

# Top 5 Gov't Policy Catalysts for 2020

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*CIO // EventShares*

*MD // MarketDesk Research*

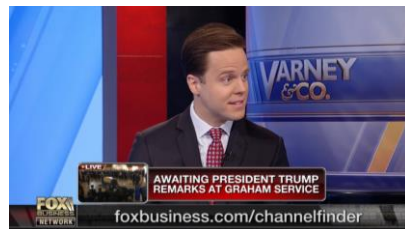
*October 2019*



## About EventShares

EventShares is an investment management firm focused on the opportunities from legislation and regulation coming out of Washington, DC. In a world overloaded with exotic investment vehicles, our common-sense investing approach is often overlooked. Our team believes investments aligned correctly with Washington can outperform the market as the laws and regulations impact companies and industries. Additional information about EventShares can be found at [www.EventShares.com](http://www.EventShares.com) and the firm's Twitter feed can be followed @Event\_Shares.

## Thought Leaders



## Our Clients

**Financial Advisors & RIAs** should explore EventShares ETFs thematic investment solutions.

**Family Offices** Strategies for single and multi-family offices who are looking for ways to gain exposure to policy catalysts.

**Financial Institutions** Our team works with financial institutions to help them capitalize on policy investing opportunities. You can find our research on Interactive Brokers, FactSet, and Thompson Reuters.

# Research and News

## IBIS Research Platform

Research and news subscriptions are available through Interactive Brokers Information System (IBIS), our comprehensive news and fundamentals research platform add-on to the TWS. Separate data services are also available. The Platform includes subscription to some research services that are available free of charge. The services are open to all demo users and do not require an application to be approved or funded.




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DESCRIPTION:

EventShares believes legislation and government regulation can be leading investment indicators. EventShares analyses the political news and provides insight for long term investment opportunities.

Learn More 

TWS 



# Contents

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1. **Politics ≠ Policy** | **Ignore the Noise**
2. **Market Outlook** | **Post-Midterms**
3. **Policy Catalysts** | **Uncorrelated** Alpha Sources
4. **Investment Case** | Policy **Disruption**
5. **What Matters for 2020?** | Policy Alpha **Outlook**

# Politics ≠ Policy

**Politics (n):** government conflict and debate

**Policy (n):** legislation impacting companies

# Investment Discussion: Policy Changes

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## Invest in companies impacted by government **Policy Catalysts**

### *Investment Philosophy*

- Washington creates **investment opportunities**
- **Policy** ≠ Politics
- Policy is a **leading indicator**
- Well-telegraphed, long-term, low correlation

# The Opportunity: Simplistic, Untapped

## Policy Investing



### U.S. Policy Impacts 100% of U.S. Companies

No company is immune to government policy changes



### Washington is complex - we aim to connect the dots for you

Our process looks through the noise to identify winners and losers



### Abundant Opportunities

Annually on average<sup>1</sup>, Congress passes **758 bills**, the Supreme Court rules on **130 cases**, and federal agencies issue **3,853 rules**.



### Harvard Research

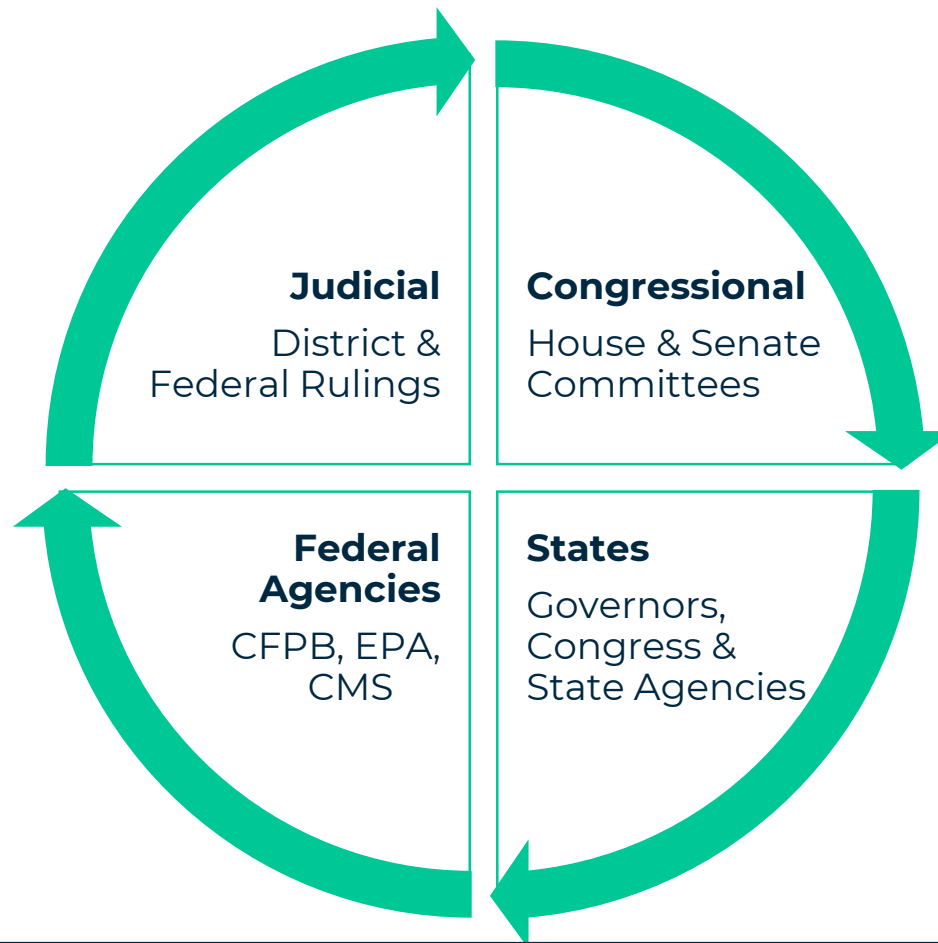
Policy investing generated **~11% alpha annually** over a 20-year period<sup>2</sup>

<sup>1</sup> Forbes.com; MIC.com; Civilrights.org <sup>2</sup> "Legislating Stock Prices." National Bureau of Economic Research. Data represents 1989-2008.

# Policy Investing: Uncorrelated Alpha Sources

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**Policy Disruption:** When a business model changes due to government action. Four sources of policy disruption:



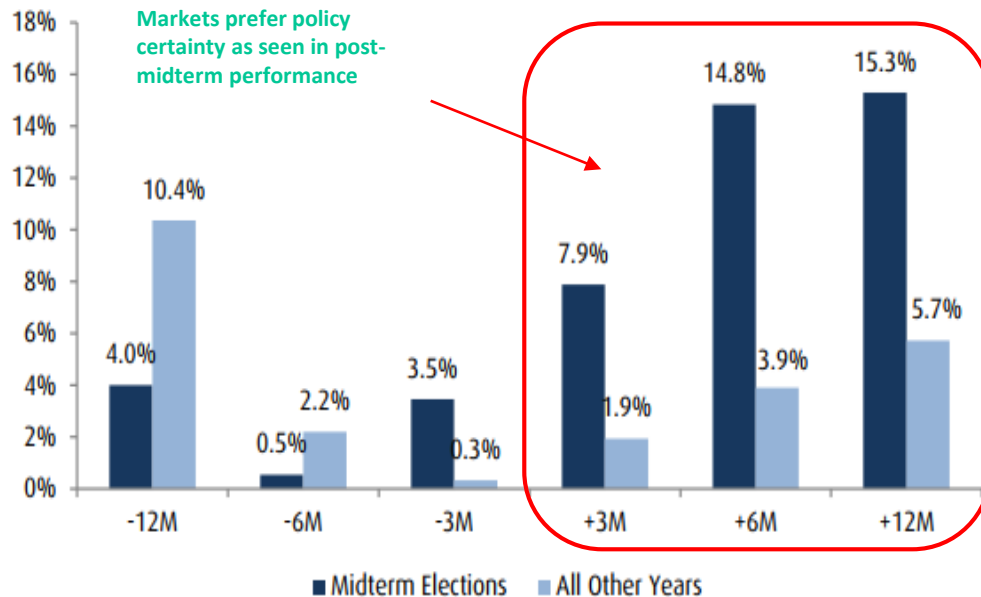
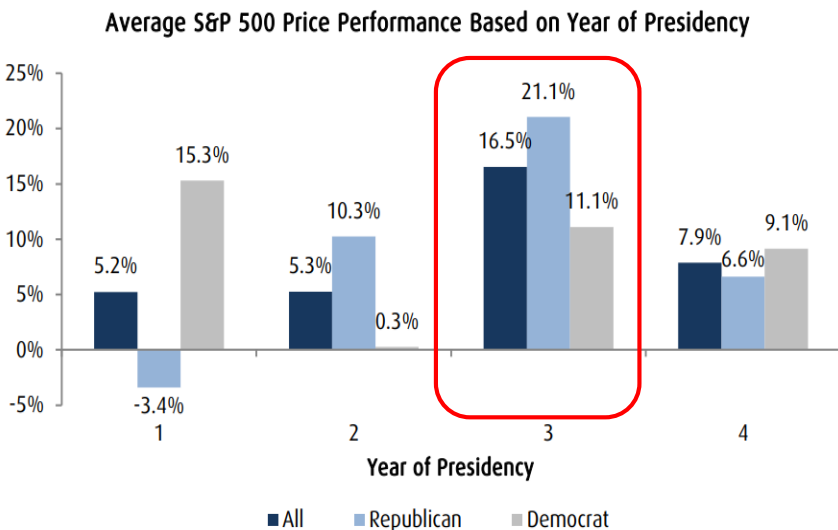


# Markets Post-Midterm Elections: Returns

- **Strong stock market has been typical** post-midterms
- A president's **3<sup>rd</sup> year has been best** for market performance

Market Historically Has Produced Strong Gains in the Months Following Midterms

S&P 500 Price Performance: Pre and Post Midterm Elections



As of 10/24/2018

Past performance does not guarantee future performance returns. Indexes are unmanaged and do not reflect fees and expenses.  
Source: BMO Investment Strategy Group, FactSet, Bloomberg.

# Markets Post-Midterm Elections: Gridlock = Good?

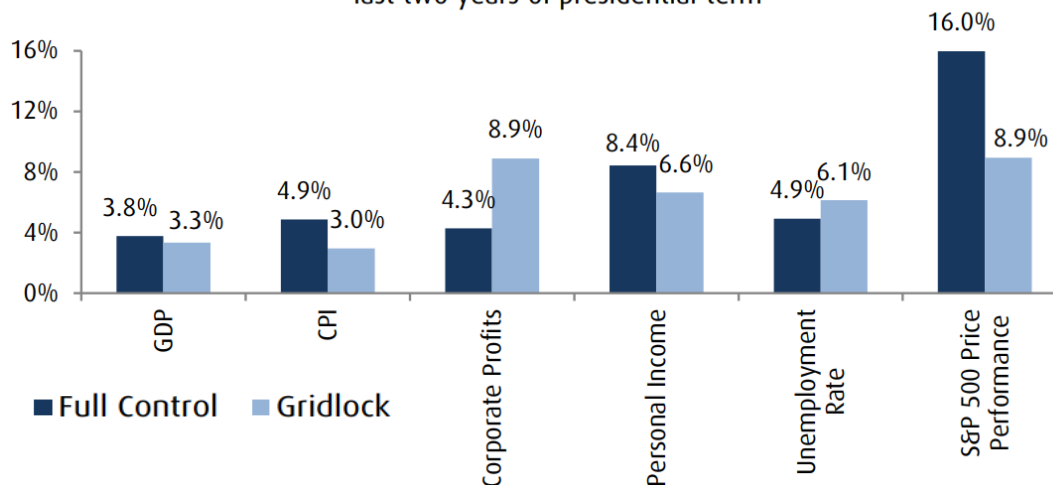
For Years 3 and 4 of Presidency since 1935

Composition of Government	# of Years	Average Annual S&P 500 Price Performance
Republican Control	2	17.7%
Democratic Control	6	17.2%
Gridlock	15	12.7%
Gridlock With Republican President	9	13.8%
Gridlock With Democrat President	6	11.2%
All Years 3 and 4 of Presidency	23	14.3%

As of 10/24/2018

- **Gridlock not always good for markets**
- **Particularly true during 2<sup>nd</sup> half of President's term**

Key Macroeconomic Indicators and S&P 500 Performance Comparison last two years of presidential term



As of 10/24/2018

Past performance does not guarantee future performance returns. Indexes are unmanaged and do not reflect fees and expenses. Source: BMO Investment Strategy Group, FactSet, Bloomberg.

# Policy Themes

*Driving 2019 Market Returns*

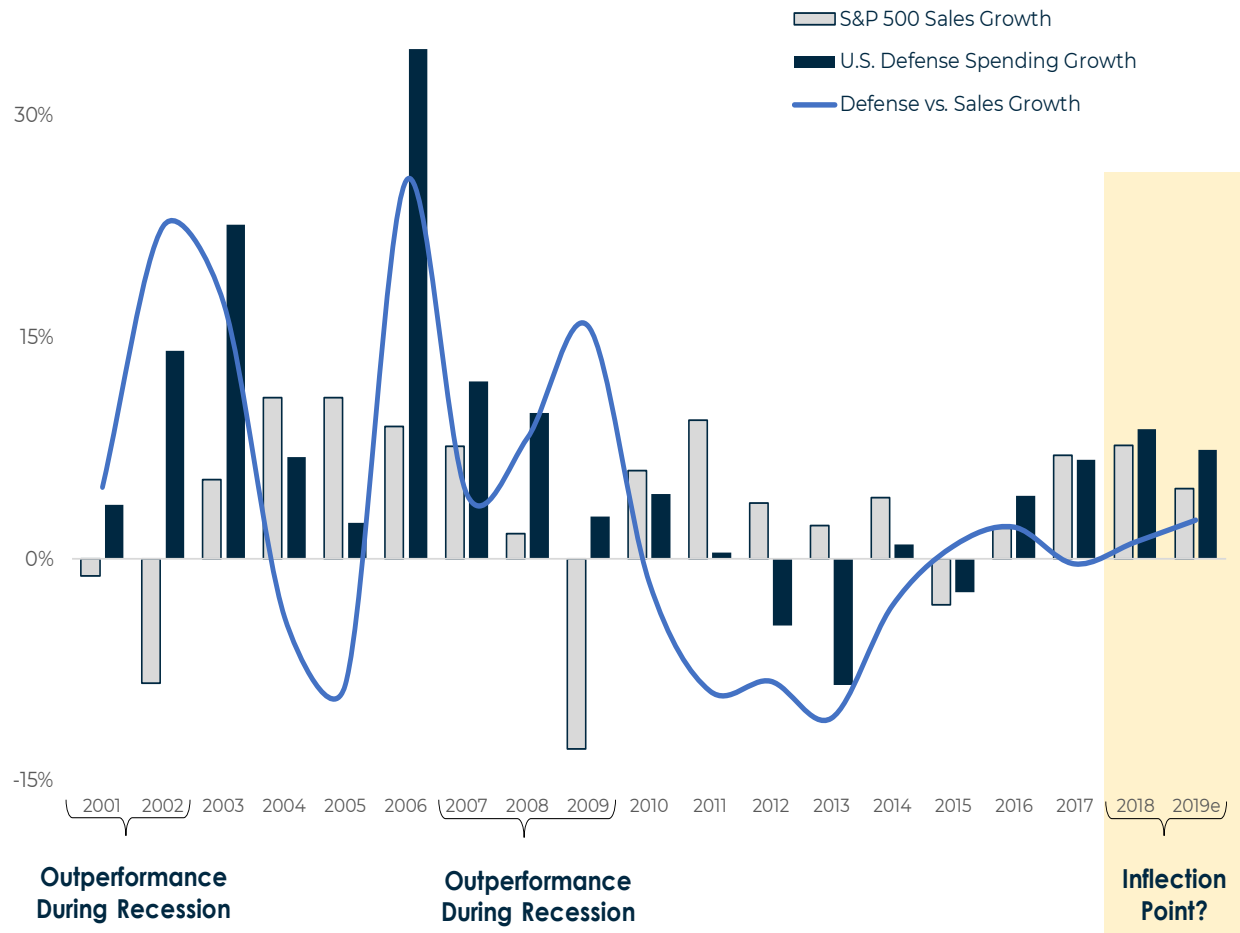
# Policy Themes Driving 2019 Returns

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1. **Defense Spending ...Recession Proof?**
2. **U.S. Infrastructure Spending ...Focus on State Spending, Not Federal**
3. **Cannabis Legalization ...Plenty of unanswered questions**
4. **Sales Tax Compliance ...Headwind for e-commerce, tailwind for providers**

# Defense Spending: Recession Proof?

## U.S. Defense Spending Growth Versus S&P 500 Sales Growth (2001-2019e)



### Talking Points

- **2018: a volatile year for defense**
  - Secretary Mattis resigned
  - President Trump pushed for 5% cuts before reversing
  - Trump's pulled out of Syria
- **2019 growth resumed** with the potential for increased revenues as prior year appropriations being distributed
- Defense is a potential **recession-resistant investment**, because spending growth's low correlation to broader market sales growth
- Check out the Defense Policy Playbook & impacted companies [here](#)

Source: EventShares, FactSet Research, U.S. Congressional Budget Office.

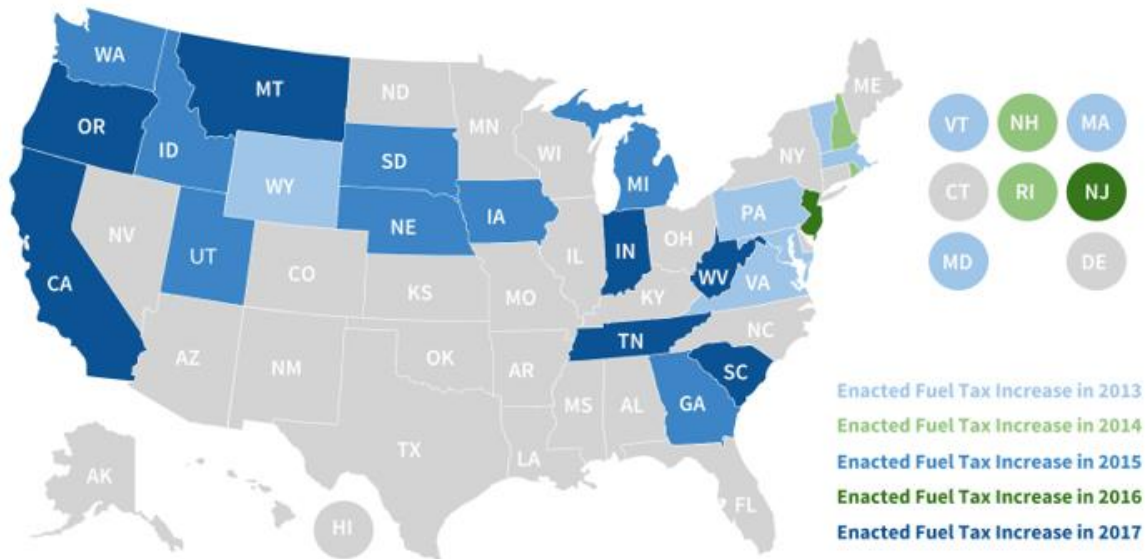
# U.S. Infrastructure Spending: States in Focus

## States that have passed gas tax increases to boost infrastructure spending

### Talking Points

## State Fuel Tax Increases

Which states passed gas tax increases over the past few years?



From 2012-2017, 24 states have raised fuel tax rates.

Source: MultiState Issue Management service. Find out more at [www.multistate.com](http://www.multistate.com).

**MULTISTATE**

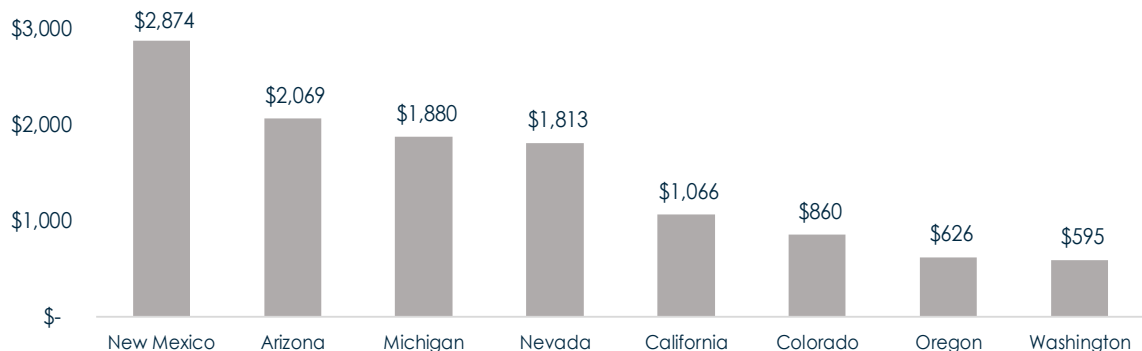
- **Infrastructure spending continues to be a hot topic.** While D.C. is grabbing investors' attention, state initiatives are being overlooked
  - Alabama and Arkansas each passed infrastructure bills in March
- **29 states have increased fuel taxes since 2013.** We expect states to continue increasing their transportation budgets via gas tax increases and registration fees
- **Management teams are already mentioning state funding as a growth catalyst** on earnings calls
- Check out the Infrastructure Policy Playbook, which includes a list of investible companies, [here](#)

Source: EventShares, <https://www.multistate.us/blog/top-10-state-legislative-trends-for-2019>

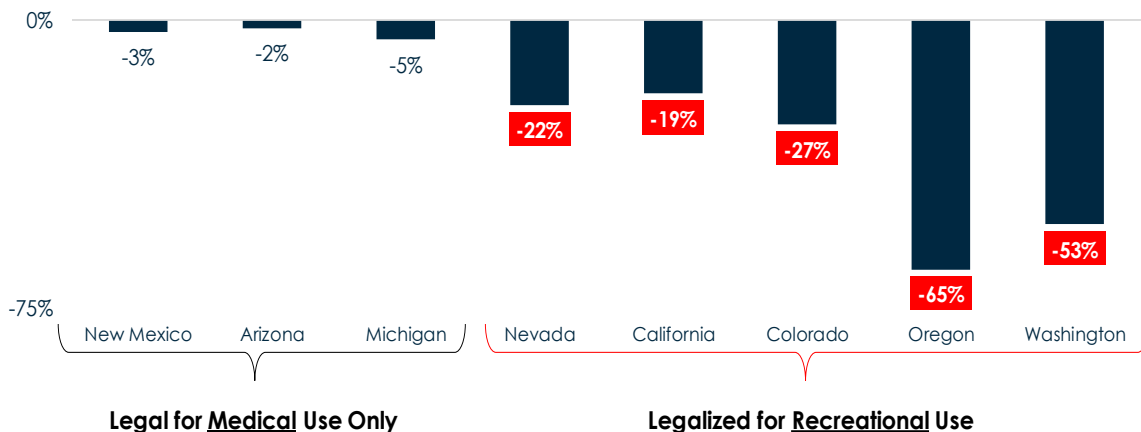
# Cannabis Legalization: Plenty of unanswered questions

Price has dropped severely in recreationally-legalized states.

**Average Wholesale Cannabis Price**



**Average Wholesale Price Year-over-Year Change**



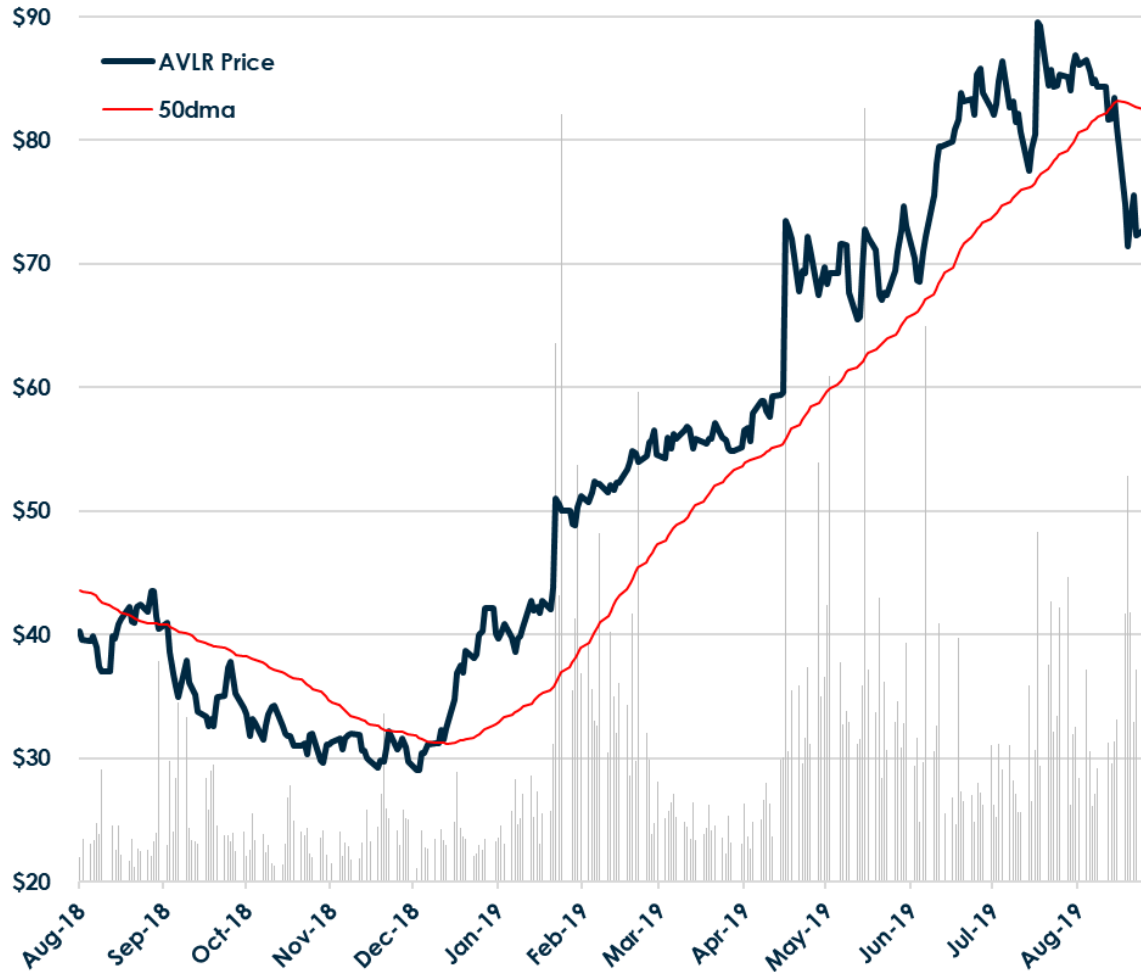
## Talking Points

- **More states are legalizing medical and recreational marijuana**
- While this trend likely continues, **there are significant policy hurdles that come with legalizing marijuana**, which could slow down federal legalization
  - Taxing and regulating
  - Employer concerns about liability and drug testing
  - Monitoring for DUIs
  - Federally-insured banking
- **We question the attractiveness of investing in marijuana**
  - If legalized, what is defensible about a grower's business?
  - Just another commodity with unattractive economics?
  - Valuations and volatility?

Note: Volume weighted averages derived from wholesale transactions for all grow types and market types (price per pound).  
 Source: Cannabis Benchmarks - 2018 Marijuana Business Daily, a division of Anne Holland Ventures Inc.

# Sales Tax Compliance: Durable Tailwind for AVLR?

## AVLR stock performance (+154% YTD)



## Talking Points

- In the past, states could only tax those with a physical presence
- **The explosion of e-commerce allowed businesses to get around the physical presence test**, which cost states billions in sales tax revenue
- The **Supreme Court** agreed with the States and **authorized states to collect sales tax regardless of a business's physical presence**
- State legislative activity this year driving **a patched network of state tax rules**, which means **companies will look for technology to ease their tax compliance burden**
- **Avalara (AVLR), a seller of tax compliance software, is positioned to capture this surge of new business in our view**

Source: FactSet Analytics.



# 5 Policy Themes

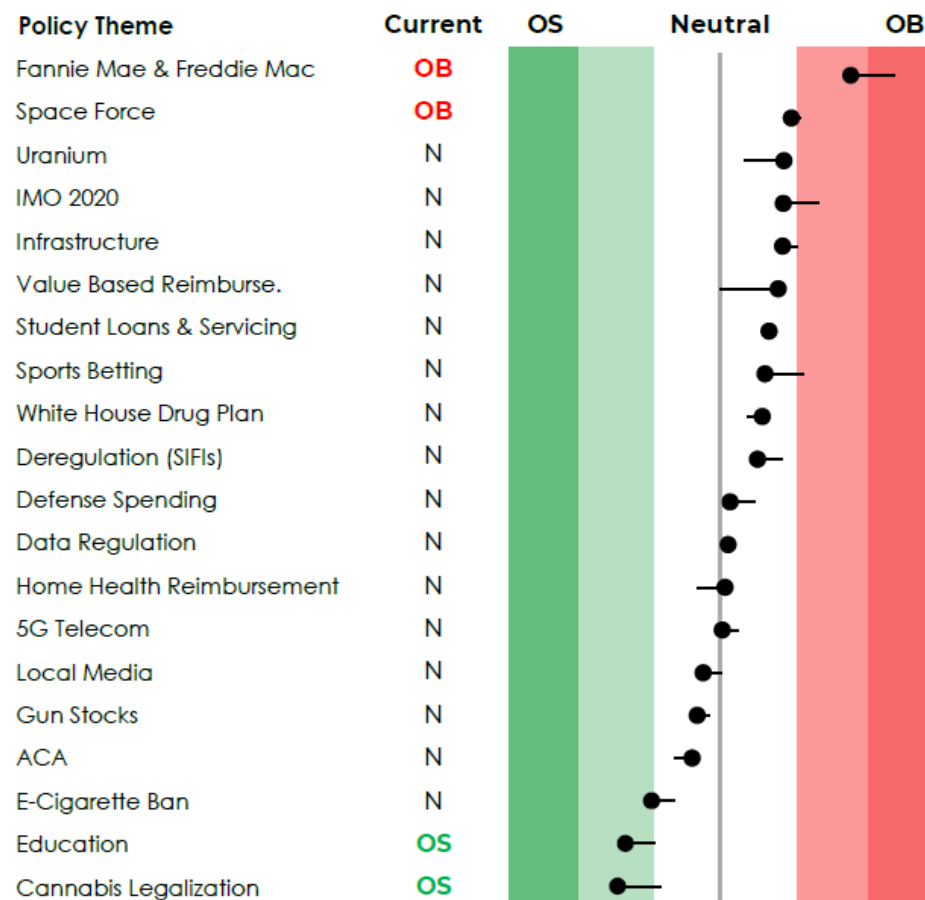
*Drivers for 2020*

# Monitoring 2020 Policy Catalysts

## Performance | Top 20 Policy Themes

Policy Theme	Change	1 Week	QTD
Fannie Mae & Freddie Mac	↑	0.5%	25.1%
Space Force	↑	0.7%	10.0%
Uranium	↓	-0.3%	-22.2%
IMO 2020	↓	-3.5%	-2.2%
Infrastructure	↓	-0.7%	-3.9%
Value Based Reimburse.	↑	4.9%	-1.7%
Student Loans & Servicing	↑	0.3%	3.3%
Sports Betting	↓	-2.3%	1.0%
White House Drug Plan	↓	-3.7%	-12.2%
Deregulation (SIFIs)	↓	-1.3%	0.5%
Defense Spending	↓	-0.2%	4.0%
Data Regulation	↑	0.1%	4.4%
Home Health Reimbursement	↑	1.8%	9.2%
5G Telecom	↓	-1.7%	-2.6%
Local Media	↓	-2.9%	-11.0%
Gun Stocks	↓	-4.4%	-20.0%
ACA	↑	0.9%	-4.9%
E-Cigarette Ban	↓	-5.1%	-9.3%
Education	↓	-4.1%	-8.3%
Cannabis Legalization	↓	-10.1%	-34.2%

## Overbought & Oversold | Top 20 Policy Themes



Source: EventShares, FactSet Analytics.

# 5 Policy Themes for 2020

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1. **Sports Betting** ...Casino traffic + gaming technology
2. **IMO 2020** ...Lower sulfur regulations are disruptive
3. **Renewable Fuels** ...Ethanol allowed to be produced year-round
4. **Media Deregulation** ...Local TV stations attractive?
5. **5G Telecom** ...Multi-year build-out supported by FCC & White House

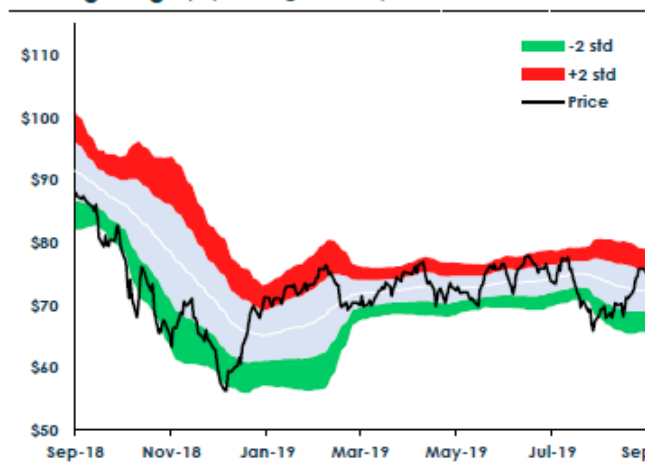
# 2020 Themes: Sports Betting

## Sports Betting

### Regional Casinos, Sports Betting Software

- **New customer segment / Increased foot traffic**
  - Younger customers move to legal market
  - Revenue growth from traditional casino games, dining and lodging packages
- **Tech-enabled growth opportunities**
  - New betting offerings require technology to calculate odds and enable mobile apps
  - Media partnerships between sports betting systems and content producers = **growth**
- **Multi-Year Impact**
  - Supreme Court legalized in May 2018
  - 8 states passed sports betting measures in 2018, with other states planning on passing
  - Growth opportunities expected to last past 2025 as more states consider legalization

Trading Range (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

Relative Returns to S&P 500 Index (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

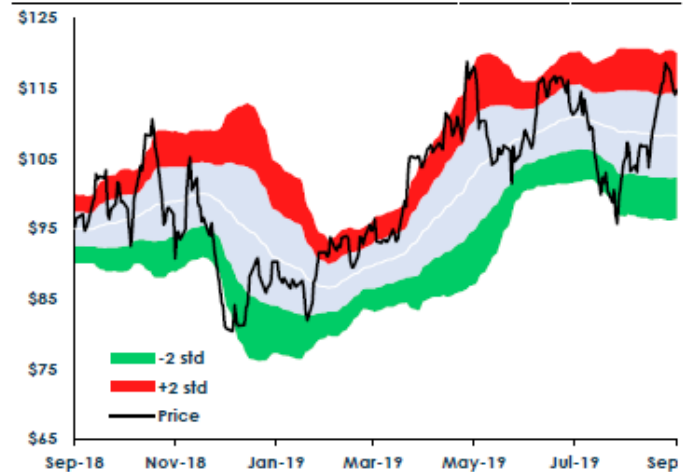
# 2020 Themes: IMO 2020

## International Maritime Organization (IMO) 2020

### Crude Tankers, Outsourced Fuel Logistics

- **Low sulfur regs change oil shipping routes and increase the complexity of fuel logistics**
  - Inequality in refining ability across countries and current capacity constraints
  - **Crude oil AND refined product need to be moved**
- **Exiting cyclical lows**
  - Ship overcapacity, above-average oil inventories, and lack of arbitrage opportunities limited pricing power
- **Increasing Time Charter Equivalent (TCE) rates**
  - We think tanker companies with young shipping fleets, strong balance sheets, and leverage to the spot market will earn strong FCF, ultimately for shareholders
- **Multi-Year Impact**
  - Effective date January 1<sup>st</sup> 2020; Significant disruption in in shipping market could potentially last through 2022

Trading Range (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

Relative Returns to S&P 500 Index (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

# 2020 Themes: Renewable Fuels

## Renewable Fuels

### Ethanol and Clean Energy

- **Ethanol going year-round**

- EPA finalized rule allowing year-round sales of E15 = increase ethanol demand
- Legislation to reinstate ethanol tax credit back to 2018 & 2019 = **cash boost**
- State low carbon fuel standards, such as CA's, that provide tax credits based on a fuel's low carbon intensity

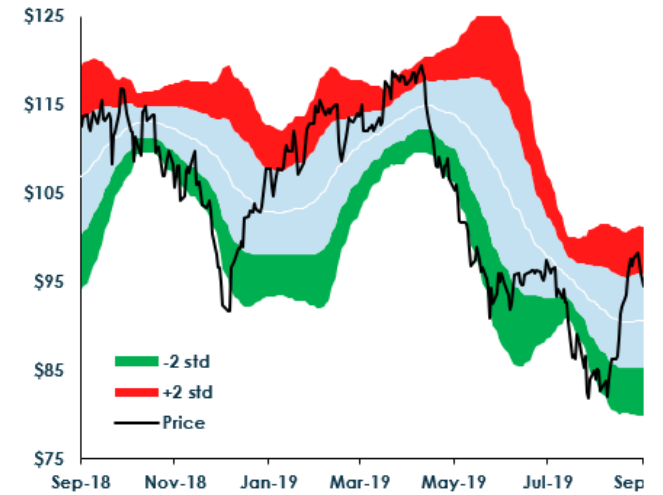
- **Refiners surprisingly caught up in this too**

- Negative sentiment from RIN waivers for small refineries results in mispriced security

- **Don't forget Uranium**

- Section 232 Study has cleared way
- Cyclical recovery then secular growth
- 50 new reactors under construction globally

Trading Range (Equal Weight Basket)



Relative Returns to S&P 500 (Equal Weight Basket)



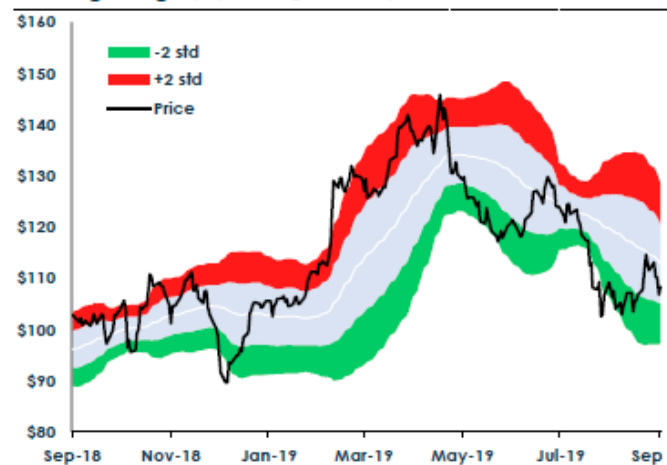
# 2020 Themes: Media Deregulation

## Media Deregulation

### Local TV Station Owners

- **FCC review of local market ownership rules may lead to industry consolidation and economies of scale**
  - Local broadcast owner growth is constrained by national audience caps
  - Digital advertisers (e.g. FB, GOOGL, TWTR, SNAP) have grown exponentially due to limited regulation
- **Pricing power increase in fee negotiations**
  - We anticipate broadcast industry consolidation will lead to increased pricing power when broadcast owners negotiate retransmission fees with traditional and virtual cable distributors
- **Business model outweighs industry fear of “cord cutting”**
  - Provider of local news content is difficult to replicate = strong relationship with local viewers
  - We expect that growing retransmission fees, over-the-top digital advertising, and 2020 political advertising will increase revenue growth
  - Low capital expenditure requirements support strong free cash flow and support deleveraging the balance sheet

Trading Range (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

Relative Returns to S&P 500 Index (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

# 2020 Themes: 5G Telecom

## 5G Telecom

### Western Equipment Providers & Servicers

- **5G deployment is a geopolitical battleground**
  - The US and China are racing to develop their respective 5G networks
  - The winner sets global standards for 5G
  - Smartphones and Internet of Things (IoT) like self-driving cars
- **US views as a national security threat**
  - US doesn't want to rely on a Chinese 5G
  - **Preferred names to play 5G:**

American Tower (AMT)

Ericsson (ERIC)

SBA Communications (SBAC)

Crown Castle (CCI)

Nokia Oyj (NOK)

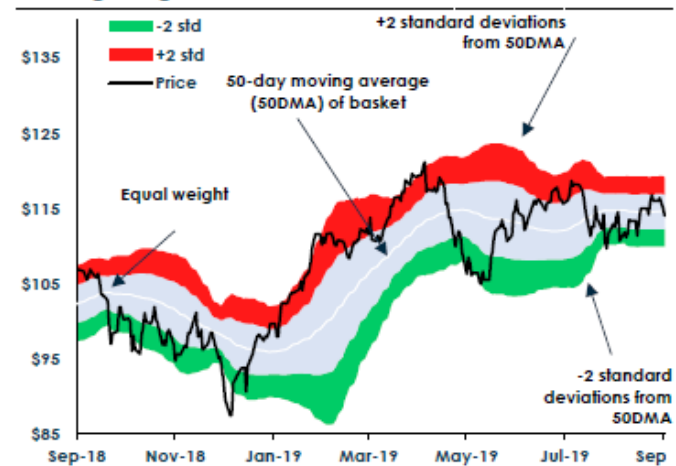
Ciena (CIEN)

Uniti Group (UNIT)

Viavi Solutions (VIAV)

Boingo Wireless (WIFI)

Trading Range (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)

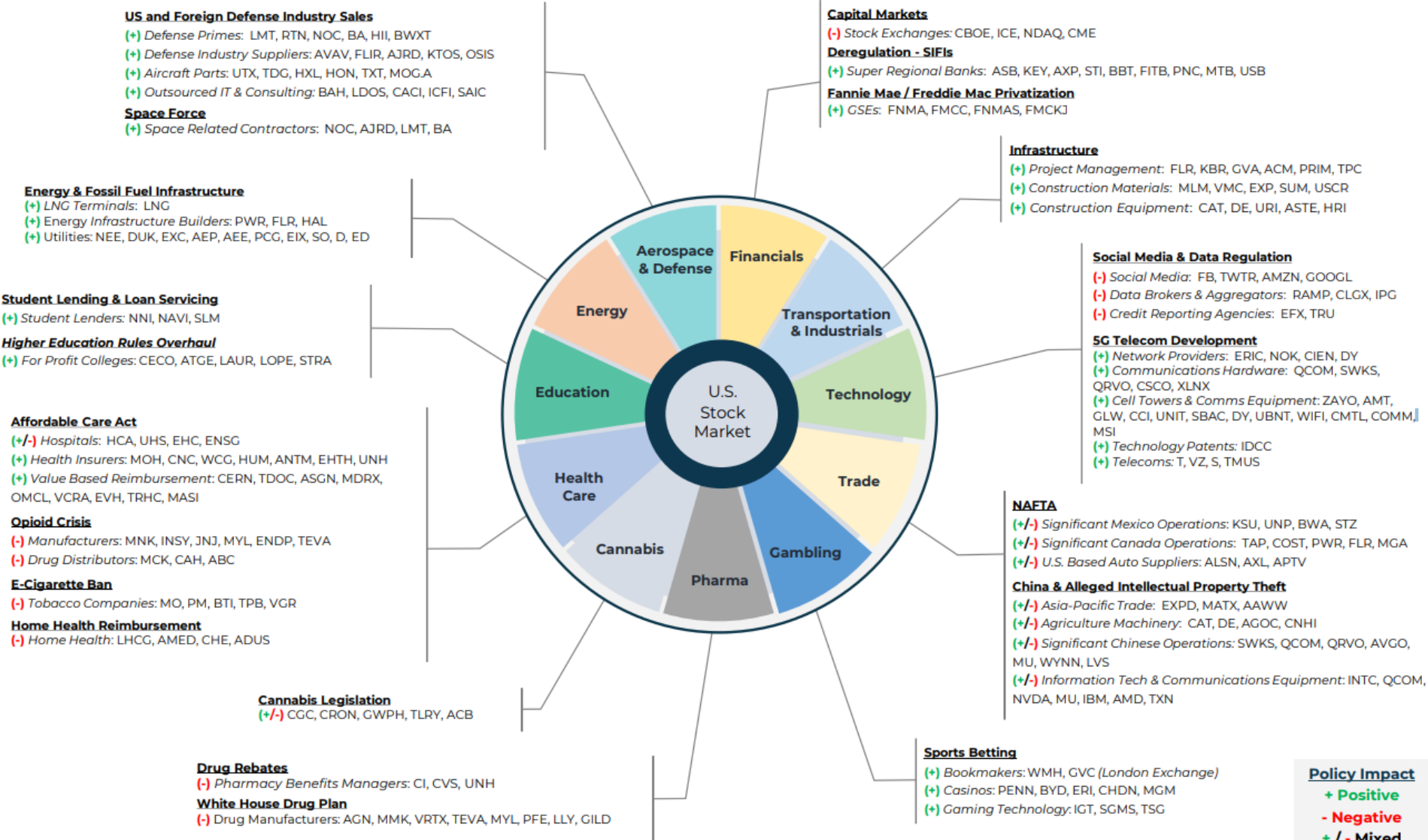
Relative Returns to S&P 500 Index (Equal Weight Basket)



Source: EventShares (as of 9/21/2019)



# Policy Tracker



# 10 Investible Policy Themes

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1. **Defense Spending** ...Recession Proof?
2. **U.S. Infrastructure Spending** = STATES
3. **Cannabis Legalization** ...LONG time for federal approval
4. **Sales Tax Compliance** ...Headwind for e-commerce, tailwind for AVLR
5. **Sports Betting** ...Casino traffic + gaming technology
6. **IMO 2020** ...Lower sulfur regs = very disruptive
7. **Renewable Fuels** ...Ethanol produced year-round
8. **Media Deregulation** ...Local TV stations
9. **Uranium** ...Section 232 study restarts cycle
10. **Healthcare** ...Managed Care facing low probability of Single-Payor



# MarketDesk

[www.MarketDeskResearch.com](http://www.MarketDeskResearch.com)

# MarketDesk Research



## Top 10 ETFs

This report looks past qualitative data (AUM, Fee, Liquidity, etc.) and through the ETF structure to analyze individual holdings data for 2,000+ ETFs to find investment opportunities.

[See Sample >](#)



## Weekly Note

Delivered by noon EST every Friday, the Weekly Note pulls it all together. It covers all major asset classes and global markets with a focus on what matters for your portfolio.

[See Sample >](#)



## Daily Pre-Market

Delivered by 8:30am EST each trading day, the Opening Quote serves as your starting point for the day. Designed to be quickly digested, getting you up-to-speed before your day starts.

[See Sample >](#)



## Thematic Investing

Monthly deep-dives into thematic investment opportunities including upcoming catalysts and key risks. Each report has thematic basket of stocks and tear sheet (fundamentals, technicals, etc).

[See Sample >](#)



## Idea Screens

Delivered by noon EST every Friday, Idea Screens filters the full universe of Russell 3000 stocks through 40+ investment screens.

[See Sample >](#)



## Mid-Month Update

Delivered on the 15th of each month, Mid-Month Update provides an Asset Class Outlook and discusses current market-moving headlines.



## Background

*With all the slicing and dicing Wall Street has done to create new investment products, the ETF marketplace is bigger and more confusing than ever. Along the way, investors have grown so focused on passive investing that they often forget all ETF portfolios are simply baskets of individual stocks. Its time to change that mindset and view ETFs as more than just an index with a flashy marketing brand.*

- MarketDesk

### This Month's Top 10 ETFs

Page	Type	ETF Holdings Analysis	Ticker	ETF Name	AUM (\$)	Exp Ratio	1Y Performance
3	Strategic	<b>Attractive Valuation vs 5Y History</b>	IHF	iShares U.S. Healthcare Providers ETF	\$893.0M	0.43%	
4	Strategic	<b>Institutional Buying</b>	XOP	SPDR S&P Oil & Gas Exploration & Production ETF	\$1.82B	0.35%	
5	Strategic	<b>Ratings Upgrades</b>	REM	iShares Mortgage Real Estate ETF	\$1.28B	0.48%	
6	Tactical	<b>Strong Volume Gainer</b>	FYT	First Trust Small Cap Value AlphaDEX Fund	\$58.5M	0.76%	
7	Strategic	<b>Price Target Upside</b>	SBIO	ALPS Medical Breakthroughs ETF	\$183.4M	0.50%	
8	Tactical	<b>Outsized Call Options</b>	FINX	Global X FinTech ETF	\$412.5M	0.68%	
9	Tactical	<b>Most Oversold</b>	PTF	Invesco DWA Technology Momentum ETF	\$256.2M	0.60%	
10	Strategic	<b>NTM EPS Revision</b>	SILJ	ETFMG Prime Junior Silver ETF	\$106.3M	0.69%	
11	Tactical	<b>3Q19 EPS Revision</b>	PSI	Invesco Dynamic Semiconductors ETF	\$189.4M	0.58%	
12	Strategic	<b>Outsized Inflows</b>	JMOM	JPMorgan U.S. Momentum Factor ETF	\$96.2M	0.12%	



IHF

Attractive Valuation vs 5-Year History (NTM P/E)

Strategic / Core

FIGURE 1: ETF Details

<b>Name</b>	iShares U.S. Healthcare Providers ETF
<b>Type</b>	U.S. Health Care Providers & Services
<b>AUM</b>	\$893.0M
<b>Avg Volume</b>	\$8.7M
<b>Expense Ratio</b>	0.43%
<b># of Holdings</b>	49

FIGURE 2: ETF Description & Trade Idea

**ETF Description** — IHF tracks a cap-weighted index of U.S. companies that provide healthcare services.

**Trade Idea** — Valuation affects future returns. With ETFs, its not so simple because multiple securities influence the ETF's average valuation. This analysis highlights ETFs with net aggregate holdings trading at attractive valuations vs their 5Y average.

FIGURE 3: IHF NTM P/E

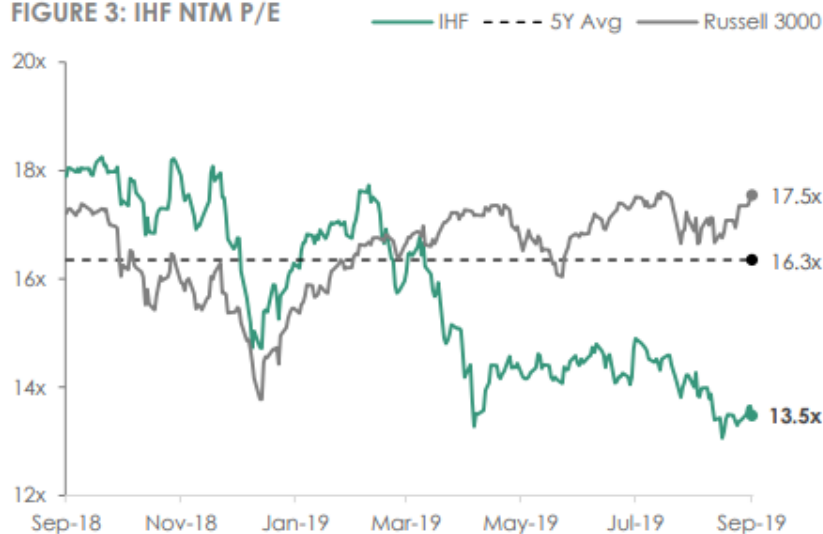
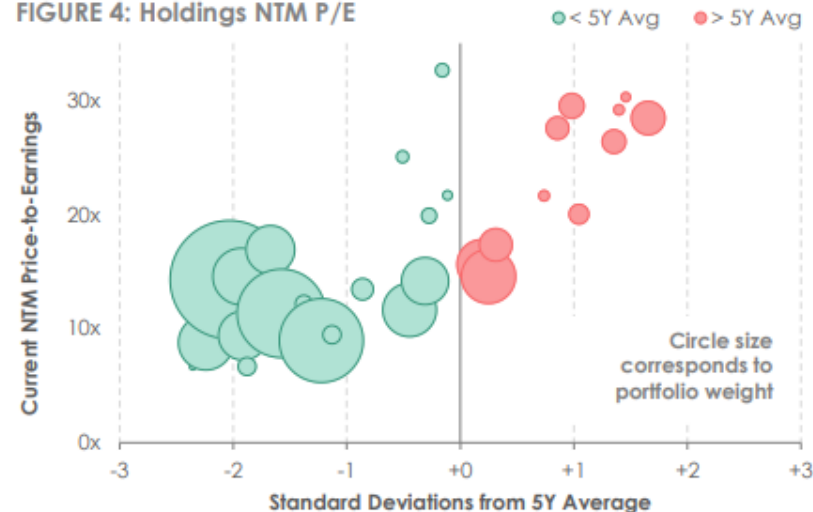


FIGURE 4: Holdings NTM P/E





**Performance** (Ranked by 1-Week Returns)

This page tracks the performance of each idea screen. The "1 Week" column highlights the performance of each idea screen during the past 1 week based on the stocks in each screen 1 week ago. If "1 Week" column shows  $\uparrow 1.3\%$ , the group of stocks in the idea screen returned  $+1.3\%$ . The "1 Month" column highlights the performance of each idea screen over the past 1 month, assuming the investor buys and sells stocks to match each idea screen each week.

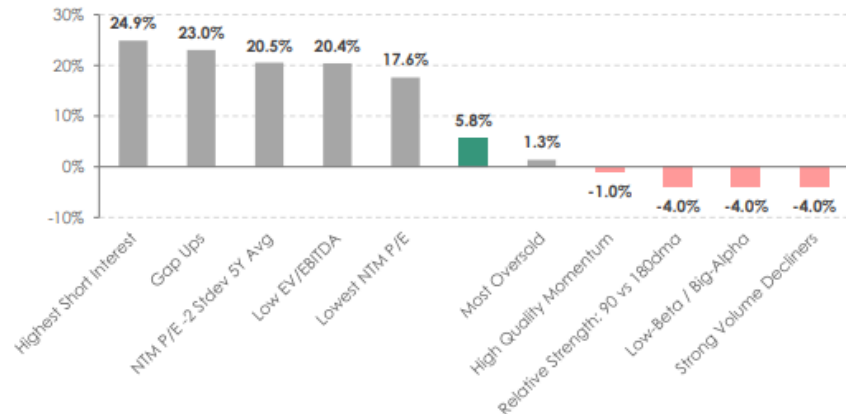
To track the idea screen's hypothetical performance, this page assumes an investor buys all the stocks listed in the screen each week. If 7 of the 25 stocks turnover from last week, the investor would sell the 7 stocks removed from the list and buy the 7 stocks added to the list. If no companies turnover in a screen, the investor would not buy or sell any securities.

This page is only intended to give you an understanding of how each idea screen performs over time. These returns do not factor in trading costs and taxes, which will impact the return generated by each idea screen. Investors should perform their own research before buying or selling any security or trading an idea screen mentioned in this report.

Screen	Performance		Term	New
	1 Week	1 Month		
1 Highest Short Interest	$\uparrow 16.3\%$	$\uparrow 24.9\%$	Short	4
2 Gap Ups	$\uparrow 14.8\%$	$\uparrow 23.0\%$	Short	19
3 1-Month Increase in Short Interest	$\uparrow 11.6\%$	$\uparrow 17.1\%$	Medium	11
4 Cash % of Market Cap	$\uparrow 10.2\%$	$\uparrow 14.9\%$	Long	4
5 Institutional Ownership	$\uparrow 9.2\%$	$\uparrow 14.3\%$	Long	6
6 Short Squeeze Candidates	$\uparrow 8.8\%$	$\uparrow 13.7\%$	Short	9
7 NTM P/E vs 5Y Average (-2 Stdev)	$\uparrow 8.7\%$	$\uparrow 20.5\%$	Long	3
8 Strong Volume Gainers	$\uparrow 8.6\%$	$\uparrow 14.9\%$	Short	20
9 Analyst Price Target Upside	$\uparrow 8.6\%$	$\uparrow 9.9\%$	Long	20
10 Altman Z-Score	$\uparrow 8.5\%$	$\uparrow 13.2\%$	Long	1
11 Lowest NTM P/E (Using Lowest Estimate)	$\uparrow 8.2\%$	$\uparrow 17.6\%$	Long	2
12 Free Cash Flow Yield	$\uparrow 7.8\%$	$\uparrow 15.1\%$	Long	3
13 EV/EBITDA	$\uparrow 7.5\%$	$\uparrow 20.4\%$	Long	1
14 Bearish 50/200dma Crossovers	$\uparrow 7.5\%$	$\uparrow 13.5\%$	Medium	25
15 1-Month Decrease in Short Interest	$\uparrow 7.5\%$	$\uparrow 16.7\%$	Medium	12
16 Abnormal Call Volume	$\uparrow 7.1\%$	$\uparrow 10.7\%$	Short	19
17 Price to Tangible Book Value	$\uparrow 7.1\%$	$\uparrow 11.9\%$	Long	6
18 Recent Upgrades	$\uparrow 6.8\%$	$\uparrow 13.2\%$	Long	11
19 Upward Earnings Revisions / Low Performar	$\uparrow 6.8\%$	$\uparrow 13.7\%$	Short	13
20 Price Reversal: 1-Month vs 6-Month	$\uparrow 6.7\%$	$\uparrow 14.9\%$	Medium	12
21 Recent Downgrades	$\uparrow 6.3\%$	$\uparrow 9.9\%$	Medium	14
22 Share Buybacks	$\uparrow 6.1\%$	$\uparrow 15.2\%$	Medium	7
23 High Quality Dividends	$\uparrow 6.0\%$	$\uparrow 11.0\%$	Long	2

24 Widest NTM EPS Estimate Dispersion	$\uparrow 5.9\%$	$\uparrow 10.4\%$	Medium	3
25 Bullish 50/200dma Crossovers	$\uparrow 5.8\%$	$\uparrow 9.2\%$	Medium	21
26 Abnormal Put Volume	$\uparrow 5.8\%$	$\uparrow 8.6\%$	Short	19
27 PEG Ratio	$\uparrow 5.8\%$	$\uparrow 14.0\%$	Long	4
28 NTM EPS	$\uparrow 5.1\%$	$\uparrow 9.0\%$	Medium	9
29 High Earnings Yield & ROIC	$\uparrow 4.9\%$	$\uparrow 6.7\%$	Long	2
30 NTM Pretax Margin	$\uparrow 2.5\%$	$\uparrow 5.7\%$	Medium	8
31 Piotroski F-Score	$\uparrow 2.3\%$	$\uparrow 7.3\%$	Long	1
32 Most Overbought (OB)	$\uparrow 2.2\%$	$\uparrow 5.6\%$	Medium	22
33 M&A Activity	$\uparrow 1.6\%$	$\uparrow 6.2\%$	Short	11
34 Insider Buying	$\uparrow 1.6\%$	$\uparrow 4.4\%$	Long	5
35 Russell 3000 Index	$\uparrow 1.4\%$	$\uparrow 5.8\%$	Long	
36 Most Oversold (OS)	$\uparrow 1.3\%$	$\uparrow 1.3\%$	Medium	19
37 NTM Sales	$\uparrow 1.2\%$	$\uparrow 2.5\%$	Medium	11
38 Insider Selling	$\uparrow 0.7\%$	$\uparrow 6.4\%$	Medium	6
39 Gap Downs	$\uparrow 0.6\%$	$\uparrow 8.1\%$	Short	24
40 NTM P/E vs 5Y Average (+2 Stdev)	$\downarrow -0.9\%$	$\uparrow 2.9\%$	Medium	10
41 1-Month Change in 50dma	$\downarrow -2.2\%$	$\uparrow 2.2\%$	Medium	5
42 High Quality Momentum	$\downarrow -3.9\%$	$\downarrow -1.0\%$	Long	12
43 Relative Strength: 90dma vs 180dma	$\downarrow -5.1\%$	$\downarrow -4.0\%$	Medium	2
44 Low-Beta / Big-Alpha	$\downarrow -5.7\%$	$\downarrow -4.0\%$	Long	7
45 Strong Volume Decliners	$\downarrow -5.7\%$	$\downarrow -4.0\%$	Short	7

**Top / Bottom 1-Month Strategies**





### NTM EPS

Top 25 stocks by highest 1-month revisions in NTM EPS

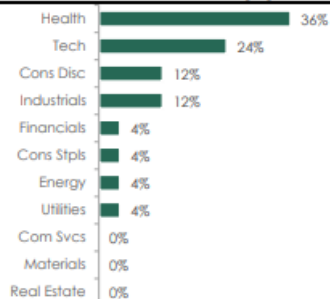
Short-term Medium-term Long-term

Calculation: (Current Average NTM EPS Estimate - Average NTM EPS Estimate 1-Month Ago) / Average NTM EPS Estimate 1-Month Ago

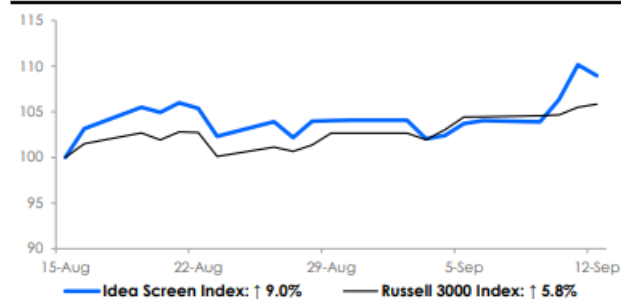
Example: +90% = The average NTM EPS estimate has increased 90% over the past month

How to Use: Analysts increase estimates when they identify positive earnings catalysts for companies. This screen identifies stocks that could outperform the market over the next 6 months to 1 year.

### Sector Breakdown (%)



### Performance vs Russell 3000



	Ticker	Company	1M NTM EPS % Chg	Sector	Market Cap (\$M)	Share Price	Last Year's Actual EPS	Current Avg NTM EPS	Avg Daily Vol (3M)	Wall Street Rating	Wall Street Price Target	52W Range	Performance		
													1W	6M	1Y
NEW	IONS	Ionis Pharmaceuticals Inc	+672%	Health	9,397	\$66.88	\$2.07	\$0.05	1,019,831	Hold	\$69.50		7%	-11%	48%
	NPTN	Neophotonics Corp	+270%	Tech	320	\$6.76	-\$0.45	\$0.03	1,199,966	Overweight	\$7.60		6%	1%	-15%
NEW	PEGI	Pattern Energy Group Inc	+206%	Utilities	2,710	\$27.59	\$1.45	\$0.22	808,478	Overweight	\$25.00		1%	27%	36%
NEW	BDSI	Biodelivery Sciences Intl In	+107%	Health	424	\$4.74	-\$0.73	\$0.07	867,276	Buy	\$7.40		8%	5%	63%
	AMBA	Ambarella Inc	+107%	Tech	2,158	\$65.29	\$0.73	\$0.58	545,095	Overweight	\$57.90		8%	49%	63%
	SGMS	Scientific Games Corp	+101%	Cons Disc.	2,173	\$23.33	-\$3.87	\$0.18	1,170,933	Overweight	\$28.90		21%	1%	-15%
NEW	VCEL	Verical Corp	+87%	Health	729	\$16.52	-\$0.20	\$0.11	455,944	Buy	\$26.60		2%	-18%	34%
	SM	Sm Energy Co	+54%	Energy	1,112	\$9.85	\$0.03	\$0.21	3,978,497	Overweight	\$16.10		-4%	-38%	-69%
	BYND	Beyond Meat Inc	+47%	Cons Stpls.	9,255	\$152.96	-\$0.55	\$0.14	6,450,492	Hold	\$156.50		-5%		
	SPWR	Sunpower Corp	+46%	Industrials	1,735	\$12.17	-\$0.72	\$0.06	2,923,607	Hold	\$11.30		-9%	90%	77%
NEW	CSII	Cardiovascular Sys Inc Del	+44%	Health	1,803	\$51.11	\$0.05	\$0.05	297,419	Overweight	\$52.30		10%	24%	31%
	AKRX	Akorn Inc	+39%	Health	472	\$3.74	-\$0.19	\$0.12	1,785,927	Hold	\$6.30		40%	0%	-73%
NEW	INSG	Inseego Corp	+38%	Tech	390	\$4.90	-\$0.04	\$0.07	1,213,049	Buy	\$6.70		15%	-3%	22%
	CHRS	Coherus Biosciences Inc	+37%	Health	1,391	\$19.94	-\$3.22	\$1.92	1,029,186	Buy	\$31.90		-5%	33%	12%
	MTSI	Macom Tech Solutions Hldgs I	+35%	Tech	1,538	\$23.29	\$0.52	\$0.21	746,641	Hold	\$19.00		13%	27%	20%
	TSLA	Tesla Inc	+35%	Cons Disc.	44,042	\$245.87	-\$1.33	\$1.53	7,517,663	Hold	\$268.20		7%	-13%	-15%
	LCI	Lannet Inc	+35%	Health	561	\$13.89	\$3.10	\$1.30	1,874,790	Hold	\$9.50		22%	73%	170%
	ATRS	Antares Pharma Inc	+28%	Health	567	\$3.48	-\$0.04	\$0.09	1,129,481	Buy	\$6.00		8%	-4%	6%
	TTS	Tile Shop Hldgs Inc	+26%	Cons Disc.	151	\$2.96	\$0.20	\$0.03	493,345	Hold	\$3.40		14%	-52%	-59%
NEW	LC	Lendingclub Corp	+26%	Financials	1,283	\$14.72	-\$0.40	\$0.16	702,636	Overweight	\$21.50		8%	-1%	-13%
NEW	STNG	Scorpio Tankers Inc	+22%	Industrials	1,617	\$31.19	-\$4.56	\$2.86	564,346	Buy	\$38.50		9%	74%	64%
	IOTS	Adesto Technologies Corp	+21%	Tech	336	\$11.18	-\$0.15	\$0.19	275,913	Buy	\$10.80		5%	71%	86%
	SALT	Scorpio Bulkers Inc	+21%	Industrials	499	\$6.89	-\$0.03	\$0.40	386,468	Buy	\$8.70		7%	64%	2%
	MOBL	Mobileiron Inc	+20%	Tech	833	\$7.59	-\$0.04	\$0.04	1,011,952	Overweight	\$8.70		7%	57%	36%
NEW	NVCR	Novocure Ltd	+19%	Health	7,879	\$80.25	-\$0.69	\$0.31	895,115	Overweight	\$85.00		-8%	57%	70%

Note: Biotechs and companies with less than 5 covering analysts and/or negative NTM EPS are excluded from screen results.



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## About EventShares

EventShares is an investment management firm focused on the opportunities from legislation and regulation coming out of Washington, DC. In a world overloaded with exotic investment vehicles, our common-sense investing approach is often overlooked. Our team believes investments aligned correctly with Washington can outperform the market as the laws and regulations impact companies and industries. Additional information about EventShares can be found at [www.EventShares.com](http://www.EventShares.com) and the firm's Twitter feed can be followed @Event\_Shares.