



# Leveraged Lion Capital Equity Research Report

1.27.20

## Leveraged Lion Capital Equity Research – 1/27/20

### Equity Markets

Indices	1/24/2020	1 Day	1 Week	1 Month	YTD
S&P 500	3,295.47	(0.90)	(1.03)	24.72	1.15
DJIA	28,989.73	(0.58)	(1.22)	18.07	0.42
RUSSELL 2000	1,662.23	(1.35)	(2.20)	13.51	(0.27)
NASDAQ	9,314.91	(0.93)	(0.79)	31.69	2.45
EURO STOXX 50	3,779.16	1.13	(0.76)	20.88	(0.37)
NIKKEI	23,827.18	0.13	(0.89)	15.81	0.72
DAX	13,576.68	1.41	0.37	21.98	1.43

### S&P 500 Sector Performance

Sector	% Change	Market Cap (\$Tn)
Communication Services	(1.37)	5.02
Consumer Discretionary	(1.49)	5.75
Consumer Staples	(0.48)	4.04
Energy	(4.25)	3.08
Financials	(2.18)	7.39
Healthcare	(2.01)	6.12
Industrials	(1.03)	4.53
Information Technology	0.31	9.64
Materials	(2.27)	1.96
Real Estate	1.01	1.43
Utilities	2.40	1.60

### Rates Markets

Rates	1/24/2020	1 Day	1 Week	1 Month	YTD
US 2-Yr	1.49	1.51	1.56	2.56	1.57
US 5-Yr	1.50	1.55	1.62	2.55	1.67
US 7-Yr	1.60	1.65	1.73	2.62	1.79
US 10-Yr	1.68	1.73	1.82	2.72	1.88
US 30-Yr	2.13	2.18	2.28	3.03	2.33
1Mo LIBOR	1.68	1.68	1.65	2.50	1.73
3Mo LIBOR	1.83	1.83	1.82	2.76	1.90
GER 10-Yr	(0.34)	(0.31)	(0.22)	0.18	(0.23)
JGB 10-Yr	(0.03)	(0.02)	0.00	0.00	(0.02)

### Commodity Markets

Commodity	% Change	Price
Gold	0.86	1,571.30
Silver	0.45	18.12
Crude Oil	(7.11)	54.19
U.S. Brent	(6.40)	60.56
Copper	(3.92)	268.40
Natural Gas	(5.5)	1.89
Corn	(0.51)	3.87
Wheat	0.77	195.75
Soybean	(3.01)	9.02
Coffee	(1.79)	1.11
Sugar	(0.89)	14.37

### Prime / Repo / Commercial Paper Markets

Rates	Latest Value	1 Day Prior	1 Week Prior	1 Month Prior	1 Year Prior
CAN Prime Rate	3.95	3.95	3.95	3.95	3.95
US Prime Rate	4.75	4.75	4.75	4.75	5.50
UK Prime Rate	0.75	0.75	0.75	0.75	0.75
JPN Prime Rate	1.48	1.48	1.48	1.48	1.48
GER Prime Rate	0.05	0.05	0.05	0.05	0.05
CHF Prime Rate	0.50	0.50	0.50	0.50	0.50
Govt Bond Repo Rate (Overnight)	1.58	1.58	1.57	1.59	2.50
Agency Bond Repo Rate (Overnight)	1.58	1.58	1.57	1.59	2.50
CP A2/P2 Rate (3 Mo)	2.01	2.05	2.05	2.20	3.03
CP A1/P2 Rate (3 Mo)	1.91	1.95	1.95	2.10	2.93
CP A1/P1 Rate (3 Mo)	1.66	1.70	1.70	1.85	2.68

### Foreign Exchange Markets

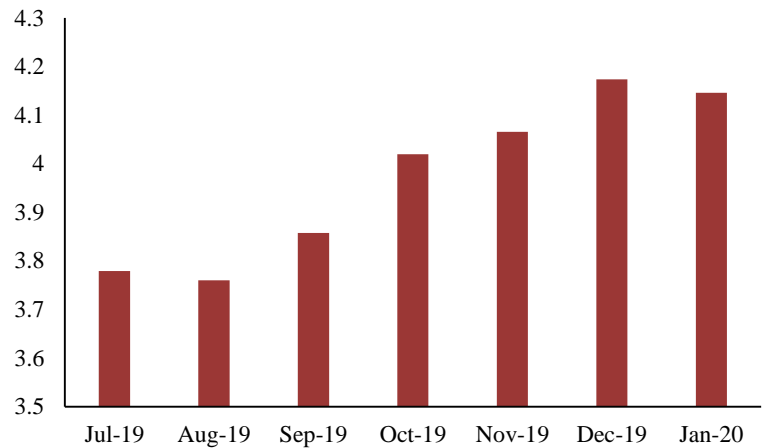
Cross	USD	EUR	JPY	GBP	CHF	CAD	AUD	NZD	HKD
HKD	7.7724	8.5661	7.1134	10.1609	8.0040	5.9117	5.3040	5.1355	
NZD	1.5134	1.6686	0.0139	1.9780	1.5583	1.1516	1.0334		0.1947
AUD	1.4638	1.6142	1.3409	1.9141	1.5087	1.1148		0.9681	0.1885
CAD	1.3143	1.4491	0.0120	1.7180	1.3537		0.8978	0.8684	0.1691
CHF	0.9716	1.0709	0.8888	1.2700		0.7392	0.6631	0.6419	12.4938
GBP	0.7650	0.8428	0.7000		0.7873	0.5818	0.5221	0.5054	0.0984
JPY	109.28	120.49		142.86	112.48	83.16	74.58	72.20	14.06
EUR	0.9070		0.8300	1.1857	0.9338	0.6902	0.6190	0.5992	0.1167
USD		1.1025	0.0092	1.3073	1.0295	0.7609	0.6832	0.6607	0.1287

## Leveraged Lion Capital Equity Research – 1/27/20

### Federal Reserve

- Fed officials will meet this Tuesday and Wednesday for the FOMC meeting
- Since August, the Federal Reserve has increased their balance sheet by approximately \$400 billion, maintaining \$60 billion in T-bill purchases as well purchases in short-term money markets to provide liquidity to banks
- It is expected for the FFR to remain constant
- Since the beginning of the year, the balance sheet stopped expanding and instead contracted by \$25 billion

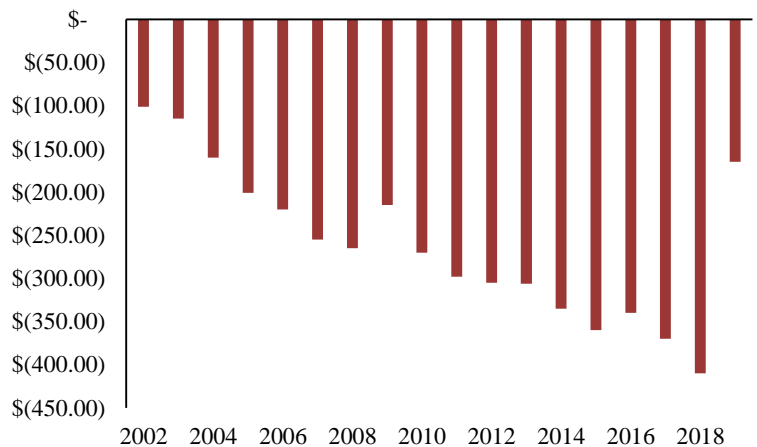
### Federal Reserve's Balance Sheet (\$ Trillion)



### Trade War

- On Wednesday, Jan. 15, the U.S. and China signed the Phase One trade deal
- China agreed to import at least \$200 billion of U.S. goods over the next two years
- China also lifted its ban on GM U.S. farm products and opened China's financial sector to the American one
- The U.S. will cut the tariffs on the \$120 billion of Chinese imports imposed last September, but will maintain a 25% tariff on other Chinese imports

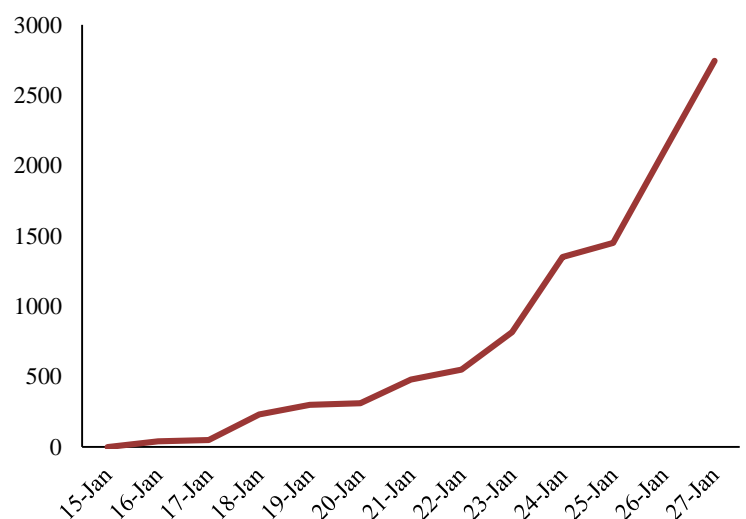
### U.S.- China Trade Balance (\$B)



### Coronavirus Outbreak

- Over **1,000 cases**, **41 deaths** confirmed in China, and 5 cases in the U.S.
- Over **36 million people** are in **lockdown** over the Lunar New Year's holiday
- The Dow fell over 170 points and the S&P 500 fell by 0.9%, marking its worst day of the year
- The 10-yr Treasury yield **fell** below **1.7%** on Friday and **gold** rose around **0.9%** last week
- American Airlines and United Airlines fell by 4% and 3.5% respectively; Wynn Resorts was down 3%

### Confirmed Cases of Coronavirus in China



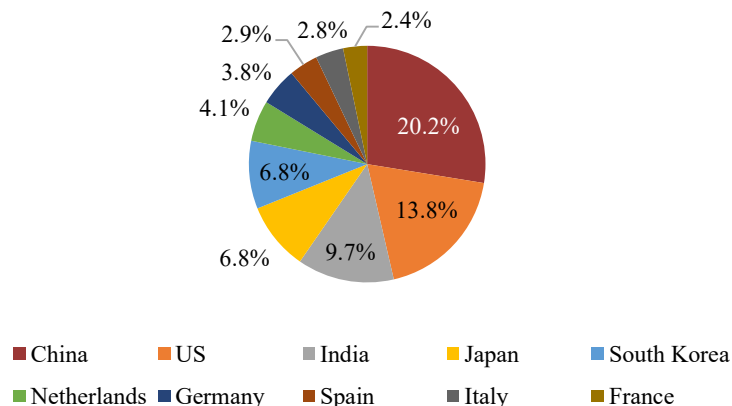
## Leveraged Lion Capital Equity Research – 1/27/20

### Commodities

#### Oil Prices

- Oil dropped over 7% last week due to the uncertainty created by the Coronavirus outbreak, upsetting the gains from the Phase One Trade Deal
- It was the biggest decline in a week since July 2019
- A downturn in China's economy would greatly impact demand since they are the world's largest oil importer
- Saudi Arabia's energy minister suggested that OPEC+ is open to have deeper production cuts this year- to be decided during the March OPEC+ meeting

#### % of World Total - Crude Oil Imports



#### Copper & Gold

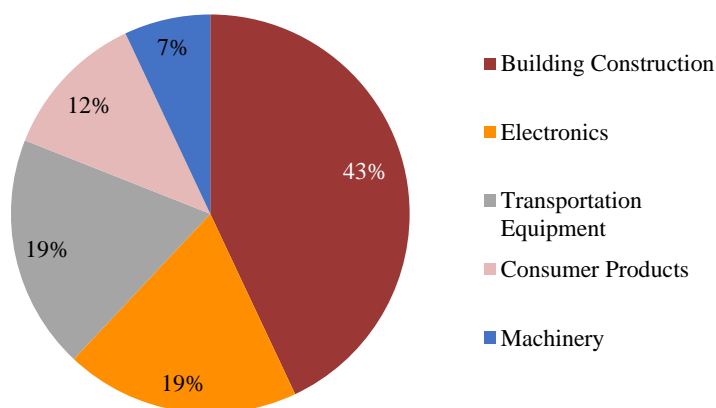
##### Copper

- Copper suffered its worse losses since mid-2018 due to the outbreak of the Coronavirus; 3-Month futures were down 5.5% last week, the biggest weekly loss in 5 years
- "If you all of a sudden take China off the board because you're looking at shutting down mills and shutting down transportation to the mills, it's going to hurt"- Senior VP, Zaner Group (broker)

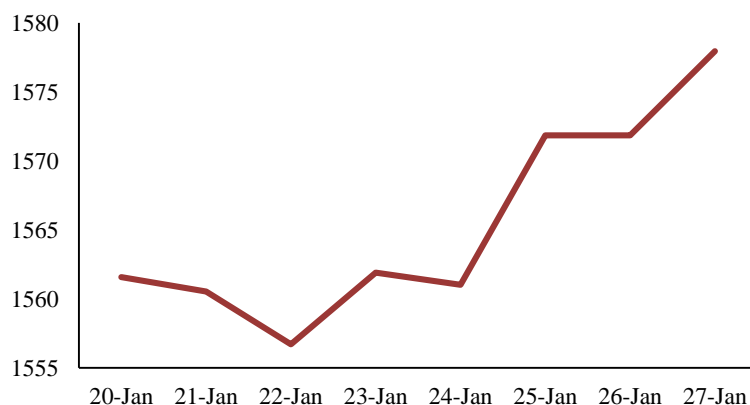
##### Gold

- Gold was up 0.9% for the week due to an increase in fear in markets (Coronavirus)
- Last week, there was a \$1 billion inflow into SPDR Gold shares (ETF backed by Gold) and April
- With yields on treasuries further dropping last week, investors are more likely to choose Gold as the safe-haven asset

#### Uses of Copper



#### Gold Spot (\$USD/oz)





## Leveraged Lion Capital Equity Research – 1/27/20

**Economic Calendar (Week of 1/27/20)**

Date	Event	Time	Consensus
Monday, January 27, 2020	New Home Sales	9:00 am	725,000
Tuesday, January 28, 2020	Consumer Confidence Index	10:00 am	-
Wednesday, January 29, 2020	FOMC Meeting	2:00 pm	1.5-1.75%
Thursday, January 30, 2020	Weekly Jobless Claims	8:30 am	215,000
Friday, January 31, 2020	Core Price Index (MoM)	1:30 pm	0.2%

**Economic Calendar (Week of 1/20/20)**

Date	Event	Time	Consensus	Result
Monday, January 20, 2020	MLK Day	-	-	-
Tuesday, January 21, 2020	3-Month Bill Auction	11:30 am	1.53%	1.53%
Wednesday, January 22, 2020	Existing Home Sales	10:00 am	5.43M	5.54M
Thursday, January 23, 2020	Weekly Jobless Claims	8:30 am	215,000	211,000
Friday, January 24, 2020	Manufacturing PMI	9:45 am	52.5	51.7

**Economic Calendar (Week of 1/13/20)**

Date	Event	Time	Consensus	Result
Monday, January 13, 2020	Federal Budget Balance (Dec)	2:00 pm	(196.5B)	(13.3B)
Tuesday, January 14, 2020	CPI (YoY) (Dec)	8:30 am	2.3%	2.3%
Wednesday, January 15, 2020	US-China Phase 1 Deal Signed	4:30 pm	-	-
Thursday, January 16, 2020	Weekly Jobless Claims	8:30 am	216,000	204,000
Friday, January 17, 2020	U.S. Housing Starts	8:30 am	1.375M	1.608M

**Economic Calendar (Week of 1/6/20)**

Date	Event	Time	Consensus	Result
Monday, January 6, 2020	Services PMI	9:45 am	52.2	52.8
Tuesday, January 7, 2020	-	-	-	-
Wednesday, January 8, 2020	Consumer Credit	3:00 pm	14.5B	12.51B
Thursday, January 9, 2020	Weekly Jobless Claims	8:30 am	220,000	214,000
Friday, January 10, 2020	Unemployment Rate (Dec)	8:30 am	3.5%	3.5%

## Leveraged Lion Capital Equity Research – 1/27/20

Leveraged Lion Capital Earnings Calendar

Company	Sector	Previous Earnings Date	Upcoming Earnings Date
<b>Portfolio Holdings</b>			
Winnebago	Consumer & Retail	Friday, December 20, 2019	Monday, March 23, 2020
Cryolife	Healthcare	Wednesday, October 30, 2019	Wednesday, February 12, 2020
US Silica	Materials	Tuesday, October 29, 2019	Monday, February 17, 2020
Intelsat	Media & Communications	Tuesday, October 29, 2019	Tuesday, February 18, 2020
Lattice Semiconductors	Information Technology	Wednesday, October 30, 2019	Tuesday, February 11, 2020
Yum! Brands	Consumer & Retail	Wednesday, October 30, 2019	Wednesday, February 5, 2020
Chefs' Warehouse	Consumer & Retail	Wednesday, October 30, 2019	Tuesday, February 11, 2020
Ducommun	Industrials	Wednesday, October 30, 2019	Wednesday, February 26, 2020
MGM Resorts	REGAL-FIG	Wednesday, October 30, 2019	Tuesday, February 11, 2020
Indivior	Healthcare	Thursday, October 31, 2019	Thursday, February 13, 2020
Iron Mountain	REGAL-FIG	Thursday, October 31, 2019	Wednesday, February 12, 2020
Beasley Broadcast Group	Media & Communications	Thursday, November 7, 2019	Monday, February 10, 2020
California Resources	Energy & Utilities	Thursday, October 31, 2019	Tuesday, February 25, 2020
Virtu Financial	REGAL-FIG	Tuesday, November 5, 2019	Wednesday, February 5, 2020
Equitrans Midstream	Energy & Utilities	Wednesday, November 6, 2019	<b>Monday, January 27, 2020</b>
Par Pacific	Energy & Utilities	Tuesday, November 5, 2019	Tuesday, March 3, 2020
Sprint	Media & Communications	Monday, November 4, 2019	<b>Wednesday, January 29, 2020</b>
Plantronics	Information Technology	Tuesday, November 5, 2019	Monday, February 3, 2020
Walker & Dunlop	REGAL-FIG	Wednesday, November 6, 2019	Tuesday, February 4, 2020
Commercial Vehicle Group	Industrials	Thursday, November 7, 2019	Monday, March 9, 2020
Realogy	REGAL-FIG	Thursday, November 7, 2019	Monday, February 24, 2020
Boise Cascade	Materials	Thursday, November 7, 2019	Monday, February 24, 2020
Lindblad Expeditions	REGAL-FIG	Wednesday, October 30, 2019	<b>Monday, January 27, 2020</b>
CenturyLink	Media & Communications	Wednesday, November 6, 2019	Tuesday, February 11, 2020
MTS Systems	Information Technology	Monday, November 25, 2019	Monday, February 3, 2020
Hudbay Minerals	Materials	Monday, November 11, 2019	Tuesday, February 18, 2020
TransDigm	Industrials	Tuesday, November 19, 2019	Monday, February 3, 2020
GameStop	Consumer & Retail	Tuesday, December 10, 2019	Tuesday, March 31, 2020
Tutor Perini	Industrials	Thursday, November 7, 2019	Wednesday, February 26, 2020
Hexion	Materials	Tuesday, November 12, 2019	Not Announced
Dell	Information Technology	Tuesday, November 26, 2019	Friday, February 28, 2020
<b>Portfolio Bench</b>			
The Container Store	Consumer & Retail	Tuesday, October 29, 2019	Monday, February 3, 2020
JCPenny	Consumer & Retail	Friday, November 15, 2019	<b>Monday, January 27, 2020</b>
Navistar International	Industrials	Tuesday, December 17, 2019	Friday, March 6, 2020
Assertio Therapeutics	Healthcare	Thursday, November 7, 2019	Wednesday, March 4, 2020
Lannett	Healthcare	Wednesday, November 6, 2019	Tuesday, February 4, 2020
Vantage Drilling International	Energy & Utilities	Thursday, November 7, 2019	Thursday, March 12, 2020
Casa Systems	Information Technology	Friday, November 1, 2019	Thursday, February 20, 2020