



# Leveraged Lion Capital Equity Research Report

11.4.19

## Leveraged Lion Capital Equity Research – 11/4/19

### Equity Markets

Indices	11/01/2019	1 Day	1 Week	1 Month	YTD
<b>S&amp;P 500</b>	<b>3,066.91</b>	<b>0.97</b>	<b>1.47</b>	<b>4.31</b>	<b>22.19</b>
DJIA	27,347.36	1.11	1.44	2.91	17.14
NASDAQ	1,589.33	1.72	1.96	6.42	17.22
RUSSELL 2000	8,386.40	1.13	1.74	6.04	25.81
EURO STOXX 50	3,623.74	0.54	(0.03)	3.00	21.07
FTSE 100	7,302.42	0.75	(0.30)	(0.79)	8.44
NIKKEI	22,850.77	(0.33)	0.22	4.41	16.81
DAX	12,961.05	0.73	0.52	5.69	20.37
TSX	16,594.07	0.67	1.16	0.89	15.66

### S&P 500 Sector Performance

Sector	% Change	Market Cap (\$Tn)
Communication Services	0.08	4.71
Consumer Discretionary	0.13	5.45
Consumer Staples	0.17	3.87
Energy	0.64	3.18
Financials	0.59	7.39
Healthcare	(0.45)	5.69
Industrials	0.17	4.37
Information Technology	(0.15)	8.41
Materials	0.14	1.91
<b>Real Estate</b>	<b>(1.98)</b>	<b>1.40</b>
<b>Utilities</b>	<b>(1.16)</b>	<b>1.48</b>

### Rates Markets

Rates	11/01/2019	1 Day	1 Week	1 Month	YTD
US 2-Yr	1.55	1.52	1.62	1.55	2.47
US 5-Yr	1.54	1.52	1.62	1.49	2.46
US 7-Yr	1.63	1.60	1.71	1.57	2.52
US 10-Yr	1.71	1.69	1.79	1.64	2.62
US 30-Yr	2.19	2.18	2.29	2.09	2.95
1Mo LIBOR	1.77	1.78	1.80	2.0	2.51
3Mo LIBOR	1.89	1.90	1.93	2.09	2.79
GER 10-Yr	(0.38)	(0.41)	(0.36)	(0.57)	0.16
JGB 10-Yr	(0.19)	(0.14)	(0.15)	(0.16)	(0.01)

### Commodity Markets

Commodity	% Change	Price
<b>Gold</b>	<b>(1.70)</b>	<b>1,485.40</b>
<b>Silver</b>	<b>(2.69)</b>	<b>17.58</b>
Crude Oil	1.17	57.20
U.S. Brent	1.21	62.88
Copper	0.99	269.85
Natural Gas	1.99	2.88
Corn	(0.33)	382.00
Wheat	0.20	510.75
Soybean	(0.51)	933.25
Coffee	0.96	104.65
Sugar	0.15	12.66

### 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	3.70
<b>US Prime Rate</b>	<b>4.75</b>	<b>4.75</b>	<b>5.00</b>	<b>5.00</b>	<b>5.25</b>
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)	1.65	1.65	1.84	1.88	2.29
Agency Bond Repo Rate (Overnight)	1.65	1.65	1.84	1.88	2.29
<b>CP A2/P2 Rate (3 Mo)</b>	<b>2.13</b>	<b>2.13</b>	<b>2.24</b>	<b>2.33</b>	<b>2.79</b>
<b>CP A1/P2 Rate (3 Mo)</b>	<b>2.03</b>	<b>2.03</b>	<b>2.14</b>	<b>2.23</b>	<b>2.69</b>
<b>CP A1/P1 Rate (3 Mo)</b>	<b>1.78</b>	<b>1.78</b>	<b>1.89</b>	<b>1.98</b>	<b>2.44</b>

### Foreign Exchange Markets

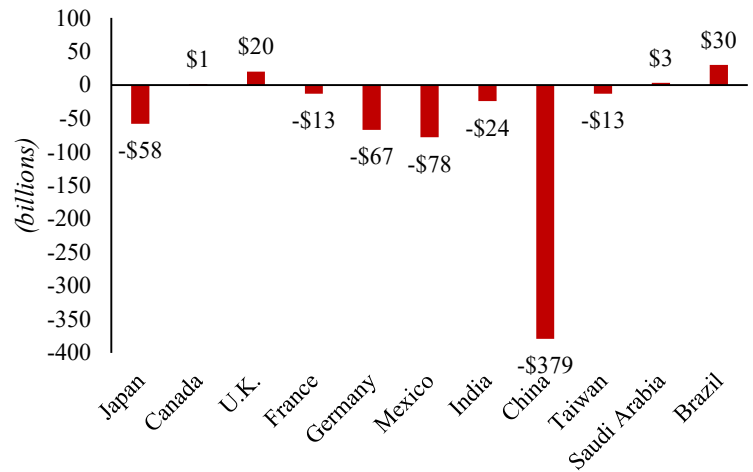
Cross	USD	EUR	JPY	GBP	CHF	CAD	AUD	NZD	HKD
HKD	7.8327	8.6692	7.1750	10.0757	7.8880	5.9475	5.3994	4.9968	<b>1.0000</b>
NZD	1.5674	1.7350	0.0144	2.0165	1.5788	1.1902	1.0806	<b>1.0000</b>	0.2001
AUD	1.4506	1.6056	1.3288	1.8661	1.4611	1.1015	<b>1.0000</b>	0.9254	0.1852
CAD	1.3170	1.4577	0.0121	1.6942	1.3264	<b>1.0000</b>	0.9079	0.8402	0.1681
CHF	0.9929	1.0989	0.9095	1.2772	<b>1.0000</b>	0.7539	0.6844	0.6334	12.6759
GBP	0.7773	0.8604	0.7120	<b>1.0000</b>	0.7829	0.5902	0.5359	0.4959	0.0992
JPY	109.17	120.83	<b>1.0000</b>	140.43	109.95	82.89	75.25	69.64	13.94
EUR	0.9035	<b>1.0000</b>	0.8276	1.1623	0.9100	0.6861	0.6228	0.5764	0.1153
USD	<b>1.0000</b>	1.1069	0.0092	1.2868	1.0073	0.7595	0.6895	0.6382	0.1277

## Leveraged Lion Capital Equity Research – 11/4/19

### Trade War

- U.S. and China officials are rolling back on some tariffs to clinch the partial trade deal under negotiation
- Many believe that the two countries are making “good progress” on trying to end the trade war
- **Optimism over trade war drove stocks to record highs and sent China’s currency to its strongest level in 3 months**
- Yuan rallied below 7 yuan/dollar

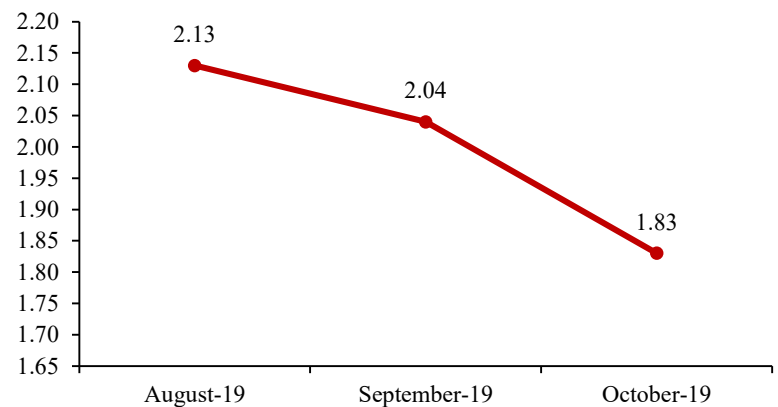
### The Gap in U.S. Trade



### FED Rate Cut

- FED lowered interest rates last week for the third time this year, **bringing the range of 1.5%-1.75%**
- The cut was accompanied with language that signaled **officials were done with the current “mid-cycle” rate reductions**
- October jobs report showed economy added more jobs than expected (128,000 vs. 80,000 expected)
- GDP beat expectations at 1.9%

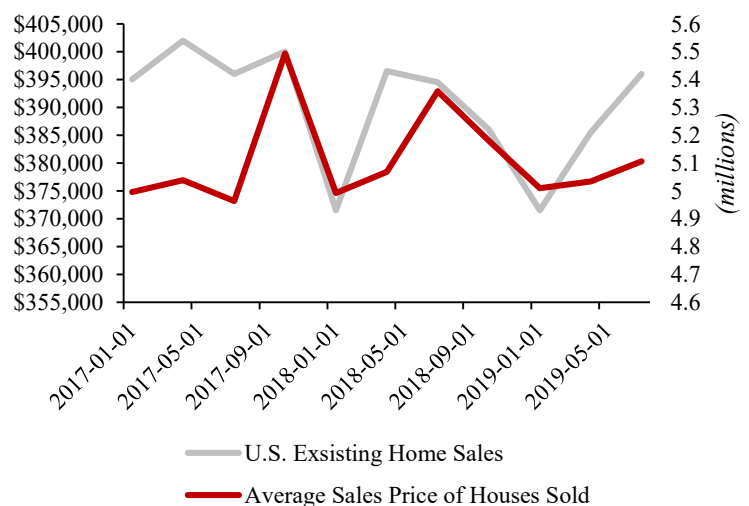
### FED Funds Rate



### Home Sales

- **Home sales have been at a decline**
- Recent data shows that homeowners nationwide are staying an average of 5 years longer than a decade ago
- More homeowners staying has contributed to housing inventory to hit its lowest level in decades
- **This trend has also pushed prices up on homes for sale**

### United States Existing Home Sales & Price

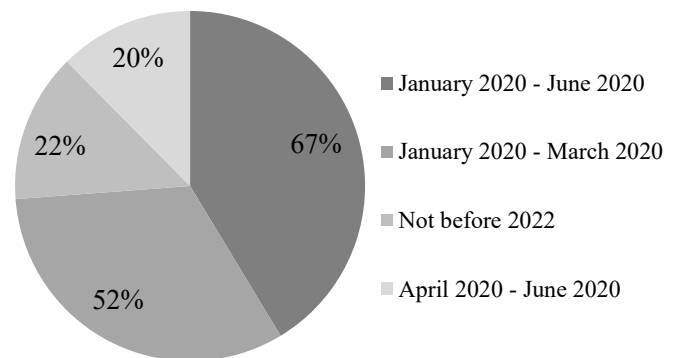


## Leveraged Lion Capital Equity Research – 11/4/19

### Brexit

- Prime Minister Boris Johnson finally won the lawmaker's support for an early election last Tuesday
- The election will take place on December 12, 2019
- **Johnson hopes that an election will allow his part to get majority and give him the road to do Brexit his way**
- The last time an early election occurred was in 1923

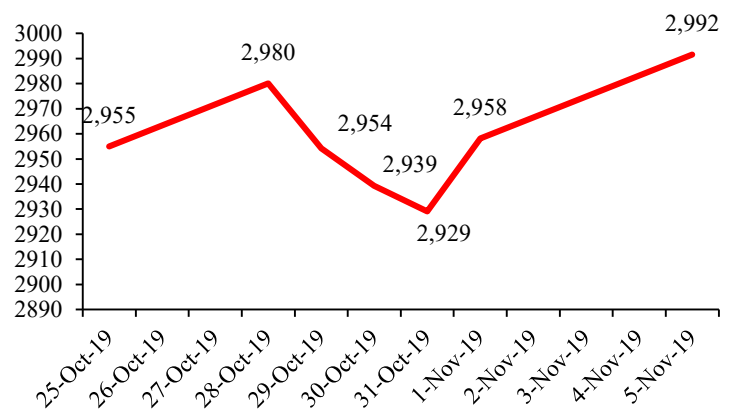
### Brexit Odds



### China Central Bank

- Markets gained more support after China's **central bank reduced the cost of one-year funds to banks for the first time since 2016**
- This **eased concerns about tightening liquidity**
- Analyst say that the cut (though modest) is a sign that the central bank is turning to be more proactive and ease investor worries about high inflation

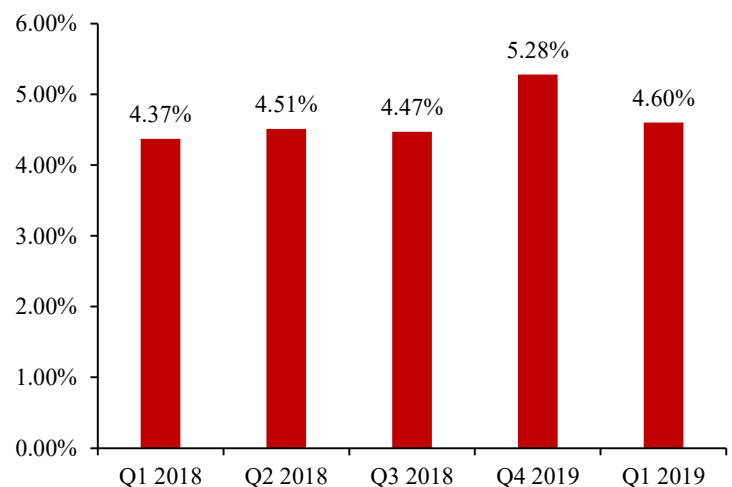
### Shanghai Index Performance



### Earnings Reports

- **Uber's** third quarter beat expectations on the top and bottom lines, but losses topped \$1 billion during the three months
- **Under Armour** shares fell 18.9% a day after it confirmed a federal investigation into its accounting practices. Q3 earnings beat estimates
- **Apple** is committing \$2.5 billion to help CA's housing crisis. Facebook and Google have each pledged \$1 billion to the cause this year

### S&P 500 Earnings Yields



## Leveraged Lion Capital Equity Research – 11/4/19

### Oil

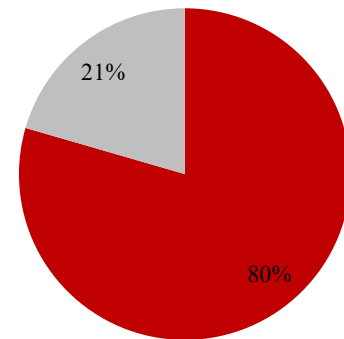
#### Oil Prices

- U.S. West Texas Intermediate and Brent crude oil futures **are edged lower on Monday after giving back its earlier gains**
- The selling is fueled by bullish U.S. jobs report and optimism over U.S.- China trade deal
- Crude oil is trading higher despite OPEC lowering both its short and long term demand outlook

#### Oil Supply & Demand

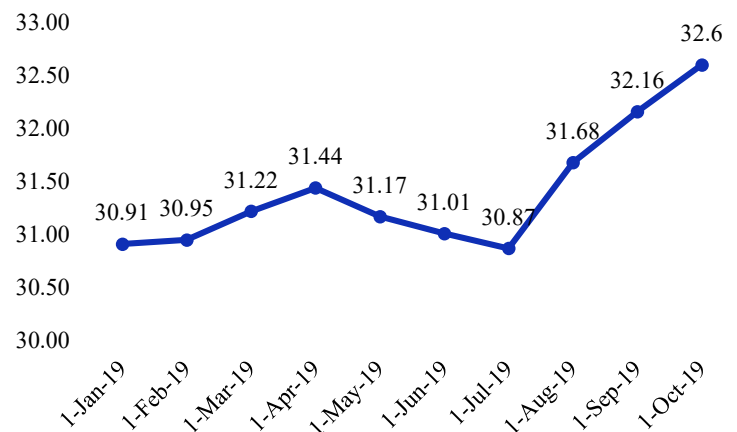
- **Saudi Aramco officially launched its IPO on Sunday**
- This is expected to be the world largest-ever share sale
- **Originally valued at \$2 trillion, the company's value looks more like \$1.5 trillion**
- **OPEC slashed its estimates for the amount of oil it will need to pump for the upcoming years**
- The group expects demand for its crude oil to slide by about 7% over the next four years
- This will compel **Saudi Arabia to reduce output even further** from already agreed levels
- The U.S. **oil and gas rig count fell again** during the week-ending November 1, according to Baker Hughes, continuing the downward trend with a drop of 8 rigs for the week

#### OPEC Share of World Crude Oil Reserves

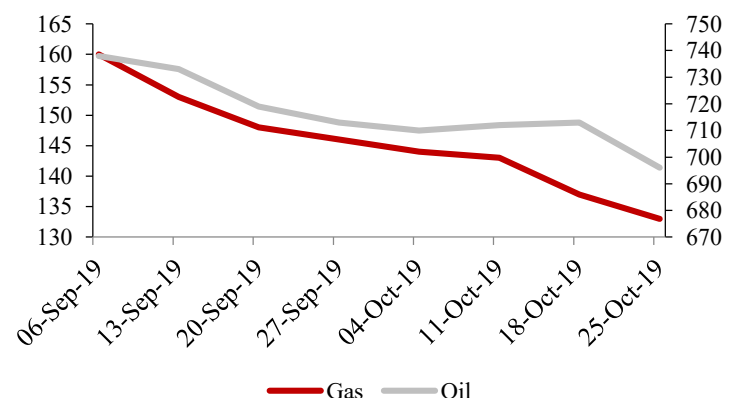


■ OPEC ■ Non-OPEC

#### OECD Petroleum Production (mm barrels/day)



#### U.S. Oil & Gas Rig Count



## Leveraged Lion Capital Equity Research – 11/4/19

**Economic Calendar (Week of 11/01/19)**

Date	Event	Time	Consensus
Monday, November 4, 2019	Factory Orders	8:30 pm	-0.4%
Tuesday, November 5, 2019	ISM Manufacturing Index	10:00 am	53.8%
Wednesday, November 6, 2019	Productivity	8:30 am	0.8%
Thursday, November 7, 2019	Consumer Credit	8:30 am	-
Friday, November 8, 2019	Wholesale Inventories	8:30 am	-

**Economic Calendar (Week of 10/28/19)**

Date	Event	Time	Consensus	Result
Monday, October 28, 2019	Advance Trade in Goods	8:30 pm	-73.5bn	-70.4bn
Tuesday, October 29, 2019	Consumer Confidence Index	10:00 am	127.8	125.9
Wednesday, October 30, 2019	GDP, FOMC Announcement	8:30 am	1.7%	1.9%
Thursday, October 31, 2019	Weekly Jobless Claims, Chicago PMI	8:30 am	215,000	218,000
Friday, November 1, 2019	Unemployment Rate	8:30 am	3.6%	3.6%

**Economic Calendar (Week of 10/21/19)**

Date	Event	Time	Consensus	Result
Monday, October 21, 2019	Federal Budget Balance	2:00 pm	-200 bn	83.0bn
Tuesday, October 22, 2019	Weekly Jobless Claims, Existing	8:30 am	215,000,	212,000,
	Home Sales	8:30 am	5.43	5.38
Wednesday, October 23, 2019	House Price Index	9:00 am	0.3%	0.2%
Thursday, October 24, 2019	Durable Goods Order	8:30 am	-0.7%	-1.1%
Friday, October 25, 2019	Consumer Sentiment Index	10:00 am	96.0	95.5

**Economic Calendar (Week of 10/14/19)**

Date	Event	Time	Consensus	Result
Monday, October 14, 2019	-	-	-	-
Tuesday, October 15, 2019	Empire State Index	8:30 am	2.0	4.0
Wednesday, October 16, 2019	Retail Sales	8:30 am	0.3%	(0.3%)
Thursday, October 17, 2019	Weekly Jobless Claims	8:30 am	215,000	214,000
Friday, October 18, 2019	-	-	-	-

## Leveraged Lion Capital Equity Research – 11/4/19

**Leveraged Lion Capital Earnings Calendar**

Company	Sector	Previous Earnings Date	Upcoming Earnings Date
<b>Portfolio Holdings</b>			
Winnebago	Consumer & Retail	Wednesday, June 19, 2019	Wednesday, October 23, 2019
Cryolife	Healthcare	Tuesday, July 30, 2019	Tuesday, October 29, 2019
US Silica	Materials	Tuesday, July 30, 2019	Tuesday, October 29, 2019
Intelsat	Media & Communications	Tuesday, July 30, 2019	Tuesday, October 29, 2019
Lattice Semiconductors	Information Technology	Tuesday, July 30, 2019	Tuesday, October 29, 2019
Yum! Brands	Consumer & Retail	Thursday, August 1, 2019	Wednesday, October 30, 2019
Chefs' Warehouse	Consumer & Retail	Wednesday, July 31, 2019	Wednesday, October 30, 2019
Ducommun	Industrials	Monday, August 5, 2019	Wednesday, October 30, 2019
MGM Resorts	REGAL-FIG	Thursday, July 25, 2019	Wednesday, October 30, 2019
Indivior	Healthcare	Monday, August 5, 2019	Thursday, October 31, 2019
Iron Mountain	REGAL-FIG	Thursday, August 1, 2019	Thursday, October 31, 2019
Beasley Broadcast Group	Media & Communications	Monday, August 5, 2019	Friday, November 1, 2019
<b>California Resources</b>	<b>Energy &amp; Utilities</b>	<b>Thursday, August 1, 2019</b>	<b>Monday, November 4, 2019</b>
<b>Virtu Financial</b>	<b>REGAL-FIG</b>	<b>Thursday, August 8, 2019</b>	<b>Tuesday, November 5, 2019</b>
<b>Equitrans Midstream</b>	<b>Energy &amp; Utilities</b>	<b>Tuesday, July 30, 2019</b>	<b>Tuesday, November 5, 2019</b>
<b>Par Pacific</b>	<b>Energy &amp; Utilities</b>	<b>Tuesday, August 6, 2019</b>	<b>Tuesday, November 5, 2019</b>
<b>Sprint</b>	<b>Media &amp; Communications</b>	<b>Friday, August 2, 2019</b>	<b>Tuesday, November 5, 2019</b>
<b>Plantronics</b>	<b>Information Technology</b>	<b>Tuesday, August 6, 2019</b>	<b>Wednesday, November 6, 2019</b>
<b>Walker &amp; Dunlop</b>	<b>REGAL-FIG</b>	<b>Wednesday, August 7, 2019</b>	<b>Wednesday, November 6, 2019</b>
<b>Commercial Vehicle Group</b>	<b>Industrials</b>	<b>Thursday, August 8, 2019</b>	<b>Thursday, November 7, 2019</b>
<b>Realogy</b>	<b>REGAL-FIG</b>	<b>Thursday, August 8, 2019</b>	<b>Thursday, November 7, 2019</b>
<b>Boise Cascade</b>	<b>Materials</b>	<b>Monday, August 5, 2019</b>	<b>Thursday, November 7, 2019</b>
Lindblad Expeditions	REGAL-FIG	Thursday, August 1, 2019	Monday, November 11, 2019
CenturyLink	Media & Communications	Wednesday, August 7, 2019	Monday, November 11, 2019
MTS Systems	Information Technology	Monday, August 5, 2019	Monday, November 11, 2019
Hudbay Minerals	Materials	Thursday, August 8, 2019	Tuesday, November 12, 2019
TransDigm	Industrials	Tuesday, August 6, 2019	Tuesday, November 19, 2019
GameStop	Consumer & Retail	Tuesday, September 10, 2019	Not Announced
Tutor Perini	Industrials	Thursday, August 8, 2019	Not Announced
Hexion	Materials	Monday, August 12, 2019	Not Announced
Dell	Information Technology	Thursday, August 29, 2019	Not Announced
<b>Portfolio Bench</b>			
The Container Store	Consumer & Retail	Tuesday, July 30, 2019	Tuesday, October 29, 2019
JCPenny	Consumer & Retail	Thursday, August 15, 2019	Friday, November 15, 2019
Navistar International	Industrials	Thursday, August 15, 2019	Wednesday, December 4, 2019
Assertio Therapeutics	Healthcare	Wednesday, August 7, 2019	Wednesday, November 6, 2019
Lannett	Healthcare	Tuesday, August 27, 2019	Tuesday, November 26, 2019
<b>Vantage Drilling International</b>	<b>Energy &amp; Utilities</b>	<b>Tuesday, August 14, 2019</b>	<b>Thursday, November 7, 2019</b>
Casa Systems	Information Technology	Wednesday, July 31, 2019	Thursday, October 31, 2019