



Daily US Equity Opening News

11th August 2023: MAXN revenue miss & guidance light; NWSA profit beat & touts AI to boost future sales

- **THURSDAY CLOSE:** SPX +0.03% at 4,468, NDX +0.18% at 15,128, DJIA +0.15% at 35,175, RUT -0.42% at 1,922. **SECTORS:** Communication Services +0.43%, Consumer Discretionary +0.28%, Materials +0.10%, Financials +0.08%, Energy +0.08%, Technology +0.01%, Health -0.04%, Consumer Staples -0.20%, Industrials -0.28%, Real Estate -0.31%, Utilities -0.32%.
- **US-CHINA:** President Biden stopped some US tech investments in China to safeguard national security, and US investors are concerned that China might respond in kind or reduce purchases of American tech. Investors seem less concerned about the initial impact, and more about potential retaliation. China's response remains uncertain, with analysts divided on its likely intensity.
- **MEDIA STRIKES:** After a 100-day strike by writers that has severely affected the entertainment industry, the Writers Guild of America and Hollywood studios will meet for negotiations on Friday, according to CNN, adding that studios will respond to the writers' proposals.

DOW JONES

- **Chevron (CVX)** (Energy/Oil, Gas & Consumable Fuels) - Australia's Fair Work Commission said a workers' union can ask Chevron employees if they want to strike at LNG facilities in Australia over pay and conditions. The strikes could affect LNG exports and triggered fears of a fresh global energy shock, as gas companies were warned to tread carefully dealing with unions linked to the Albanese government, The Australian reported. Separately, Chevron will put money into eco-friendly projects in Australia, according to MarketWatch; will support a project that stores carbon in soil and work with a university on trapping CO2 in wetlands.
- **Microsoft (MSFT)** (Information Technology/Software) - A US advisory panel will investigate risks in cloud computing, including Microsoft's role in a recent breach of government officials' email accounts by suspected Chinese hackers. The group will explore risks in cloud infrastructure, prompted by the Microsoft breach.

NASDAQ 100

- **MercadoLibre (MELI)** (Consumer Discretionary/Broadline Retail) appoints Martin de los Santos as its new CFO; current CFO Pedro Arnt will leave his position to pursue new opportunities outside the company.
- **Meta (META)** (Communication Services/Interactive Media & Services) has rehired "dozens" of the 21k employees who have been laid off as part of CEO Zuckerberg's massive cost-cutting push since last year, according to Business Insider citing sources.

S&P 500

- **General Motors (GM)** (Consumer Discretionary/Automobiles) had California approve Waymo and GM's Cruise to offer paid rides in their self-driving cars 24/7 in San Francisco, despite opposition, establishing the city as a major hub for self-driving technology.
- **News Corp. (NWSA)** (Communication Services/Media) Q4 2023 (USD): EPS 0.14 (exp. 0.08), Revenue 2.43bln (exp. 2.49bln). **COMMENTARY:** Exec said results showed marked improvement in H2 with inflation abating, interest rates plateauing and incipient signs of stability in the housing market, we have sound reasons for optimism about the coming quarters. Said digital momentum is gathering pace in the age of generative AI, which presents an opportunity to create a new stream of revenues while allowing it to reduce costs.



- **US Bancorp (USB)** (Financials/Banks) CFO and Vice Chair Terrance Dolan sold 26k shares on August 8th at USD 39.753/shr.

OTHER

- **Archer Aviation (ACHR)** (Industrials/Aerospace & Defense), **Boeing (BA)**, and Wisk Aero announced that they have reached a settlement to resolve the federal and state court litigation between the parties on undisclosed terms. Simultaneously, the parties have entered into a collaboration that looks forward to the growth and development of the AAM industry.
- **AllianceBernstein (AB)** (Financials/Capital Markets) preliminary end-July AUM USD 704bln (vs 692bln at end-June); increase driven by market appreciation, offset by firmwide net outflows.
- **Cano Health (CANO)** (Health Care/Health Care Providers & Services) had disappointing results alongside news that the company is exiting operations in several markets and is pursuing a sales process. Believes that its liquidity is not sufficient to cover the company's operating, investing and financing uses for the next 12 months, and management has substantial doubt about the company's ability to continue as a going concern. Withdraws guidance.
- **Capri Holdings (CPRI)** (Consumer Discretionary/Textiles, Apparel & Luxury Goods) beat on the top and bottom line. Said the planned acquisition of Capri Holdings by Tapestry marks a major milestone, adding that by joining with Tapestry, CPRI will have greater resources and capabilities to accelerate its global expansion. Given the planned acquisition, CPRI does not intend to provide financial guidance and withdraws previously issued guidance.
- **Flowers Foods (FLO)** (Consumer Staples/Food Products) surpassed expectations on the top and bottom line and lifted FY23 guidance. Exec said consumers continue to seek value, though we are seeing some early indications that they may be acclimating to higher prices and reverting toward prior purchasing behaviour. Chief sales officer D. Keith Wheeler will retire in August.
- **KKR (KKR)** (Financials/Capital Markets) made a deal with Italy to include the government in its USD 25.3bln bid for Telecom Italia's network. Italy aims to keep some control over this strategic asset and might gain up to 20% ownership through the agreement. G'ment will influence in shaping the network's strategic decisions according to the terms of the offer.
- **Maxon Solar Technologies (MAXN)** (Information Technology/Semiconductors & Semiconductor Equipment) posted a shallower loss per share than expected but missed on revenue with Q3 and FY23 guidance light. Exec said the global demand environment in the distributed generation market weakened significantly in late Q2 due to the combined effect of higher interest rates, the impact of policy disruption in California, and significant channel inventory industry-wide. Expects challenging market conditions to persist at least through Q3.
- **Savers Value Village (SVV)** (Consumer Discretionary/Specialty Retail) surpassed St. consensus on the EPS and revenue.
- **Spectrum Brands (SPB)** (Consumer Staples/Household Products) beat on EPS and revenue, while it expects FY23 revenue to decline by mid-single-digits.
- **Telesat (TSAT)** (Communication Services/Diversified Telecommunication Services) announced that space technology company MDA Ltd. (MDALF) will build 198 advanced satellites for the Telesat Lightspeed Low Earth Orbit programme.
- **UBS Group (UBS)** (Financials/Capital Markets) will not need to tap the government's CHF 9bln backstop agreed as part of the state-sponsored takeover of Credit Suisse.
- **Viavi Solutions (VIAV)** (Information Technology/Communications Equipment) marginally beat on profit while revenue was in line but Q1 guidance was light. Exec said that it saw initial signs of stabilisation and gradual recovery in Q4, some service providers have begun to free up funds for network maintenance and optimisation; expects stabilisation and recovery momentum to continue.

BROKER MOVES



UPGRADES

- Adverum Biotechnologies (ADVM) upgraded to Buy from Neutral at Chardan
- Alibaba (BABA) upgraded to Buy from Hold at DZ Bank
- Cogent (CCOI) upgraded to Outperform from Market Perform at TD Cowen
- Despegar.com (DESP) assumed with Overweight from Equal Weight at Morgan Stanley
- DigitalOcean (DOCN) upgraded to Equal Weight from Underweight at Morgan Stanley
- Himax (HIMX) upgraded to Outperform from Neutral at Credit Suisse
- Honda (HMC) upgraded to Outperform from Neutral at Macquarie
- Hubbell (HUBB) upgraded to Peer Perform from Underperform at Wolfe Research
- Petrobras (PBR) upgraded to Neutral from Sell at UBS
- Pinnacle West (PNW) upgraded to In Line from Underperform at Evercore ISI
- Rigetti Computing (RGTI) upgraded to Buy from Hold at Benchmark
- Rivian Automotive (RIVN) upgraded to Outperform from Neutral at Exane BNP Paribas
- Sabra Health Care (SBRA) upgraded to Neutral from Underperform at BofA
- Twilio (TWLO) upgraded to Buy from Hold at Argus

DOWNGRADES

- Atreca (BCEL) downgraded to Hold from Buy at Stifel
- Atreca (BCEL) downgraded to Neutral from Buy at H.C. Wainwright
- Brookfield Corp. (BN) downgraded to Hold from Buy at Canaccord
- Cano Health (CANO) downgraded to Neutral from Buy at Citi
- Capri Holdings (CPRI) downgraded to Neutral from Buy at Citi
- Capri Holdings (CPRI) downgraded to Neutral from Buy at Guggenheim
- Capri Holdings (CPRI) downgraded to Neutral from Buy at UBS
- Capri Holdings (CPRI) downgraded to Neutral from Outperform at Baird
- eMagine (EMAN) downgraded to Neutral from Buy at H.C. Wainwright
- Forward Air (FWRD) downgraded to Hold from Buy at Stifel
- Forward Air (FWRD) downgraded to Market Perform from Strong Buy at Raymond James
- Forward Air (FWRD) downgraded to Underperform from Peer Perform at Wolfe Research
- Heritage Commerce (HTBK) downgraded to Equal Weight from Overweight at Stephens
- Joint Corp. (JYNT) downgraded to Hold from Buy at Maxim
- Kezar Life Sciences (KZR) downgraded to Equal Weight from Overweight at Wells Fargo
- Lucid Group (LCID) downgraded to Underperform from Neutral at Exane BNP Paribas
- Marinus Pharmaceuticals (MRNS) downgraded to Perform from Outperform at Oppenheimer
- Medical Properties (MPW) downgraded to Underperform from Strong Buy at Raymond James
- Medical Properties Trust (MPW) downgraded to Underperform from Neutral at BofA
- Novo Nordisk (NVO) downgraded to Hold from Buy at DNB Markets
- Olaplex Holdings (OLPX) downgraded to Hold from Buy at Canaccord
- One Stop Systems (OSS) downgraded to Hold from Buy at Lake Street
- One Stop Systems (OSS) downgraded to Market Perform from Outperform at Noble Capital
- One Stop Systems (OSS) downgraded to Neutral from Buy at Alliance Global Partners
- Origin Materials (ORGN) downgraded to Hold from Buy at Craig-Hallum
- Salarius Pharmaceuticals (SLRX) downgraded to Neutral from Buy at Ladenburg
- Sealed Air (SEE) downgraded to Neutral from Buy at UBS
- SLR Investment (SLRC) downgraded to Neutral from Buy at Ladenburg
- Stanley Black & Decker (SWK) downgraded to Underperform at Wolfe Research
- Tesis Bio (TBIO) downgraded to Sector Weight from Overweight at KeyBanc
- Triumph Group (TGI) downgraded to Underperform from Buy at BofA
- Ventas (VTR) downgraded to Neutral from Buy at BofA
- Western Midstream (WES) downgraded to Equal Weight from Overweight at Wells Fargo
- Wolverine World Wide (WWW) downgraded to Hold from Buy at Williams Trading
- Wolverine World Wide (WWW) downgraded to Neutral from Buy at Seaport Research
- Wolverine World Wide (WWW) downgraded to Neutral from Outperform at Exane BNP Paribas

INITIATIONS

- Cymabay Therapeutics (CBAY) rated new buy at Guggenheim; PT USD 20
- Expeditors (EXPD) reinstated underweight at JPMorgan; PT USD 110
- HCI Group (HCI) rated new market perform at William Blair
- Hippo Holdings (HIPO) rated new market perform at William Blair



- MSGE US (MSGE) rated new neutral at JPMorgan; PT USD 38
- MercadoLibre (MELI) reinstated buy at William O'Neil
- PROCEPT BioRobotics (PRCT) rated new overweight at Piper Sandler
- Peoples Financial (PFIS) rated new market perform at Hovde Group
- Towne Bank (TOWN) rated new market perform at Hovde Group; PT USD 27

EX DIVIDENDS

- Allison Transmission Holdings Inc - USD 0.23
- Apple Inc - USD 0.24
- Chemed Corp - USD 0.40
- CNA Financial Corp - USD 0.42
- Constellation Energy Corp - USD 0.28
- Dolby Laboratories Inc - USD 0.27
- Jefferies Financial Group Inc - USD 0.30
- Murphy Oil Corp - USD 0.27
- Rockwell Automation Inc - USD 1.18
- United Parcel Service Inc - USD 1.62
- WEC Energy Group Inc - USD 0.78
- Westinghouse Air Brake Technologies Corp - USD 0.17
- Woodward Inc - USD 0.22
- WW Grainger Inc - USD 1.86

Disclaimer

The information contained within this document has been prepared and issued by Newsquawk Voice Limited ("Newsquawk") on the basis of publicly available information and other sources believed to be reliable. Whilst all reasonable care is taken to ensure that the facts stated are accurate, neither Newsquawk nor any of its directors, officers or employees shall be in any way held responsible for its content or your use of it. Neither the provision of any content herein nor anything on our website or any other media we use is intended to, and should not be construed as, providing advice and/or enticing an offer or solicitation to invest in, buy or sell securities or other financial instruments.