



# Leveraged Lion Capital Equity Research Report 12.2.19

## Leveraged Lion Capital Equity Research – 12/02/19

### Equity Markets

Indices	11/11/2019	1 Day	1 Week	1 Month	YTD
<b>S&amp;P 500</b>	<b>3,140.98</b>	-	<b>0.99</b>	<b>3.43</b>	<b>25.14</b>
DJIA	28,051.41	-	0.63	3.62	20.15
NASDAQ	1,624.50	-	2.24	3.01	19.81
RUSSELL 2000	8,665.47	-	1.71	4.70	30.00
EURO STOXX 50	3,703.58	(0.02)	0.44	2.25	23.73
FTSE 100	7,346.53	(0.94)	0.27	0.55	9.09
NIKKEI	23,293.91	(0.49)	0.78	1.39	19.08
DAX	13,236.38	(0.07)	0.55	2.29	22.93
TSX	17,040.20	(0.43)	0.50	3.79	18.77

### Rates Markets

Rates	11/11/2019	1 Day	1 Week	1 Month	YTD
US 2-Yr	1.61	1.63	1.63	1.64	2.47
US 5-Yr	1.63	1.63	1.62	1.66	2.46
US 7-Yr	1.73	1.71	1.70	1.75	2.52
US 10-Yr	1.78	1.77	1.77	1.84	2.62
US 30-Yr	2.21	2.19	2.22	2.33	2.95
1Mo LIBOR	1.70	1.71	1.70	1.79	2.51
3Mo LIBOR	1.91	1.91	1.92	1.93	2.79
GER 10-Yr	(0.36)	(0.36)	(0.36)	(0.35)	0.16
JGB 10-Yr	(0.08)	(0.09)	(0.08)	(0.11)	(0.01)

### S&P 500 Sector Performance

Sector	% Change	Market Cap (\$Tn)
Communication Services	(0.36)	4.75
Consumer Discretionary	(0.77)	5.51
Consumer Staples	(0.14)	3.93
<b>Energy</b>	<b>(1.01)</b>	<b>3.05</b>
Financials	(0.21)	7.44
Healthcare	(0.35)	5.90
Industrials	(0.54)	4.41
Information Technology	(0.34)	8.78
Materials	(0.46)	1.91
Real Estate	(0.44)	1.40
Utilities	(0.14)	1.39

### Commodity Markets

Commodity	% Change	Price
Gold	0.81	1,472.70
Silver	0.30	17.11
Crude Oil	(5.06)	55.17
U.S. Brent	(4.39)	60.49
Copper	(1.28)	266.15
Natural Gas	(8.80)	2.28
Corn	2.14	381.25
Wheat	2.85	541.75
Soybean	(0.60)	876.75
Coffee	0.51	101.05
Sugar	1.17	12.94

### 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	5.00	5.25
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)	1.62	1.65	1.61	1.84	2.31
Agency Bond Repo Rate (Overnight)	1.62	1.65	1.61	1.84	2.31
CP A2/P2 Rate (3 Mo)	2.13	2.13	2.13	2.24	2.93
CP A1/P2 Rate (3 Mo)	2.03	2.03	2.03	2.14	2.83
CP A1/P1 Rate (3 Mo)	1.78	1.78	1.78	1.89	2.58

### Foreign Exchange Markets

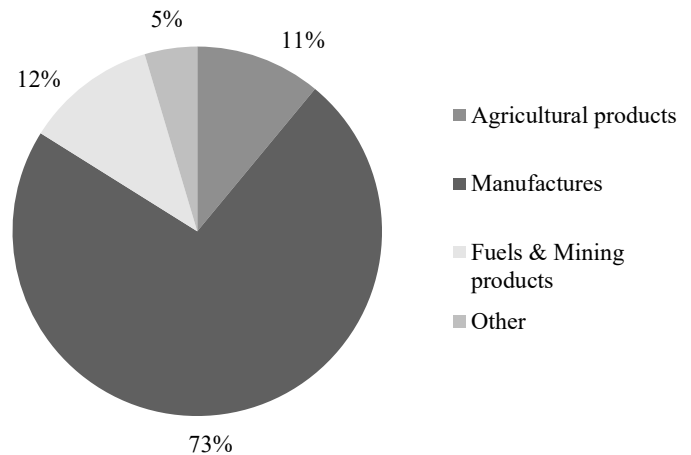
Cross	USD	EUR	JPY	GBP	CHF	CAD	AUD	NZD	HKD
HKD	7.8288	8.6302	7.1471	10.1092	7.8274	5.8958	5.3007	5.0358	
NZD	1.5547	1.7137	0.0142	2.0074	1.5543	1.1709	1.0525		0.1986
AUD	1.4767	1.6287	1.3483	1.9070	1.4765	1.1122		0.9499	0.1886
CAD	1.3278	1.4639	0.0121	1.7147	1.3276		0.8991	0.8542	0.1696
CHF	1.0002	1.1021	0.9131	1.2916		0.7532	0.6773	0.6434	12.7751
GBP	0.7744	0.8536	0.7070		0.7743	0.5832	0.5239	0.4981	0.0989
JPY	109.54	120.68		141.45	109.54	82.50	74.17	70.47	13.99
EUR	0.9071		0.8281	1.1714	0.9070	0.6832	0.6137	0.5835	0.1159
USD		1.1024	0.0091	1.2914	0.9998	0.7531	0.6771	0.6433	0.1277

## Leveraged Lion Capital Equity Research – 12/02/19

### Trade War

- U.S. announced it would shield dozens of products from steep import tariffs
- The move was seen as a **way to mitigate domestic concerns before the 2020 election**
- China threatened countermeasures against the U.S. over the weekend after Trump **signed a bill that backed pro-democracy demonstrators in Hong Kong**
- This casts a lot of doubt on the first part of the trade agreement

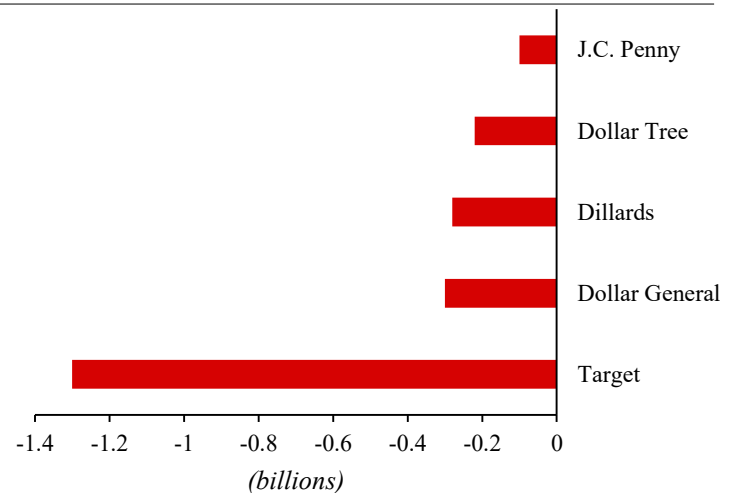
### Breakdown of U.S. Economy's Total Exports



### Retail Market

- Short sellers have revived bets on brick-and-mortar retailers in recent weeks
- **Short positions against the SPDR S&P Retail Fund hit 441% last week**
- Retail short positions have been popular in recent years due to online shopping
- **Despite expectations for a solid holiday shopping season, several investors said their bearish bets are based on retailers' struggles in competitive landscape**

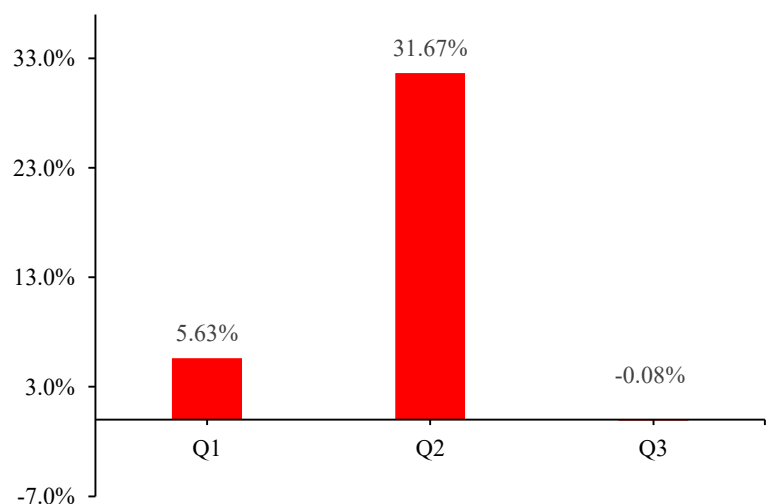
### Five Biggest Losses Among Retail Shorts YTD



### Tech Sector

- **Apple & Microsoft helped lift Dow industrials earlier this month**
- The boost was due to optimism surrounding U.S.-China trade deal
- They have **helped the overall tech sector**
- U.S. companies are pulling back on investment
- **Capital spending by S&P 500 companies grew less than 1% in the third quarter** and would have fallen without Apple & Amazon

### S&P 500 Capital Expenditures Quarterly Growth



### Oil

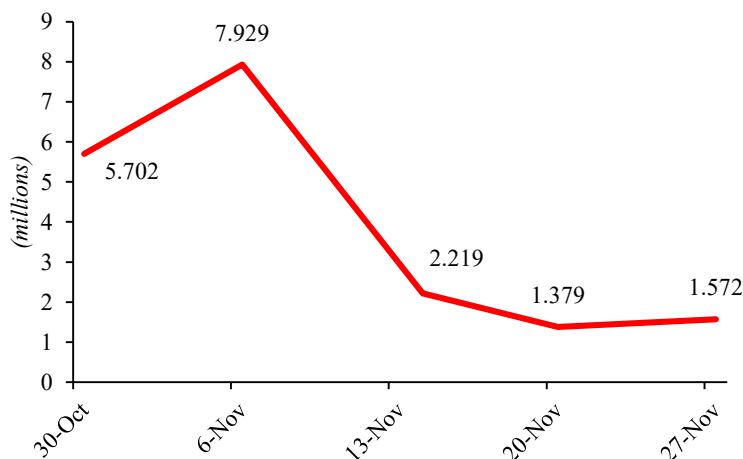
#### Oil Prices

- Oil prices dropped on Friday following a much **anticipated approval of a production cut extension at next week's OPEC meeting**
- Oil prices dropped Wednesday as well after official U.S. inventory data posted an unexpected rise
- Crude inventories rose by 1.6 million barrels in the week ended Nov. 22

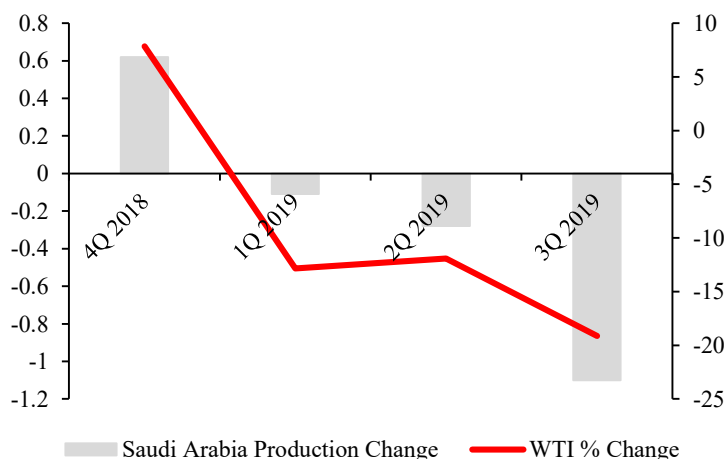
#### Aramco IPO & OPEC Predications

- Saudi Arabia **will push for an extension of oil production cuts through mid-2020** to prop up Saudi Aramco's initial IPO
- Saudi Aramco is **expected to announce the pricing of its shares on December 5<sup>th</sup>**
- Prime Minister Adel Abdul-Mahdi of Iraq announced plans to resign Friday
- Some traders believe an end to the county's protest will **lead to an end of threats to oil disruption**
- OPEC allies will meet this week in Vienna
- Previously, OPEC was expected to announce an extension of the current output cut of 1.2 million barrels per day
- **United States output production continues to hover around record highs**

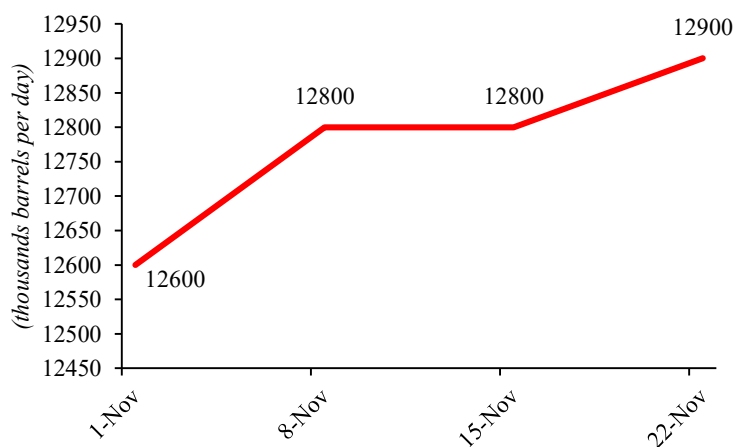
#### U.S. Crude Oil Inventories



#### Changes in Saudi Arabia Production & WTI



#### U.S. Crude Oil Production



## Leveraged Lion Capital Equity Research – 12/02/19

**Economic Calendar (Week of 12/02/19)**

Date	Event	Time	Consensus
Monday, December 2, 2019	ISM Manufacturing Index	10:00 am	49.9
Tuesday, December 3, 2019	Motor Vehicle Sales	8:30 am	-
Wednesday, December 4, 2019	ADP Employment	8:15 pm	138,000
Thursday, December 5, 2019	Weekly Jobless Claims	8:30 am	219,000
Friday, December 6, 2019	Unemployment Rate	8:30 am	3.6%

**Economic Calendar (Week of 11/25/19)**

Date	Event	Time	Consensus	Result
Monday, November 25, 2019	Chicago FED Activity Index	8:30 am	-	-
Tuesday, November 26, 2019	Consumer Confidence Index	10:00 am	128.2	125.5
Wednesday, November 27, 2019	Weekly Jobless Claims	8:30 pm	220,000	213,000
Thursday, November 28, 2019	-	-	-	-
Friday, November 29, 2019	-	-	-	-

**Economic Calendar (Week of 11/18/19)**

Date	Event	Time	Consensus	Result
Monday, November 18, 2019	Home Builders' Index	10:00 am	-	-
Tuesday, November 19, 2019	Housing Starts	8:30 am	-	-
Wednesday, November 20, 2019	FOMC Minutes	2:00 pm	0.3%	
Thursday, November 21, 2019	Weekly Jobless Claims	8:30 am	218,000	
Friday, November 22, 2019	Consumer Sentiment Index	8:30 am	0.3%	

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

Date	Event	Time	Consensus	Result
Monday, November 11, 2019	-	-	-	-
Tuesday, November 12, 2019	NFIB Small-Business Index	6:00 am	-	-
Wednesday, November 13, 2019	Consumer Price Index	8:30 am	0.3%	0.4%
Thursday, November 14, 2019	Weekly Jobless Claims	8:30 am	218,000	225,000
Friday, November 15, 2019	Retail Sales	8:30 am	0.3%	0.3%

## Leveraged Lion Capital Equity Research – 12/02/19

**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
California Resources	Energy & Utilities	Thursday, August 1, 2019	Monday, November 4, 2019
Virtu Financial	REGAL-FIG	Thursday, August 8, 2019	Tuesday, November 5, 2019
Equitrans Midstream	Energy & Utilities	Tuesday, July 30, 2019	Tuesday, November 5, 2019
Par Pacific	Energy & Utilities	Tuesday, August 6, 2019	Tuesday, November 5, 2019
Sprint	Media & Communications	Friday, August 2, 2019	Tuesday, November 5, 2019
Plantronics	Information Technology	Tuesday, August 6, 2019	Wednesday, November 6, 2019
Walker & Dunlop	REGAL-FIG	Wednesday, August 7, 2019	Wednesday, November 6, 2019
Commercial Vehicle Group	Industrials	Thursday, August 8, 2019	Thursday, November 7, 2019
Realogy	REGAL-FIG	Thursday, August 8, 2019	Thursday, November 7, 2019
Boise Cascade	Materials	Monday, August 5, 2019	Thursday, November 7, 2019
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
<b>Navistar International</b>	<b>Industrials</b>	<b>Thursday, August 15, 2019</b>	<b>Wednesday, December 4, 2019</b>
Assertio Therapeutics	Healthcare	Wednesday, August 7, 2019	Wednesday, November 6, 2019
Lannett	Healthcare	Tuesday, August 27, 2019	Tuesday, November 26, 2019
Vantage Drilling International	Energy & Utilities	Tuesday, August 14, 2019	Thursday, November 7, 2019
Casa Systems	Information Technology	Wednesday, July 31, 2019	Thursday, October 31, 2019