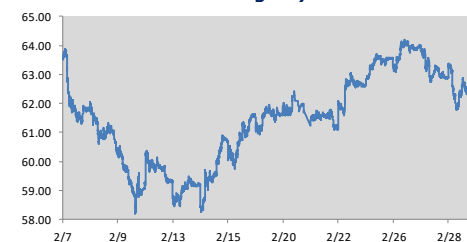
Nasdaq Composite: Last 15 Trading Days



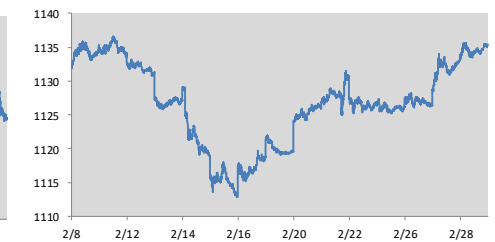
DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days





Highlights

- S&P 500 futures -50 bps
- Global PMIs continue to suggest activity peaked
- Korea trade, Japan/Oz capex, PMIs
- Data grab bag but coincident indicators slowed
- Brazil GDP too low
- Powell, autos, income/spending, PMIs

Overview: The dollar continues to perk up with gains against almost all EM FX except Lat Am and every developed market currency except the NZD. While not crashing, global manufacturing PMIs across 23 different economies reported by Markit declined by an average of 0.5 points versus a month ago ([table](#)). As shown, European economies led the declines, which we'll discuss in our Europe section. Major Asset Class Dashboard [link](#). Economic scorecard [link](#).

Asia: After a surprising YoY *decline* in South Korean exports on a preliminary basis, February full-month exports were revised higher but value exported was still the slowest YoY growth rate since 2016. While a month less timely, and only available through January, container throughput volumes for the region show little sign of slowing ([chart](#)); we wonder if the Korea data is somehow impacted by the Olympics or other idiosyncratic factors. In any event, the consistent slowdown in trade value growth over the past few months is definitely consistent with other coincident economic indicators which suggest less impressive global conditions. We should note that much of this is price-driven: YoY volume growth was the third-highest since 2011 in January, so even with slowing YoY growth of exports, Korean trade data does not suggest a crashing global economy.

Quarterly capex data from Japan showed the recovery from the strong yen period of 2015-2016 is continuing, helped by stronger sales growth ([chart](#)).

In Australia, capex from the mining sector continues to weigh with that series making fresh lows ([chart](#)). That said, real ex-mining capex is growing steadily, if relatively slowly, and is approaching fresh all-time highs. For the RBA, the ex-mining number is a nice detail, but soft resources activity remains a big factor in spare capacity staying high. AUDUSD is at fresh lows today. Over the past year, the currency has traded almost perfectly as an extension of RBA year-ahead rate changes ([chart](#)).

February PMI data for the region was a bit mixed. On average, regional PMIs were off 0.3 points and read 52.6 now versus 52.3 a year ago. We [chart](#) a selection of those PMIs here. Generally speaking it was an okay month, less sequentially negative than the rest of the world but not great either.

Europe: We got another big slug of data today in Europe. Swiss GDP beat estimates and rose at the same pace as the Eurozone in Q4, while Spanish GDP grew at the softest pace since 2014. That said, Spain continues to see output rise faster than other European economies. In this [chart](#), we show QoQ SAAR growth of GDP by country for Switzerland and Spain, with Eurozone and UK growth included for comparison. Sticking with Switzerland, yesterday's KOF data showed that Swiss growth has likely not peaked yet ([chart](#)). Retail sales continue to diverge from very strong consumer confidence ([chart](#)) but new highs for PMI are a good sign ([chart](#)).

Swedbank PMI showed slightly improved conditions in that economy but the reading is still off peak ([chart](#)). As shown in this [chart](#), though, the inventories number was the highest since 2011 and prior readings around this level have presaged significant declines in other activity sub-indices.

Loan growth today in the UK showed lending to large businesses was negative on a 3m/3m basis while SME lending was negative YoY. That's despite relatively strong mortgage and consumer credit lending growth rates ([chart](#)). The UK's household debt picture remains a significant risk, especially with rates rising as the BoE works to tighten. GBP is making new lows after slashing through its 50-day and support yesterday ([chart](#)).

European PMIs weakened substantially despite solid readings from the non-Markit surveys in Sweden and Switzerland. While many were revised up versus flash, on average they declined 0.8 points and as shown in this [chart](#) only Dutch PMI is at new highs. Things don't look much better in emerging Europe ([chart](#)). Eurozone unemployment made a new low today, and will very likely continue doing so, but the solid rally in EUR sovereigns ([table](#)) tells the story.

Americas: This morning Brazil GDP missed, rising 0.1% QoQ vs 0.3% estimated. Both are too low; as shown in this [chart](#) of IP growth and this [chart](#) of gross value added growth, GDP near flat QoQ is far too slow relative to accelerating output by other measures. Slower consumption growth was a large factor ([chart](#)), but looks temporary.

In the US today, it's a crazy calendar: auto sales, testimony from Chair Powell, personal income and spending, ISM & Markit PMIs, and construction spending. Make sure to check out [@bespokemacro](#) for real-time analysis of all the headlines; we will also recap in *The Closer* tonight. We also note overnight there were reports President Trump will impose stiff aluminum and steel imports today (Bloomberg [link](#)). Economic scorecard [link](#).