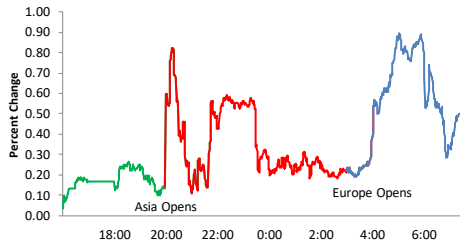




Today's Events

Overnight Trading



Other Markets

Japan	↓	0.0 %
China	↓	-1.2
Germany	↓	0.0
UK	↑	0.5
Oil	58.15 ↑	\$1.3
Gold	1298 ↓	-\$0.1
\$/Euro	0.884 ↓	0.00
\$/Yen	111.59 ↑	0.2
10-Yr	2.63 ↑	0.03

Noteworthy Macro Events

- Chinese Industrial Production +5.3%; slowest growth since '02.
- Trump-Xi meeting likely pushed back to at least April.

Overnight Trading

Trading Up (\$):
 MDB (20.74), DOMO (6.2), TSLA (2.01), AMZN (1.86), AAPL (1.69), IRDM (1.49)

Trading Down (\$):
 DG (-8.08), FB (-3.07), BA (-2.53), GCO (-2.51), TLRD (-2.44), JNJ (-2.41)

Stock Specific News of Note

Ticker	News
AAPL	Initiated at Outperform at Cowen.
BA	Trump grounds Boeing 737 Max jets in US.
DG	Missed EPS by 5 cents (1.84 vs. 1.89) on stronger revenues; lowered guidance.
DOMO	Beat EPS by 30 cents (-0.94 vs. -1.24) on stronger revenues; raised guidance. Triple play.
EXP	Downgraded to Neutral from Buy at Longbow.
FLNT	Beat EPS by 2 cents (0.08 vs. 0.06) on stronger revenues; raised guidance. Triple play.
GCO	Missed EPS by 15 cents (2.18 vs. 2.33) on weaker revenues; guided inline.
GE	Lowers full year 2019 EPS guidance to \$0.50-\$0.60 vs. \$0.69 estimates.
IRDM	Ron Baron positive on company in CNBC interview.
JNJ	Jury awards woman \$29 million in talc cancer case.
MDB	Beat EPS by 21 cents (-0.17 vs. -0.38) on stronger revenues; raised guidance. Triple play.
PBR	Upgraded to Buy from Hold at HSBC.
RDNT	Beat EPS by 39 cents (0.59 vs. 0.18) on stronger revenues; raised guidance. Triple play.
SNAP	Upgraded to Buy from Neutral at BTIG.
TSLA	Ron Baron positive on company in CNBC interview.
VRA	Price target raised to \$14 from \$11 at Telsey Advisory.

Analyst Actions

Upgrades

Ticker	Firm	From	To
IMO	Credit Suisse	Underperf	Neutral
NTRS	Buckingham	Neutral	Buy
PBR	HSBC	Hold	Buy
SNAP	BTIG	Neutral	Buy
SU	Credit Suisse	Neutral	Outperf

Downgrades

Ticker	Firm	From	To
EXP	Longbow	Buy	Neutral
SLF	CIBC	Neutral	Underperf
TLRD	B. Riley	Buy	Neutral

Initiations/Reiterations

Ticker	Firm	Action	Rating
AAPL	Cowen	Initiated	Outperf
PLUG	B. Riley	Resumed	Buy

Tomorrow

Economic Indicators & Events

Time	Event	Estimate	Last Report		
			Date	Act. vs. Est.	S&P
8:30	Empire Manufact	10.0	2/15	-6.1	1.09
9:15	Industrial Production	0.4	2/15	-0.7	1.09
9:15	Capacity Utilization	78.5	2/15	-0.5	-0.27
10:00	JOLTS	7225	2/12	489	-0.27
10:00	Michigan Sentiment	95.7	3/1	-2.1	-0.11

Earnings Reports

Ticker	Date	TOD	Estimate	
			EPS	Revs.
BKE	3/15/19	AM	0.85	268
CTRN	3/15/19	AM	0.56	215
KIRK	3/15/19	AM	0.97	223

Conferences & Meetings

13:00 Baker Hughes Rig Count

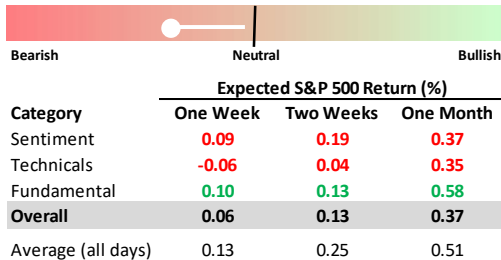
Dividends & Splits

Ticker	Dividend	Company	Yield
DTE	0.95	JCI	0.26
WYND	0.45	HES	0.25
GEF	0.44	HRB	0.25
HMN	0.29	ANTM	0.80

Index Changes

NGVT Will replace ESL in the S&P 400 effective 3/18.
 WLL Will replace NGVT in the S&P 600 effective 3/18.

Market Timing Model

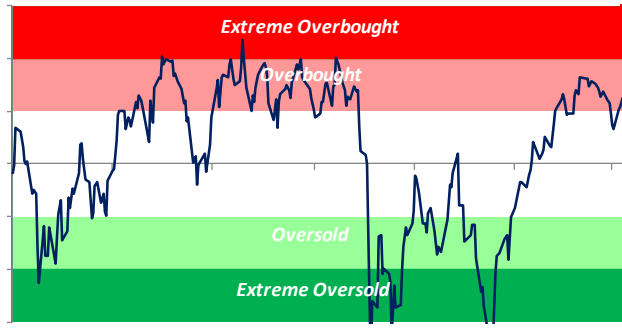


Indicators/Events

Time	Event	Estimate	Last Report					Best	Worst
			Date	Est	Act.	Diff.	S&P		
8:30	Import Prices	0.3	2/15	-0.2	-0.5	-0.3	1.09	Finl	Util
8:30	Export Prices	0.1	2/15	-0.1	-0.6	-0.5	1.09	Finl	Util
8:30	Initial Claims	225	2/14	225	223	-2	-0.27	HC	C St.
8:30	Continuing Claims	1763	2/14	1772	1755	-17	-0.27	HC	C St.
10:00	New Home Sales	622K	3/5	600	621	21	-0.11	Tel Svcs	Indu
10:30	EIA Natural Gas Stockpiles								
	JP Morgan Gaming Conference								
	Barclays Global Health Care Conference								



S&P 500 50-Day Moving Average Spread



Mar-18 May-18 Jul-18 Sep-18 Nov-18 Jan-19 Mar-19

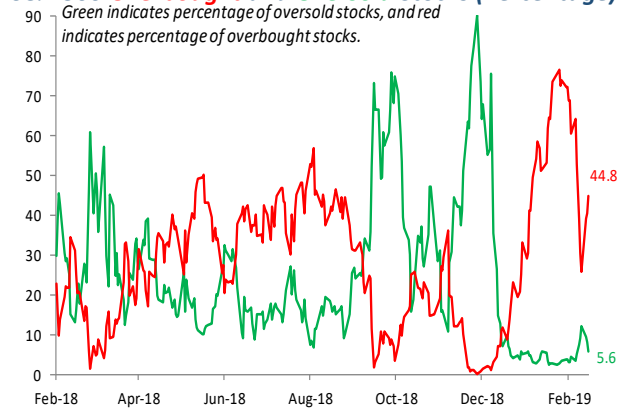
S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↑	4.4 %	4.2 %
10-Day A/D Line	↑	109	-326
# of Overbought Stocks	↑	224	196
# of Oversold Stocks	↓	28	37
P/E Ratio			
Trailing	↑	18.51	18.25
Forward	↑	16.86	16.61
Dividend Yield	↓	1.95 %	1.98 %
Net Earnings Revisions	↑	-20.7 %	-21.6 %
Credit Spreads (bps)			
High Yield	↓	390	392
Corporate Bonds	↓	127	129

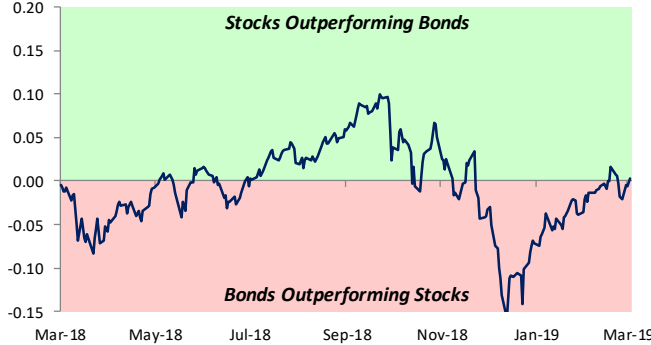
Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
VRA	21.8	4	-0.9	50.0	-1.1	50.0
TISI	10.8	3	-0.8	33.3	-0.8	33.3
BNED	7.1	31	0.1	48.4	2.4	54.8
TTWO	6.9	15	0.4	46.7	-0.8	40.0
CLW	-15.6	4	-1.6	25.0	-2.2	50.0
AMPH	-14.4	3	3.8	66.7	10.2	100.0
EXPR	-10.1	5	0.2	40.0	4.7	60.0
MHLD	-8.8	52	-0.3	46.2	-2.6	44.2

S&P 500 Overbought and Oversold Stocks (Percentage)



Relative Strength of Stocks versus Bonds



Trading Ranges: Sectors

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

S&P 500 Overbought Stocks Most Likely to Fall

Ticker	Price	Standard Deviations Above 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
DISH	32.35	1.14	-0.45	44.3
ALXN	135.71	1.34	-0.37	47.1
AIV	50.32	1.13	-0.01	50.0

Trading Ranges: Bonds/Commodities

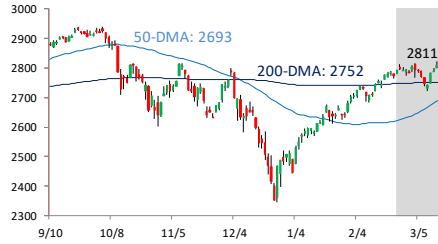
Commodity	Current	1 Wk Ago	OS	N	OB
\$/Euro	N	OB	█		█
\$/Yen	OB	OB			
2-Year	OB	OB			
10-Year	N	N			
Gold	N	N			
Silver	OS	OS	█		
Copper	N	OB			
Crude Oil	OB	OB			
Heating Oil	N	OB			
Gasoline	OB	OB			
Natural Gas	N	N			

S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations Below 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
EOG	88.57	-1.80	0.75	60.0



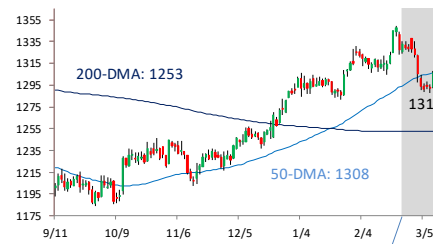
S&P 500: Last Six Months



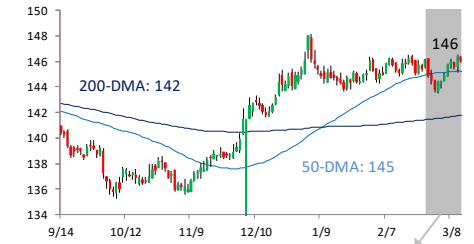
Russell 2000: Last Six Months



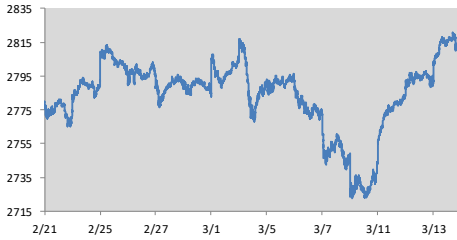
Gold Future: Last Six Months



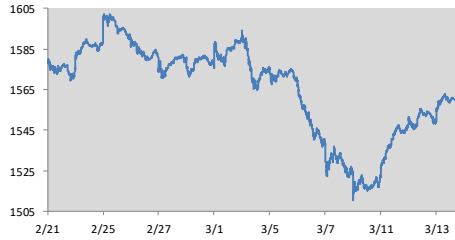
Long Bond Future: Last Six Months



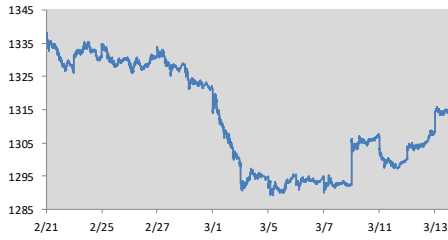
S&P 500: Last 15 Trading Days



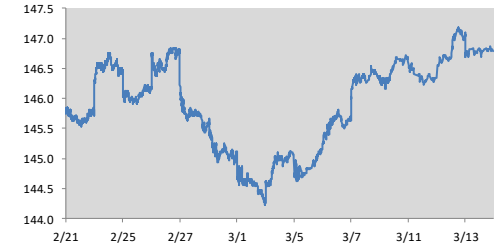
Russell 2000: Last 15 Trading Days



Gold Front Month Future: Last 15 Trading Days



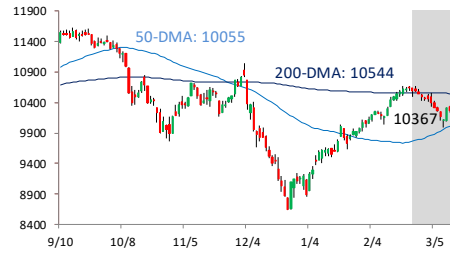
Long Bond Future Intraday: Last 15 Trading Days



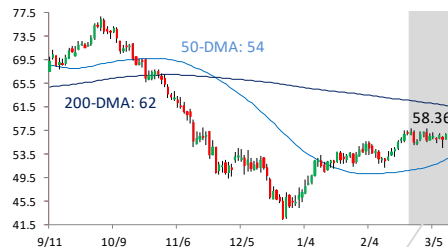
Nasdaq Composite: Last Six Months



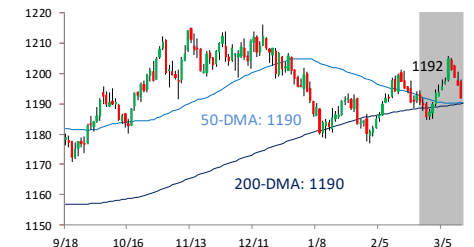
DJ Transports: Last Six Months



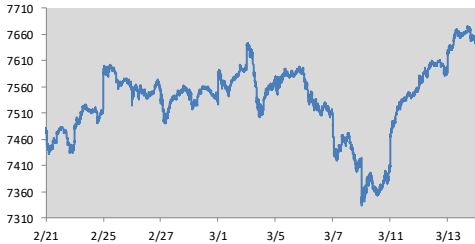
Oil Future: Last Six Months



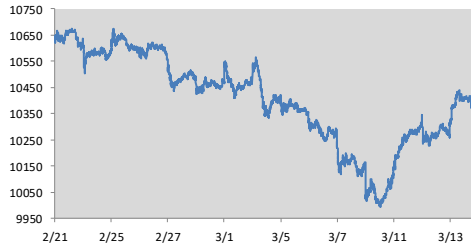
BBG US Dollar Index: Last Six Months



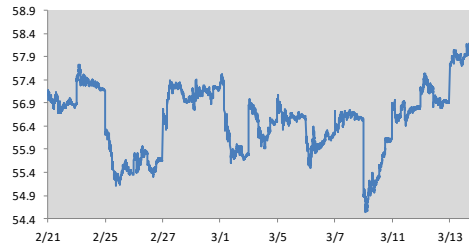
Nasdaq Composite: Last 15 Trading Days



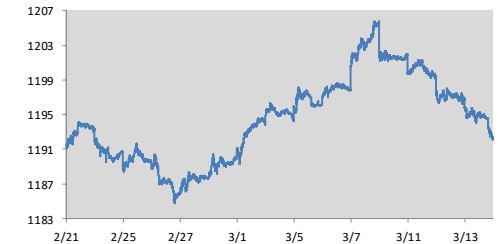
DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days





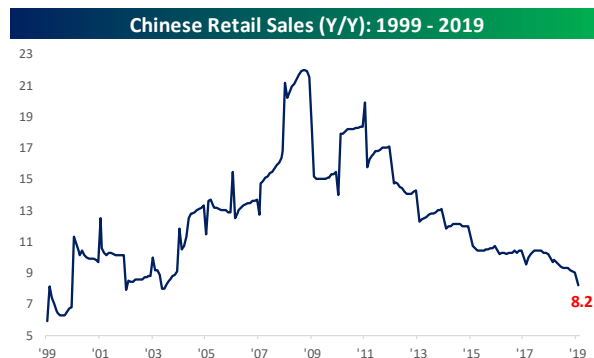
Morning Commentary

After a few quiet days outside of Boeing and Brexit to kick off the week, the flow of news is a bit more active this morning. Positive sentiment in equity futures has quickly worn off this morning as headlines indicate that the US and China have put off a planned meeting between President Trump and President Xi later this month. The meeting now won't occur until April at least. Sticking points like the treatment of intellectual property remain unresolved. The delay shouldn't be entirely surprising given the President's comments just yesterday that he was in no rush to sign a deal.

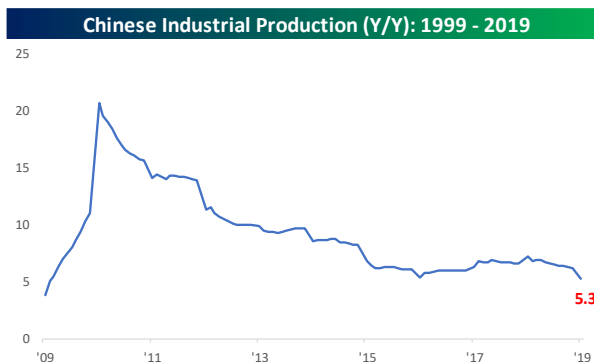
On the subject of China, the Shanghai Composite declined over 1% once again overnight after two straight days of 1%+ gains. No one ever said that market was boring! We discussed our views on the Chinese market in a bit of detail in last night's *Closer* report, but as the chart to the right illustrates, the declines of the last two days haven't done anything to break short term support, which comes into play in the low 2900 area, at this point.



There were a number of notable datapoints on the health of the Chinese economy overnight. Retail Sales rose 8.2% y/y, which was down from 9.0% but right inline with expectations. While inline with expectations, last night's print was the weakest y/y growth reading for retail sales in China since June 2003! One of the key areas driving the weakness was sales of Electronics, which grew just 3.3% compared to 13.9% in the prior month. This 'official' reading follows news yesterday that sales of smartphones [fell 20%](#) y/y in February.



While Retail Sales were right inline with expectations, Industrial Production (IP) was quite a bit weaker, rising 5.3% versus forecasts for growth of 5.6%. This is the worst start to the year for IP since 2009. Fear not, though, as the spokesman for the National Bureau of Statistics seemed to imply. Much of the weakness in last night's batch of data was reportedly skewed by the timing of the Lunar New Year, which they cited more times than we can count on our fingers and toes. The party line suggested that the weakness was not due to the poor health of the economy, but instead seasonal distortions, the spokesperson implied.





Morning Commentary

In European markets this morning, equities are broadly higher, with Germany the only laggard but still barely positive. The STOXX 600 is having a nice day and trading up to its highest levels since 10/5, and breadth is strong with advancers outpacing decliners by a 4-1 margin. We've been highlighting the positive breadth in US markets lately for some time, but it's also starting to show up in a number of international indices as well.

CPI in Germany rose less than expected, while the German government reiterated its view that the economy should grow in a modest and hindered fashion. They noted that manufacturing production 'clearly scaled back' in January, and that 'forward looking indicators are pointing downward.' The services sector, however, remains a bright spot as 'growth should continue.'

It's another day, so that means it's another vote day for Brexit in the UK. This time Parliament will vote whether to try and delay the divorce after last night's vote rejected the prospects of a no-deal split with the EU. For her part, Theresa May is still determined to get her deal that was voted down Tuesday through and is reportedly open to putting it to a third vote, if Parliament thinks it can get through. Talk about determination!

These downbeat assessments continue to point to more dovishness on the part of central banks, which is one reason the global total of negative yielding debt has risen over the last three months. This great chart from *Bloomberg* shows that there is currently \$9.3 trillion of debt sloshing around the globe with negative yields. That's up 50% from where the total was just in September! Since the start of 2017, there have only been two other brief periods where the total was higher. Wasn't 2019 supposed to be the year where we returned to rate normalization?

It shouldn't come as much of a surprise given the market's strength of late, but sometimes you need a chart to make it hit home. Volatility has once again sunken like a stone this year as the VIX dropped below 14 again this week and just this morning traded down to its lowest level since October 5th.





Morning Commentary

If you have ever wanted to imagine a world without Facebook and its other services, many have gotten to experience that over the last several hours as outages for the service have been widespread across regions New York, California, and certain areas around the world. Even worse for Facebook is news that the US Justice Department has broadened its investigation of the company to include a grand jury. General Electric (GE) lowered guidance earlier, and while the stock was originally down 3%, it has rebounded back and is now green. In terms of investor sentiment, despite the rebound in equities this week, bullish sentiment among individual investors actually fell 5 percentage points to 32.4%. [Economic scorecard](#). [Interactive Earnings Calendar](#).

Major Asset Class Dashboard

Asset	Level	Change	5d Chg	3m Chart	Asset	Level	Change	5d Chg	3m Chart		
<i>(bps)</i>					<i>(bps)</i>						
Equity Futs	S&P 500	2816.50	-10.6	223.2		Commodity	Gold	1296.90	-94.7	84.0	
	Russell	1561.10	-12.8	211.3			Silver	15.23	-146.2	126.3	
	VIX Fut	14.15	53.3	-1539.6			WTI	58.14	-20.6	261.2	
	TSX	962.70	0.0	48.0			Copper	288.70	-165.2	-80.7	
Trsy Yields	2 Year	246.27	-0.2	-1.1		Int'l Equity	Nikkei	21287.02	-1.5	-78.8	
	5 Year	243.04	0.0	-1.0			CSI 300	3698.49	-69.0	-289.8	
	10 Year	262.49	0.4	-1.4			ASX 200	6179.59	29.9	-134.6	
	30 Year	301.67	0.1	-0.9			Stoxx 600	377.99	63.6	109.9	
Curves/BE	2s10s	15.60	0.6	-0.8		FX	BBG USD	1195.94	34.7	-75.0	
	5s30s	58.46	0.1	0.2			EURUSD	1.1299	-24.7	94.7	
	5 Yr BE	187.06	0.1	185.2			USDJPY	111.58	36.9	0.0	
	10 Yr BE	192.29	0.2	190.4			EM FX	63.10	-15.7	71.8	
Eurodollars	Mar '19	97.39	0.0	-0.5		Credit	CDX IG	58.15	0.0	-5.8	
	Jun '19	97.39	-0.5	0.0			iTraxx IG	59.25	-0.5	-3.8	
	Sep '19	97.41	-1.5	1.0			CDX HY	340.93	-1.5	-23.0	
	Dec '19	97.39	-2.0	1.0			iTraxx HY	267.87	-2.0	-16.9	