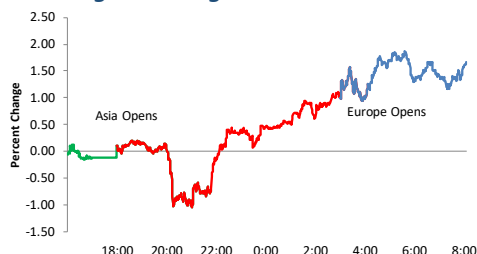




Today's Events

Overnight Trading



Stock Specific News of Note

Ticker	News
ARMK	Announces plans to spin-off uniform company into separate publicly traded company.
AVYA	Reported weaker than expected EPS on weaker revenues; lowered guidance.
BCO	Reported better than expected EPS on weaker revenues; reaffirmed guidance.
BHVN	Pfizer will acquire remaining stake in company for \$148.50 per share in cash.
BLDR	Reported significantly better than expected EPS on stronger revenues; \$2bn buyback.
CARG	Reported better than expected EPS on stronger revenues; lowered EPS guidance.
DBD	Reported weaker than expected EPS on weaker revenues; lowered sales guidance.
EPC	Reported weaker than expected EPS on weaker revenues; lowered guidance.
IFF	Reported better than expected EPS on stronger revenues; raised guidance.
IGT	Reported better than expected EPS on stronger revenues; guided inline.
MCHP	Reported better than expected EPS on stronger revenues; raised guidance.
NVAX	Reported better than expected EPS on weaker revenues; lowered sales guidance.
REYN	Reported inline EPS on weaker revenues; lowered guidance.
RNG	Reported better than expected EPS on stronger revenues; raised guidance.
SPG	Reported better than expected EPS on stronger revenues; raised dvd and buyback program.
TDG	Reported better than expected EPS on stronger revenues.
TREX	Reported better than expected EPS on stronger revenues; raised Q2 sales guidance.
UPST	Reported better than expected EPS on stronger revenues; lowered guidance.
XPO	Reported better than expected EPS on stronger revenues; raised EPS guidance.
XRAY	Reported weaker than expected EPS on stronger revenues; lowered guidance.

Market Timing Model

Expected S&P 500 Return (%)			
Category	One Week	Two Weeks	One Month
Sentiment	0.12	0.47	1.00
Technicals	-0.06	0.16	0.46
Fundamental	0.22	0.32	0.66
Overall	0.13	0.32	0.64
Average (all days)	0.15	0.31	0.63

Other Markets

Japan	↓	-0.6 %
China	↑	1.1
Germany	↑	1.4
UK	↑	0.6
Oil	101.89	↓ -1.2
Gold	1859.4	↑ 0.8
\$/Euro	0.948	↑ 0.00
\$/Yen	130.15	↓ -0.2
Bitcoin	31,738	↑ 779
10-Yr	2.99	↓ -0.04

Noteworthy Macro Events

- US Markets Look to Rebound Following European Rally.
- Treasuries Rally With 10-Year Yield Back Below 3%.
- Small Business Optimism Unchanged vs March.

Overnight Trading

Trading Up (\$):
BHVN (60.35), GOOGL (32.19), AMZN (28.66), TSLA (14.88), MSTR (5.85), MLDR (5.49)

Trading Down (\$):
UPST (-42.23), NVAX (-11.85), XRAY (-4.44), GDRX (-3.99), CARG (-3.89), PTON (-3.53)

Analyst Actions

Upgrades

Ticker	Firm	From	To
ALV	UBS	Neutral	Buy
CLNE	Ray James	Mkt Perf	Outperf
GPC	B of A	Underperf	Neutral
GPX	BNP Paribas	Neutral	Outperf
PBH	Jefferies	Hold	Buy
PGR	Jefferies	Underperf	Hold

Downgrades

Ticker	Firm	From	To
EIX	Mizuho	Buy	Neutral
ESS	Barclays	Mkt Wgt	Underwgt
GDRX	Evercore	Outperf	Inline
MEOH	Piper	Neutral	Underwgt
PLTR	RBC Capital	Mkt Perf	Underperf
UPST	Piper	Overwgt	Neutral

Initiations/Reiterations

Ticker	Firm	Action	Rating
AXON	Credit Suisse	Initiated	Outperf
DEN	Citigroup	Initiated	Buy
F	Berenberg	Initiated	Hold
GM	Berenberg	Initiated	Buy
RLX	Wedbush	Initiated	Neutral
TSLA	Berenberg	Initiated	Hold

Indicators/Events

		Last Report							
Time	Event	Estimate	Date	Est	Act.	Diff.	S&P	Best	Worst
6:00	NFIB Small Biz Optim.	92.9	4/12	95.0	93.2	0.8	-0.34	Ener	Finl
7:40	Fed's Williams Speaks at NABE Conference								
9:15	Fed's Barkin Speaks on Inflation								
13:00	Fed's Waller and Kashkari Speak to Economic Club of NY.								
15:00	Fed's Mester Speaks on Monetary Policy at Atlanta Fed								
19:00	Fed's Bostic Discusses Monetary Policy								
DISH	Analyst Day								
MDLZ	Business Update								
	B of A Health Care Conference								

Tomorrow and Beyond

Key Major Economic Indicators

Time	Event	Estimate	Date	Act. vs. Est.	S&P
8:30	CPI	0.2	4/12	0.0	-0.34
8:30	Core CPI	0.4	4/12	-0.2	-0.34

Key Earnings Reports

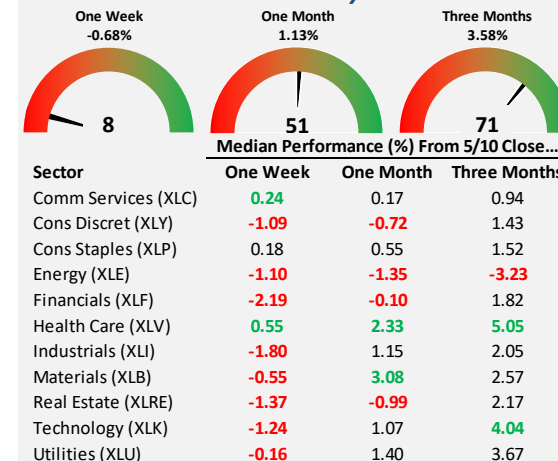
			Beat Rate		Raised	Price Reaction
Ticker	Date	TOD	EPS	Sales	Guid.	(Last 8 Reports)
DNUT	5/11	AM	0%	100%	33%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
PFGC	5/11	AM	68%	52%	16%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
PRGO	5/11	AM	70%	50%	25%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
WEN	5/11	AM	54%	59%	13%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
WWW	5/11	AM	78%	53%	7%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
YETI	5/11	AM	100%	100%	57%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
DOX	5/11	PM	71%	62%	13%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BYND	5/11	PM	18%	64%	18%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
BMBL	5/11	PM	50%	100%	100%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
STE	5/11	PM	68%	63%	17%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
DIS	5/11	PM	79%	61%	0%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
OXY	5/10	PM	71%	71%	0%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>
RKT	5/10	PM	69%	47%	0%	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>

Price Reaction: most recent report is on the left.

Other Key Events

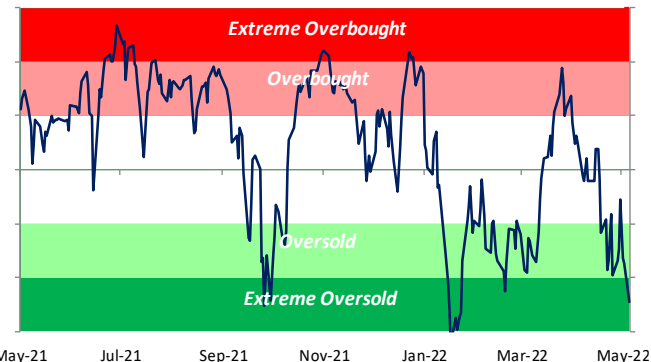
- 10:30 DoE Energy Inventories
- 12:00 Bostic Discusses Economy
- B of A Health Care Conference

Market and Sector Seasonality – Last 10 Years

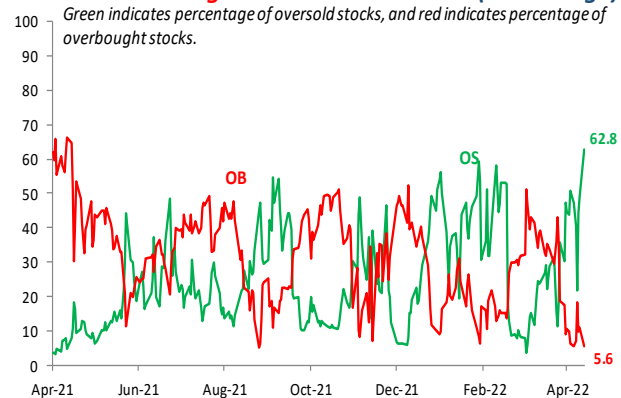




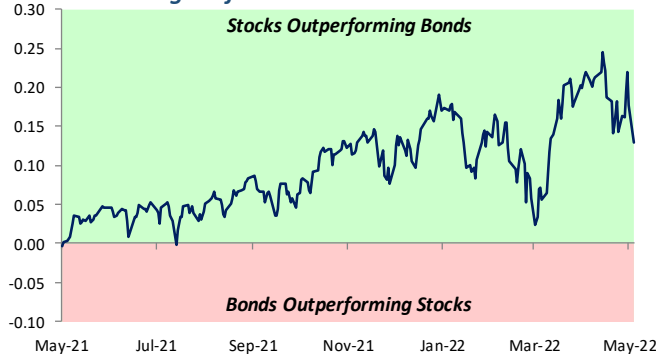
S&P 500 50-Day Moving Average Spread



S&P 500 Overbought and Oversold Stocks (Percentage)



Relative Strength of Stocks versus Bonds



S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↓	-8.5 %	-5.1 %
10-Day A/D Line	↓	-815	-538
# of Overbought Stocks	±	28	28
# of Oversold Stocks	↑	314	237
P/E Ratio			
Trailing	↓	20.09	20.92
Forward	↓	18.12	18.28
Dividend Yield	↑	1.56 %	1.50 %
Credit Spreads (bps)			
High Yield	↑	418	397
Corporate Bonds	↓	140	141

Trading Ranges: Sectors

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

Trading Ranges: Bonds/Commodities

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

Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
THS	14.5	1	-2.8	0.0	-1.2	0.0
ENR	11.8	3	3.4	100.0	2.3	33.3
BIG	10.5	10	-2.4	50.0	0.5	60.0
NWL	7.9	23	-0.4	56.5	-1.9	52.2
NBR	-18.5	38	-1.8	47.4	-0.1	52.6
CELH	-17.4	12	0.8	41.7	-5.6	25.0
ENDP	-15.5	23	3.7	60.9	3.6	43.5
APA	-14.9	13	-4.2	46.2	-6.5	46.2

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
NRG	41.25	2.50	-1.01	31.3

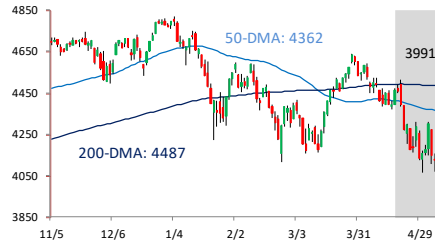
S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations Below 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
EQIX	652.93	-2.86	8.47	100.0
TSLA	787.11	-1.56	5.02	61.5

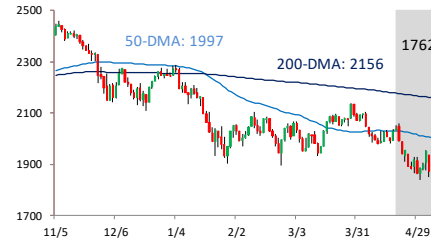
For an explanation of the first two pages of this report, please click [here](#).



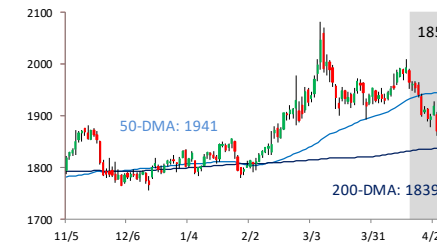
S&P 500: Last Six Months



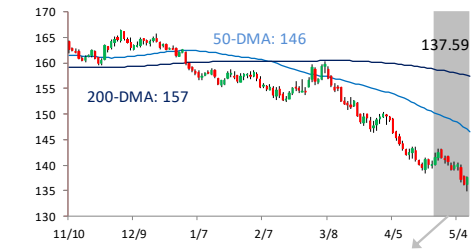
Russell 2000: Last Six Months



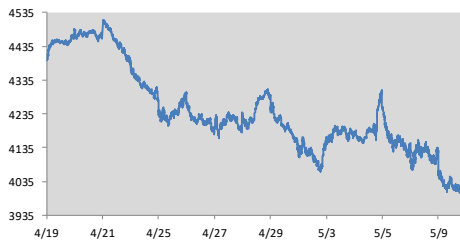
Gold Future: Last Six Months



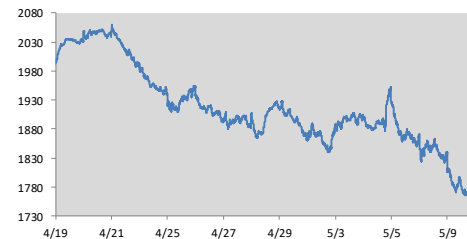
Long Bond Future: Last Six Months



S&P 500: Last 15 Trading Days



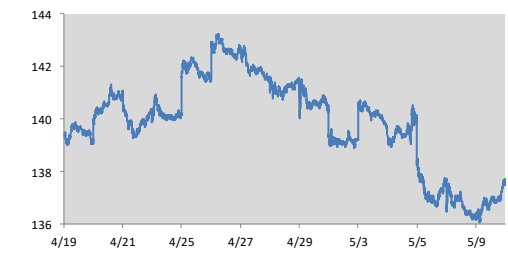
Russell 2000: Last 15 Trading Days



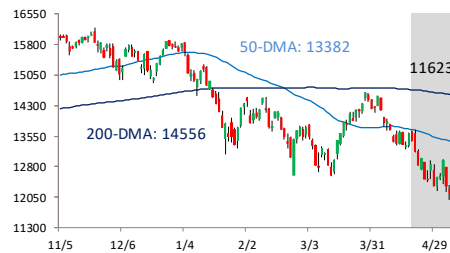
Gold Front Month Future: Last 15 Trading Days



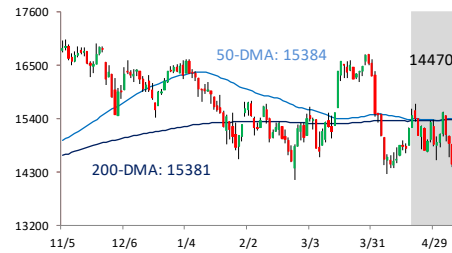
Long Bond Future Intraday: Last 15 Trading Days



Nasdaq Composite: Last Six Months



DJ Transports: Last Six Months



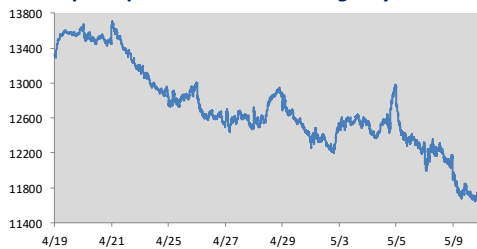
Oil Future: Last Six Months



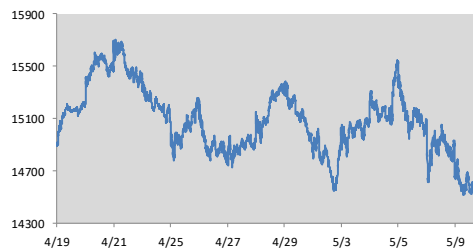
BBG US Dollar Index: Last Six Months



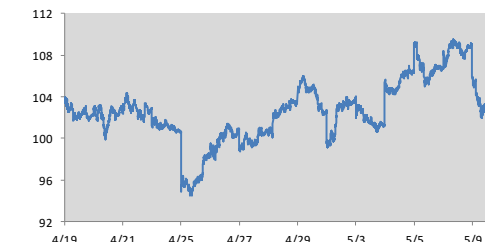
Nasdaq Composite: Last 15 Trading Days



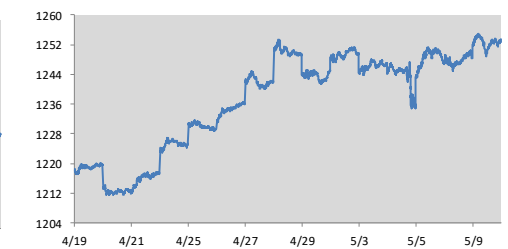
DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days





Morning Commentary

Snapshot: The S&P 500 is set to gap up almost 1% as tech and related assets from ARK Invest (ARKK) to the NASDAQ 100 to crypto rebound. Rates are falling while commodity prices come under further pressure, especially energy. The dollar is little-changed. It's another heavy rotation for Fed speakers today as NY Fed President Williams (a voter) has already hit the tape with prepared remarks that are closely aligned with what Chair Powell said at the FOMC last week. Barkin, Waller, Kashkari, Mester, and Bostic are all due between 9:15a and 7:00p ET today. The economic data slate is light after the release of NFIB data earlier this morning, which came in slightly stronger than expected overall but had a few weak points as discussed on the next page. [Global Economic Scorecard](#)

TerraUSD: Overnight, the crypto market absorbed a serious sentiment blow from a collapse in an algorithmic stablecoin. Stablecoins like Tether or USDC have actual dollars backing them; while there are reasonable doubts about the quality of assets backing Tether, USDC assets are fully-audited dollar bank account balances. Algorithmic stablecoins, on the other hand, seek to establish a crypto portfolio that is used to anchor a stablecoin to a set exchange rate versus fiat currencies (for instance, \$1 per unit). The mechanics of this anchoring are somewhat complicated, but ultimately the peg between the algorithmic stablecoin is dependent on reserves of cryptocurrency that can be used to buy the stablecoin if it trades below its peg. Overnight, UST (also called TerraUSD) unpegged and fell as low as 66 cents on the dollar. It's trading around 91 cents on the dollar this morning. UST had a peak market cap a few days ago near \$19bn and still has a market cap of around \$16.5bn, compared to a Tether market cap of more than \$83bn and a USDC market cap of over \$48bn. A collapse in TerraUSD doesn't portend a collapse in other stablecoins like Tether and USDC, but it does illustrate how crypto is inextricably tied to fiat currency and has so far been totally unable to unmoor itself from fiat currencies, even if they're only used for moving crypto between exchanges as is the key use case for stablecoins.

APAC Markets: APAC was once again broadly lower but selling was more contained than prior sessions. Hong Kong's Hang Seng fell almost 2%, but onshore Chinese stocks rose 1%, while Taiwan eked out gains amidst losses of less than 1% for most other major indices. The dollar was mixed with NZD and KRW losing ground while other local FX gained. Iron ore futures continued to sell off, though, after yesterday's 200-DMA took them below their 200-DMA. Rebar futures were similarly weak as questions about the viability of the Chinese economy continued. The election of Ferdinand Marcos Jr. in the Philippines two days ago sparked declines in equities in that country, though the benchmark PSE Index staged an impressive rally off session lows and closed at the highs of the day; Marcos is the son of Ferdinand Marcos Sr., who ruled the country as a dictator over a 20 year period ended in 1986.

Europe Markets: European equity indices are broadly higher with the STOXX 600 up 1% on 5:1 positive breadth; only Energy (down 1%) is lower at the group level, while Financial Services, Banks, and Construction & Materials are all up at least 2%. Factor rotations are relatively modest, but volatility and dividend yield factors are outperforming against weak performance from the momentum factor. The German DAX and OMX 30 are outperforming while all major country indices are higher. EURUSD and GBPUSD remain near 52-week lows while rates are continuing their recent decline as peripheral yields collapse relative to German benchmarks even as those risk free proxies fall 6 bps across the curve. Credit spreads are also performing well.



Morning Commentary

APAC Earnings: Overnight **Sony Group** (ADR **SONY**) reported lackluster fiscal Q4 results in Tokyo as operating income missed estimates by 7% on sales 3% below estimates. Sales are being negatively impacted by continued disruptions providing PS5 gaming consoles to consumers: while the company is targeting 18mm units of production for that product this year, the target is at risk from supply chain disruptions and component shortages. Guidance for fiscal 2023 sales topped estimates by 8%, but operating income views were 3% short of estimates implying a 118 bps miss in annual operating income margins. **Nintendo** (ADR **NTDOY**) also reported, topping fiscal Q4 sales by 47 bps and operating income by 12 bps. Similar to SONY, guidance was light versus estimates as fiscal 2023 sales forecast missed by 6% and operating income forecast missed by 18%. The company also announced a 10-for-1 stock split.

Results from conglomerates reporting overnight including **Daikin Industries** (ADR **DKILY**), **Mitsubishi** (ADR **MTSUY**), and **Itochu** (ADR **ITOCY**) were broadly weaker than estimated as annual forecasts under-shot analyst estimates. **Nippon Steel** (ADR **NPSCY**) reported Q4 sales 11% above estimates and net income more than three times what analysts were looking for, but declined to issue 2023 guidance amidst volatility in both supply and demand.

Europe Earnings: Health care and ag products company **Bayer** (ADR **BAYRY**) reported A1 adjusted EBITDA 15% above analyst estimates and sales 7% higher than estimated as the company confirmed 2022 guidance. While BAYRY's crop science unit generated 27% more EBITDA than estimated in the quarter and is a key to the beat, management sees little to no negative impact from Ukraine/Russia where clients are 3% of total sales on a combined basis; neither ranks in the top 10 customers at the country level. **Porsche** (ADR **POAHY**) cut its net liquidity guidance (driven by the purchase of preference share in Volkswagen). The sprawling holding company may yet benefit from an IPO of the Porsche business specifically. Finally, **Kongsberg Gruppen** (OTC **NSKFF**), the Norwegian defense company, reported a 6% sales miss, a decline in orders YoY, and EBITDA almost 25% below estimates. That stock is down 16% and is the notable earnings blow up in Europe this morning.

US Earnings: Connected fitness company **Peloton** (**PTON**) is down more than 15% as-of this writing after missing revenue by 1% thanks to weaker device sales (subscription revenues beat by 2%). Device subscribers beat by 2% and digital subscribers beat by 7%, but adjusted EBITDA margins were almost 7 percentage points weaker than estimated as the company lost 20 cents of adjusted EBITDA for every dollar of revenue. Q4 guidance was truly terrible as revenue guidance missed estimates by 10% at the midpoint, adjusted EBITDA margins were guided almost 14 percentage points deeper in the red than expected, and subscriber counts were guided 1% below views. The company has borrowed \$750mm in bank debt to finance huge inventory builds; inventories were down 8.5% QoQ but that followed a 530% surge from \$245mm in fiscal Q4 2020 to \$1.54bn last quarter. While price cuts on hardware are helping to goose sales, there's still a large balance sheet mess to clean up.

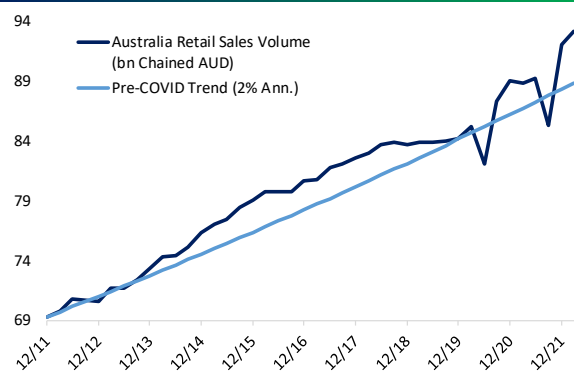
Elsewhere, aerospace parts roll-up **TransDigm** (**TDG**) reported fiscal Q2 net sales 1.5% above estimates and adjusted EPS 6% above views. The company is still declining to provide FY 2022 guidance, driven by the pandemic's wild swings on its end markets. Food service supplier **Sysco** (**SY**) reported a huge beat with adjusted EPS beating estimates by 29% as an 8% beat in its Foodservice Operations segment (total revenue +43% YoY) and in-line margins sent bottom line soaring.



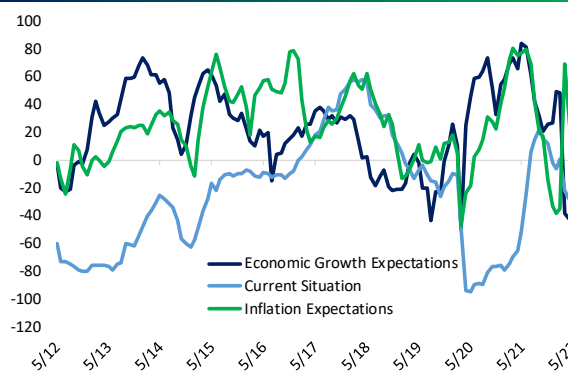
Morning Commentary

Overnight Data: Australian retail sales volumes beat estimates and continued to soar above the pre-pandemic trend in Q1 per ABS data released overnight. In Europe, ZEW sentiment surveys showed a sharp drop in inflation expectations for the Eurozone. Economic growth expectations moved slightly higher while assessments of the current situation made marginal new lows. In Italy, April data on industrial production showed strong performance relative to pre-COVID across categories, and the recent outperformance of Italy relative to the German industrial powerhouse (dating to 2015) has continued. Finally, NFIB data showed a collapse in the general outlook to record lows; that fall is clearly influencing capex and hiring plans. Taking the general outlook with a grain of salt, it's still notable that a broad average of NFIB labor market indicators has seen a major leg lower in the last couple months.

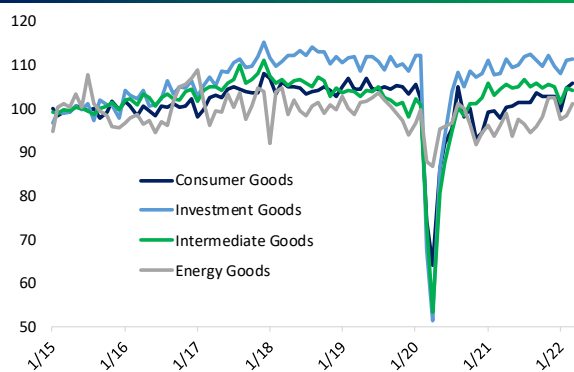
Australian Consumer Boom Continues Apace



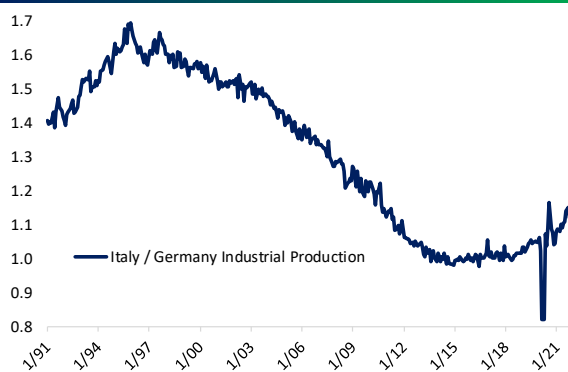
EZ Economic Expectations Bottom As Inflation Surge Recedes



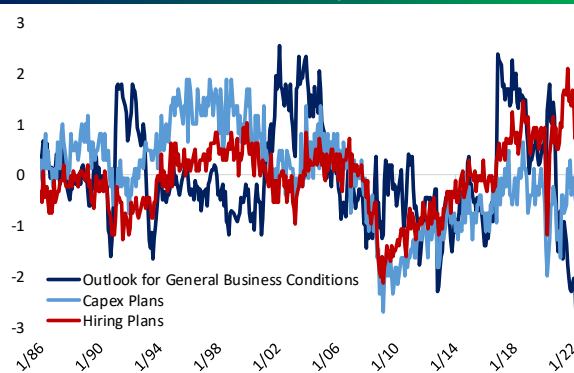
Italy Industrial Production (2015 = 100)



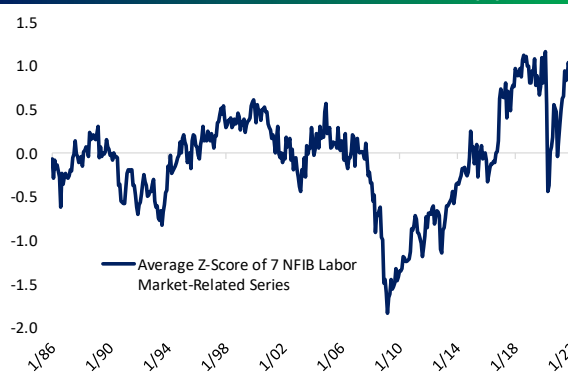
Italy > Germany Is The New Germany > Italy



NFIB General Sentiment & Expansion Plans (Z-Score)



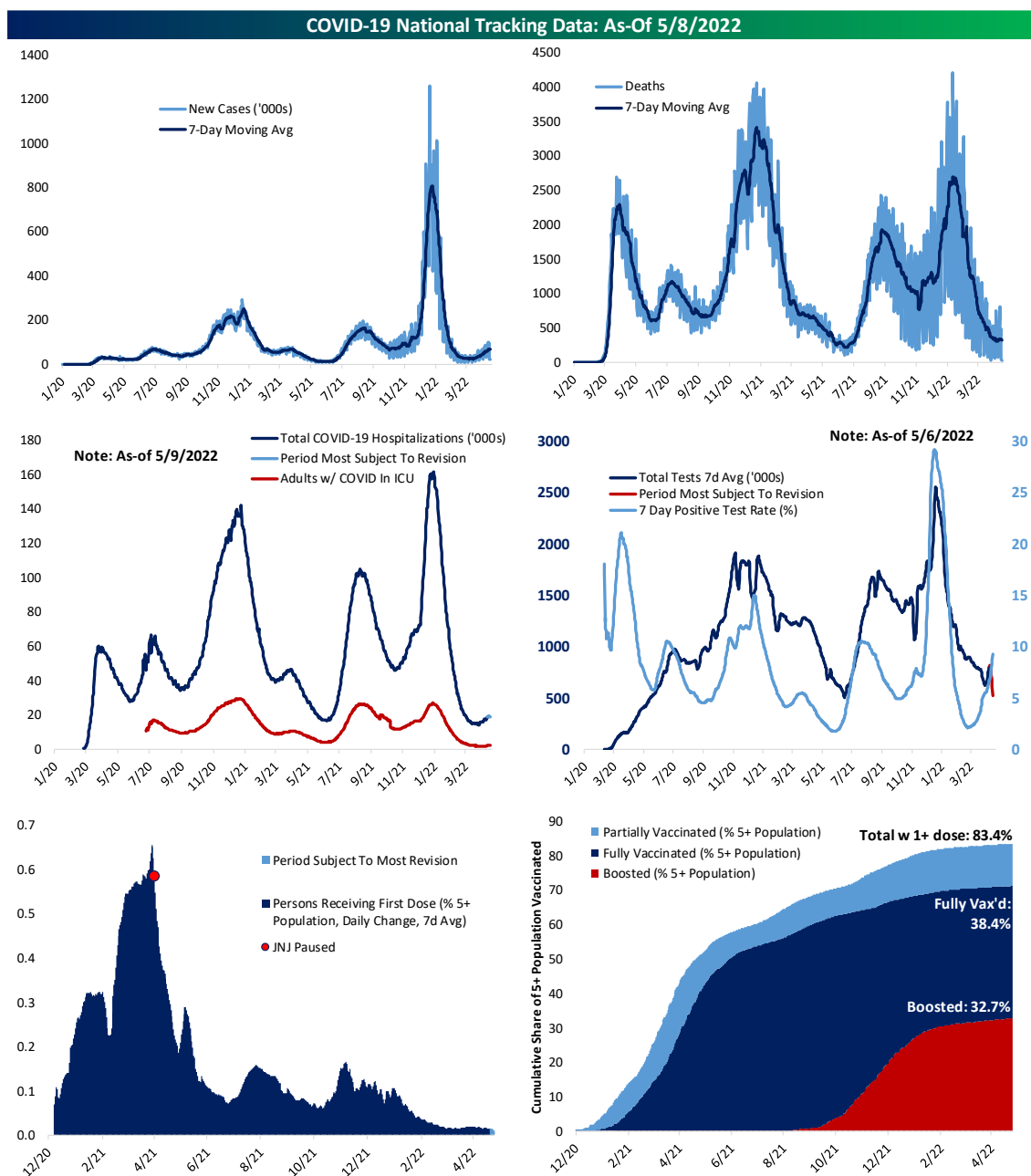
NFIB Labor Market Indicators Have Slowed Sharply (Z-Score)





Morning Commentary

Coronavirus: Case numbers in the US (top left chart) continue to trend higher and these 'official' numbers are undercounting the actual number of cases as positive at home tests are not included in the totals. The key to watch, though, is deaths and hospitalizations. Hospitalizations have started to increase and the number of deaths has stopped declining. Both are still at very low levels. On a global basis (next page), besides the US, the only other major region of the world where data shows a mean- ingfully higher trend in cases is in South Africa.





Morning Commentary

Global New Cases Per Day Per mm Population (7d Avg)

