

## The Cut - Edition 17 - Introducing the very best of Independent Research from the IRF Providers

### Macro Research

1. **Copper & Steel Weakness** - Prices remain vulnerable in Q3 - **Asbury**
2. **US Bear** - Advantage is shifting to the short-seller. Sell hedge fund longs, buy hedge fund shorts! Take opposite-consensus position. Short Nasdaq and Long defensive stocks - **Belkin**
3. **Eurozone Asset Purchases & Euro** - Schauble trying to push the ECB into a decision (at its September meeting) - before the German election - **Connolly Insight**
4. **Global Liquidity Flows** - Is 'QT' now dominating 'QE'? Favour Euro and EM asset prices over gold. US credit markets continue to look vulnerable - **CrossBorder**
5. **Yuan Internationalisation** - Pace will be determined by the ability of China to avoid the financial instability of 2015/16. Hong Kong will remain critical as a conduit to boosting the share of global transactions conducted in yuan - **Desaque**
6. **Japan Bull** - Cyclical and Small Caps Outperform and domestic exposure is now attractive. Japanese small caps to comfortably outperform EM frontier funds over the next 10 years - **Entext**
7. **Brexit Negotiations** - UK internal debate not taking EU views into consideration. EU politicians want to gain a Brexit dividend in the financial sector but also greater political control over the sector. Complete article, that forms part of a series of their work on the topic - **OM Research**
8. **China Bull** - Consumer spending, building activity and infrastructure investment to drive a global recovery post summer slowdown. Concerns overblown, housing inventories not as big as reported and China's debt seen in a very different light! - **SHSS**

### Company Research

1. **Impinj** (PI US) - Opportunity to pose questions to CFO of RFID chip provider. Shares have gone from \$28 to \$60 and back to \$31 in a matter of months. Guidance disappointed after deployment delays, but this could be a good time to buy. Upcoming calls also include, **ADBE**, **BIDU**, **EXPE**, **VMW** and **ZNGA** - **Aliya Capital**
2. **Diageo** (DGE LN), **Kimberley Clark** (KMB US), **Walmart** (WMT US) & **Costco** (COST US) - Consumer Staples Review highlights. Currently in the middle of a project analysing the top 25 stocks in each MSCI World Sector. Each stock is analysed from an absolute perspective and against its local benchmark and its peer group - **Bespoke Technical Analysis**

3. **Amazon** (AMZN US) - Low margins, unpredictable results, opaque strategies and growing debt are concerns for bondholders; bonds to underperform (2027 notes at T+90) - **Gimme Credit**
4. **BYD Company** (1211 HK) - Short thesis playing out and earnings disappointments for Chinese automobile manufacturer are far from over - **JL Warren**
5. **L Brands** (LB US) - Significant progress with Victoria's Secret and that by Q4 they will have business at a point where the stock at this level is a compelling buy - **Retail Tracker**. Interesting to compare this to SW Retail Advisors very negative view on L Brands identifying product problems which we highlighted in Edition 16
6. **Sompo Japan Nipponkoa Holdings** (8630 JP) - Breaks support on weak VAD (Volume Accumulation Distribution). Japanese Weekly Technical Strategy highlights Banks, Real Estate and Financials (ex Banks) making new relative lows - **Stockcube**
7. **Military Commercial Joint Stock Bank** (MBB) - Vietnamese bank remains unknown to most, but is one of the best profit growth stories in Asian banking. Key reasons: improving NII, strong loan growth, surging fee income and low impairment costs - **Tabbush Report**
8. **Aggregate, Cement and Concrete** - Survey shows that visibility remains strong and pricing remains key. Positive read through for US Materials companies such as **Vulcan Materials** (VMC US), **Martin Marietta** (MLM US) and **Summit Materials** (SUM US) - **Thompson Research**

## Researchers Visiting London

- **Asia Macro and L/S equities with Anne-Stevenson Yang of J Capital** - Longs: Ctrip, Tingyi, Shorts: Boohoo, Gentex, Snap-On, Harvey Norman, Vipshop. **4-5 September**
- **Thematic Ideas with John Trudgian of Williams Inference** - Couch Economy, Retail Downturn, Energy, Anomalies, Wonder Women. **4-8 September**
- **Global Infrastructure Companies with Robert Crimes of Insight Investment** - Longs: Ferrovial, Eurotunnel, OHL Mexico, Eiffage. **5 September**
- **US & Europe Retail Companies with Stacey Widlitz of SW Retail Advisors** - Longs: PVH, TJX, Shorts: L Brands, H&M, Marks & Spencer, Dillard's, Recent Upgrade: Lululemon. **7-8 & 12-13 September**
- **Global Macro and Trading Recommendations with Julian Brigden of Macro Intelligence 2 Partners** - US credit rebound to drive growth, synchronised growth in Europe to smash forecasts, biggest threat to market is economic strength not weakness. **26-29 September**
- **US Industrial and Construction Companies with Kathryn Thompson and Chris White of Thompson Research Group** - Longs: Builders

FirstSource, Masonite, Martin Marietta and Vulcan Materials. **27**

## **September**

- **Equity Valuation, Risk & Market Timing with Rob McCreery of [Libra Investment Services](#)** - Longs: Lufthansa, ASML, Temenos, Shorts: Daily Mail Trust, Mediaset, Banca Pop Emilia. **29 September & 5 October**
- **US Media, Internet, Information Services and Credit Rating Agency Companies with Craig Huber of [Huber Research](#)** - Longs: Moody's, S&P, Facebook, Netflix, News Corp. Shorts: Tribune Media, Gannett, Sinclair, Thompson Reuters, Twitter. **12-17 October**
- **Global Macro with a focus on Inflation with Peter Warburton of [Economic Perspectives](#)** - **13 & 19 October**
- **Thematic Ideas and Investment Recommendations with Sean Maher of [Entext](#)** - Short India vs. Germany, Long Global Value vs. Momentum, Long VIX Volatility, Long Oil E&P, Long Electric and Autonomous Vehicles, Long Sensors. **25 & 31 October**
- **US L/S equities with Mark Roberts of [Off Wall Street](#)** - Longs: Blackstone, Caseys, Crown, Darling, Twenty-First Century Fox, Kirby, Shorts: Natus Medical, Cooper Tire, Haemonetics, Snap-On, Zoetis. **30-31 October & 1 November**

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**If you are interested in any of the content of The Cut, further information on IRF and our IRPs or if you have any specific research requirements please contact us at:**

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