



Leveraged Lion Capital Equity Research Report

2.3.20

Leveraged Lion Capital Equity Research – 2/3/20

Equity Markets

Indices	1/31/2020	1 Day	1 Week	1-Month	YTD
S&P 500	3,225.52	(1.77)	(2.12)	19.28	(0.99)
DJIA	28,256.03	(2.09)	(2.53)	13.03	(2.12)
RUSSELL 2000	1,614.06	(2.07)	(2.90)	7.65	(3.16)
NASDAQ	9,150.94	(1.59)	(1.76)	25.67	0.65
EURO STOXX 50	3,640.91	(1.35)	(3.66)	15.24	(4.02)
NIKKEI	23,205.18	0.99	(2.61)	11.71	-
DAX	12,981.97	(1.33)	(4.38)	16.19	(3.02)

Rates Markets

Rates	1/31/2020	1 Day	1 Week	1 Month	YTD
US 2-Yr	1.31	1.41	1.49	2.46	1.57
US 5-Yr	1.31	1.41	1.50	2.44	1.67
US 7-Yr	1.42	1.50	1.60	2.52	1.79
US 10-Yr	1.51	1.59	1.68	2.63	1.88
US 30-Yr	2.00	2.05	2.13	3.00	2.33
1Mo LIBOR	1.68	1.68	1.66	2.51	1.73
3Mo LIBOR	1.83	1.83	1.80	2.74	1.90
GER 10-Yr	(0.44)	(0.41)	(0.34)	0.15	(0.23)
JGB 10-Yr	(0.07)	(0.07)	(0.03)	0.00	(0.02)

S&P 500 Sector Performance

Sector	% Change	Market Cap (\$Tn)
Communication Services	(1.27)	4.86
Consumer Discretionary	0.82	5.69
Consumer Staples	(1.11)	3.97
Energy	(3.18)	2.88
Financials	(2.02)	7.29
Healthcare	(1.99)	5.96
Industrials	(2.29)	4.39
Information Technology	(2.72)	9.35
Materials	(2.21)	1.88
Real Estate	(1.36)	1.41
Utilities	(0.44)	1.59

Commodity Markets

Commodity	% Change	Price
Gold	1.13	1,580.05
Silver	(0.40)	17.78
Crude Oil	(4.90)	51.58
Copper	(5.60)	5,569.65
Natural Gas	(2.60)	1.85
Corn	(1.55)	3.79
Wheat	(2.30)	191.00
Soybean	(3.22)	8.73
Coffee	(6.40)	1.02
Sugar	7.10	0.15

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)	1.66	1.64	1.58	1.50	2.50
Agency Bond Repo Rate (Overnight)	1.66	1.64	1.58	1.50	2.50
CP A2/P2 Rate (3 Mo)	2.00	2.00	2.01	2.15	2.98
CP A1/P2 Rate (3 Mo)	1.90	1.90	1.91	2.05	2.88
CP A1/P1 Rate (3 Mo)	1.65	1.65	1.66	1.80	2.63

Foreign Exchange Markets

Cross	USD	EUR	JPY	GBP	CHF	CAD	AUD	NZD	HKD
HKD	7.7669	8.6090	7.1572	10.2232	8.0629	5.8650	5.2048	5.0251	
NZD	1.5457	1.7132	0.0142	2.0344	1.6045	1.1671	1.0358		0.1990
AUD	1.4923	1.6541	1.3751	1.9642	1.5491	1.1268		0.9655	0.1921
CAD	1.3243	1.4679	0.0122	1.7431	1.3747		0.8874	0.8568	0.1705
CHF	0.9633	1.0678	0.8877	1.2679		0.7274	0.6455	0.6232	12.4025
GBP	0.7597	0.8421	0.7001		0.7887	0.5737	0.5091	0.4915	0.0978
JPY	108.52	120.29		142.84	112.66	81.95	72.72	70.21	13.97
EUR	0.9022		0.8313	1.1875	0.9365	0.6812	0.6046	0.5837	0.1162
USD		1.1084	0.0092	1.3163	1.0381	0.7551	0.6701	0.6470	0.1288

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Coronavirus Outbreak

- Over 14,500 confirmed cases worldwide; death toll rose to over 300, and the first death outside of China (Philippines)
- China injected \$22 billion into the market to combat the sell-off driven by the virus
- According to Bloomberg economics, China's GDP growth could drop to 4.5% in Q1 this year, lowest quarterly figure since 1992
- Around 10,000 flights cancelled due to the virus outbreak; the U.S. and Australia denying entry to noncitizens

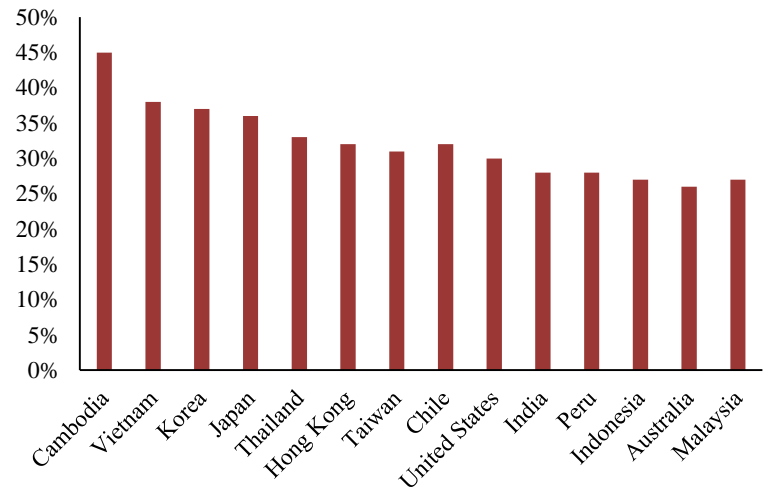
Federal Reserve

- On Wednesday, the Fed left rates untouched- no change since Oct. 2019
- IOER raised 5bps to 1.6%; this is 10bps above the bottom bound of the target range (1.5-1.75%)
- The Fed will keep buying T-bills (\$60 billion a month) at least into Q2 this year, and it will continue Repo market operations to “maintain over time ample reserve balances”
- Powell: “the FOMC would need to see a material change in the economy to knock rates higher or lower”

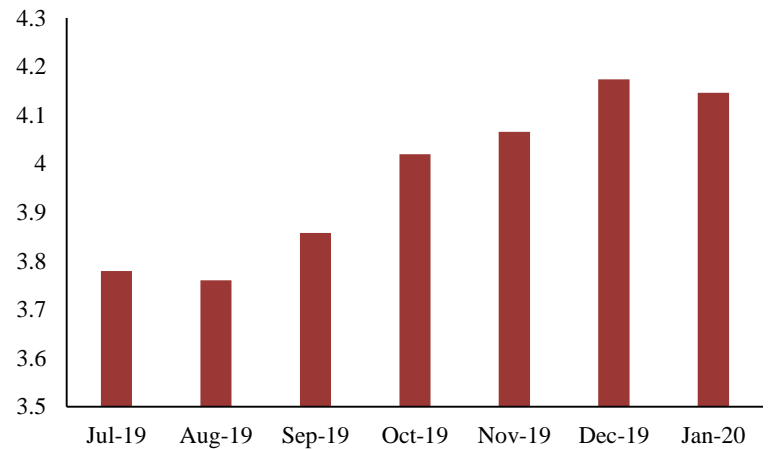
Brexit

- The U.K. formally left the EU on Jan. 31st, the first and only EU member to leave
- The “transition period” officially started
- The U.K. will continue to comply with EU's rules and their trading relationship will stay unchanged through the transition period
- The U.K. seeks to have a new trade agreement by December 31st, which is when the transition period ends

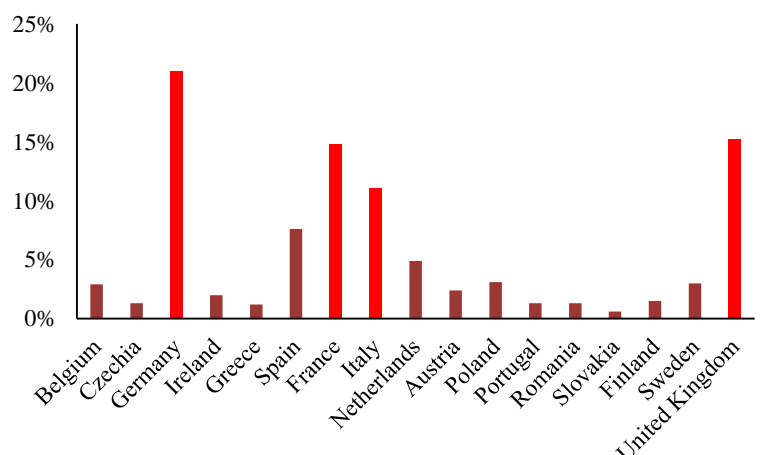
Imports of Intermediate Products from China



Federal Reserve's Balance Sheet (\$ Trillion)



Confirmed Cases of Coronavirus in China



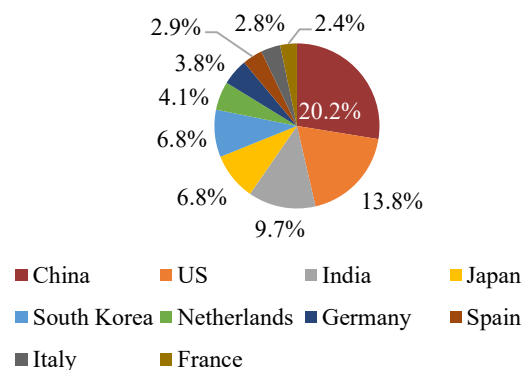
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Commodities

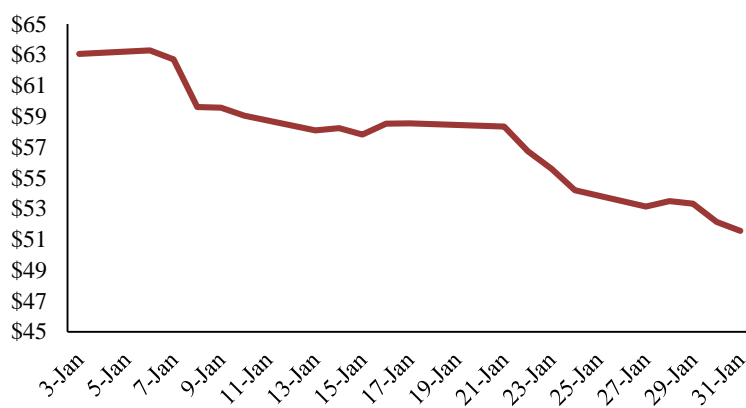
Oil Prices

- Oil dropped around 5% last week due to demand shocks driven by the escalation of the Coronavirus outbreak
- The Energy sector has reported the largest YoY earnings decline at -42.5%, with sub-sectors expected to perform as following:
 - Oil & gas drilling (-74%), Oil & Gas exploration & production (-20%), Oil & gas refining & marketing (-61%), integrated oil & gas (-53%)
- Last week, Nicolas Maduro proposed giving up control on Venezuela's PDVSA to big international corporations in exchange for assets
- Maduro's representatives met with Russia's Rosneft PJSC, Spain's Repsol, and Italy's Eni SpA
- PDVSA is now producing around 1 million barrels per day, which is higher than last year's rate (~700,000 barrels), but it is still well below the 3.5 million barrels it used to produce years ago

% of World Total - Crude Oil Imports



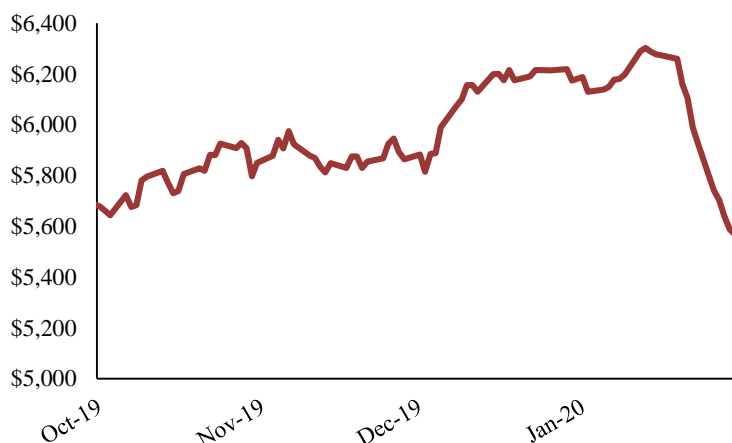
WTI Crude Oil



Copper

- Copper had a 4.7% loss last week, contributing to the record 13-day sell off we are currently experiencing
- (-10%) in January
- U.S. investors opted out of their bullish positions at the fastest pace in eight years last week, resulting in a net-short position of 20,198 futures

Copper Price (USD/Ton)



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Economic Calendar (Week of 2/3/20)

Date	Event	Time	Consensus
Monday, February 3, 2020	Manufacturing PMI (Jan.)	10:00 am	48.5
Tuesday, February 4, 2020	U.S. Factory Orders (MoM)	10:00 am	1.2%
Wednesday, February 5, 2020	Non-Manufacturing PMI (Jan.)	3:00 pm	55.1
Thursday, February 6, 2020	Weekly Jobless Claims	8:30 am	215,000
Friday, February 7, 2020	Unemployment Rate	8:30 am	3.5%

Economic Calendar (Week of 1/27/20)

Date	Event	Time	Consensus	Result
Monday, January 27, 2020	New Home Sales	9:00 am	725,000	694,000
Tuesday, January 28, 2020	Consumer Confidence Index	10:00 am	128.0	131.6
Wednesday, January 29, 2020	FOMC Meeting	2:00 pm	1.5-1.75%	1.5-1.75%
Thursday, January 30, 2020	Weekly Jobless Claims	8:30 am	215,000	216,000
Friday, January 31, 2020	Core Price Index (MoM)	1:30 am	0.1%	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

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Leveraged Lion Capital Earnings Calendar

Company	Sector	Previous Earnings Date	Upcoming Earnings Date
Portfolio Holdings			
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	Thursday, February 6, 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	Monday, February 3, 2020
Par Pacific	Energy & Utilities	Tuesday, November 5, 2019	Tuesday, March 3, 2020
Sprint	Media & Communications	Wednesday, January 29, 2020	Tuesday, May 5, 2020
Plantronics	Information Technology	Tuesday, November 5, 2019	Monday, February 3, 2020
Walker & Dunlop	REGAL-FIG	Wednesday, November 6, 2019	Wednesday, February 5, 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	Thursday, February 27, 2020
CenturyLink	Media & Communications	Wednesday, November 6, 2019	Tuesday, February 11, 2020
MTS Systems	Information Technology	Monday, November 25, 2019	Tuesday, February 4, 2020
Hudbay Minerals	Materials	Monday, November 11, 2019	Tuesday, February 18, 2020
TransDigm	Industrials	Tuesday, November 19, 2019	Tuesday, February 4, 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
Portfolio Bench			
The Container Store	Consumer & Retail	Tuesday, October 29, 2019	Wednesday, February 5, 2020
JCPenny	Consumer & Retail	Friday, November 15, 2019	Thursday, February 27, 2020
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	Thursday, February 6, 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