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## The Cut - Edition 37

### Introducing the very best of Independent Research from the IRF Providers

#### Events

- **IRF Group Presentation with Gerard Minack, [Minack Advisors](#) - Fundamental Research on Global Economic and Market Trends. 19 June at the Landsdowne Club**  
[confirm attendance](#)
- **IRF Lunch with Guest Speaker Chris Watling, [Longview Economics](#) - Latest Macro Insights. 28 June at the Landsdowne Club**  
[confirm attendance](#)

#### Company Research

##### Europe

- **Capita (CPI LN)** - Expectations set very low by new CEO. Cost analysis and profit bridge suggests restructuring plan will lead to substantial upgrades. Detailed work on disposal potential points to over £500m, well ahead of expectations. Coverage initiated May 18. [StockViews](#) [request info](#)
- **Dixons Carphone (DC LN)** - Margin pressure building on declining top-line growth; ineffective promotions; payroll pressures; limited upside from store closures; online competition; redundancies required. [Woozle Research](#) [request info](#)
- **Hays (HAS LN)** - Recruitment. Share price up over 130% since initiation. Powerful overseas progress underestimated; overly cautious valuation; committed to returning cash to shareholders. [Willis Welby](#) [request info](#)
- **New Look** - Reported significant progress towards its open-to-buy targets and credible turnaround measures. Slide 20 has set inflated expectations and a restructuring remains likely. Detailed projections of operations and liquidity now paying off. [Sarria Analysis](#) [request info](#)

Industrials (CRDA) - new highs and gaining relative momentum. [Messels](#)

[request info](#)

## U.S.

- **LyondellBasell** (LYB) - Chemicals. Faces long term secular challenge of excess supply, falling prices and rising costs; margins will deteriorate significantly. [Research 360°](#) [request info](#)
- **Macy's** (M) - Gaining momentum. Progress made in the assortment, omnichannel strategy and monetising its excess real estate. Enters the peak summer selling season with a rising conversion rate. [Customer Growth Partners](#) [request info](#)
- **W.W. Grainger** (GWW) - Industrial supplies. Not being disrupted by Amazon/the internet. Bearish analysts missing the turnaround. Years of challenging market conditions has ended. Volume growth will surprise to the upside - [Abacus Research](#) [request info](#)
- **Technical Analysis North American Equities** - 90% success ratio on current open positions. Cheniere Energy, Kirby and Twitter all hitting multi-year highs. [Phases & Cycles](#) [request info](#)
- **High Tech Industry Thematics & Trends** - Acacia Communications, Palo Alto Networks, Qualcomm, Zscaler, ZTE. [Inflection Point Research](#)
  - **London Marketing with Michael Fox, 25 June** [request meeting](#)
- **Consumer & Retail** - Burberry, Foot Locker, LVMH, Nike, Ralph Lauren, TJX, Urban Outfitters. [The Retail Tracker](#)
  - **London Marketing with Mark Friedman, 10-11 July** [request meeting](#)

## Emerging Markets

- **Meinian Healthcare** (002044 CH) - Leader in the medical examination industry which is expected to maintain a 20% growth rate over next 3-5yrs. Targeting 1,000 medical examination centres nationwide and annual medical check-ups for 100m people. [Horizon Insights](#) [request info](#)
- **Sarana Menara Nusantara** (TOWR IJ) - Largest Indonesian tower company. Benefits from switching costs, economies of scale, and guaranteed long term contracts. Will continue to benefit from the 4G network rollout. [Reperio Capital Research](#) [request info](#)
- **Lenovo** (992 HK) - Growing inventory and receivables. Low margins, lack of cash generation, limited visibility, credit facilities nearly filled. No

- **London Marketing with Rob Medd, 25-29 June** - Global Shorts - Bombardier, BT, Celltrion, Ricoh [request meeting](#)
- **Equity Fund Analysis** - Fund performance and attribution reviews, asset allocation reports, latest market commentary. Also now provide peer group analysis of all funds covered. [Copley Fund Research](#)
- **London Marketing with Steven Holden, 2-6 July** [request meeting](#)

## Macro Research

### Developed Markets

- **G7 discord** - G7 leaders know US trade with RoW is important but not critical; Trump team yet to realise this. Beijing will see an opening for Belt and Road Forum to ascend to global dominance. [High Frequency Economics](#) [request info](#)
- **ECB revives policy and data divergence with US** - Expect new EUR lows. The investment cycle is transitioning from late stage to slowing growth stage. [Antipodean Capital](#) [request info](#)
- **Equities to struggle?** Few sectors/countries currently offer more than a 50% chance of beating the local risk-free rate. UK has the highest concentration of winners. Healthcare and Utilities garner most mentions across all regions. [Harlyn Research](#) [request info](#)
- **Inconsistent narrative derived from credit spreads and equity index volatility in Europe** - Divergence may continue as the relationship moves into a new regime, nonetheless the portfolio is positioned directionally long Equity implied volatility, given this disconnect. [Cross Asset Macro](#) [request info](#)
- **UK: Consumer beats doubters** - Retail sales beat expectations again. Confidence and consumer credit data also rebounding. Tracking estimate of Q2 GDP growth is now at 0.34% q/q. BoE to hike in August - [Heteronomics](#) [request info](#)
- **Global Macro with a Focus on Inflation** - Recent reports: Why the euro will come roaring back; Italy ponders IOU - Inflation on the up; Bank guidance was a monumental mistake. [Economic Perspectives](#)
  - **Edinburgh Marketing with Peter Warburton, 21 June and London, 27, 29 June, 2 July** [request meeting](#)
- **Fed not a game changer** - Market just made cumulative breadth highs, not something you see at peaks. Yield curve too flat, bear steepener an

- **London Marketing with Jeff deGraaf, 25-28 June** [request meeting](#)
- **Financial Regulations & 2018 US Elections** - Latest from Washington; Red Stocks & Blue Stocks to Watch; Policies shaping Financials - from Banks & Exchanges to Credit Cards & Housing. [Capital Alpha Partners](#)
- **London Marketing with Charles Gabriel & Ian Katz, 2-4 July** [request meeting](#)

## Emerging Markets

- **Countries to be long in Asia with no currency worries** - Taiwan, Thailand, Malaysia, Korea and Singapore. Report examines the trade-weighted nominal effective ex/r and their own adjusted resource gap measure of external balance. [Asianomics](#) [request info](#)
- **Philippines: Is the BSP falling behind the curve?** - Expect further pressure on the peso. BoP and international investment position are also a source of weakness. [Redward Associates](#) [request info](#)
- **Brazil's IBOVESPA** has achieved the first downside target bringing the decline to -20% since first highlighted. A weekly close below the Money Flow Unit target of 71800 opens the downside to 66300. [Cerundolo Investment Research](#) [request info](#)
- **China deleveraging campaign will result in increased corporate casualties.** In H1 2018 at least 15 Chinese companies defaulted on debts worth \$2.2bn. More defaults and refinancing anticipated by private and even public sector firms. [Oxford Analytica](#)
- **London Marketing with Matt Shapiro, 16-19 July** [request meeting](#)

## Commodities

- **Can US build a new "Iron Curtain" around Russia, Iran, Venezuela via sanctions?** Expects the Gold/Oil Ratio (GOR) to rise in 2H18E, primarily via sharply lower oil. [FFIT](#) [request info](#)
- **China's environmental policy** - To implement the strictest protection supervision system for "full prevention and control" of motor vehicles. Big deal, both in terms of loss of diesel markets, and gain in LNG imports - [Commodity Intelligence](#) [request info](#)

*Markets content, please do let us know.*

**IRF works with 140 Independent Research Providers covering multiple geographies, asset classes, industry sectors and methodologies.**

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