

MORNING SUMMARY

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Asian markets traded mixed today ahead of the US FOMC policy decision and with President Trump raising the stakes on Chinese trade negotiations. The Hang Seng and the Shanghai fell 85bps and 1.8%, respectively. The ASX 200 fell 10bps, while Taiwan rose 40bps, the Kopsi added 50bps and the Nikkei climbed 85bps.

European markets opened mixed this morning mirroring a similar session in Asia before turning lower. The UK is underperforming, down ~1%, while Germany is off 25bps and France slips by 5bps. Swiss markets are closed for the National Day holiday. Macro data today included a slew of July Manufacturing PMIs from Germany (56.9 vs estimates 57.3), the Eurozone (55.1 vs estimates 55.1), the UK (54.0 vs estimates 54.2), France (53.3 vs preliminary 53.1) and Italy (51.5 vs estimates 53.0). UK July house price index beat expectations, at +2.5% vs estimates +2.1%.

US equity futures are unchanged shaking off threats from President Trump to raise tariffs on Chinese goods from 10% to 25% as investors favor solid Apple (AAPL) earnings Tuesday night and turn focus to the 2pm FOMC meeting and an ongoing earnings calendar. Additional economic data today includes ADP at 8:15am and a look at inflation with ISM at 10am. Oil futures fell more than 1% following a surprise, 5.59mm bbl build reported by API last evening and are under further pressure along with the broader commodities spectrum from tariff threats. **In M&A news**, shares of Synaptics (SYNA) fell sharply late after Dialog Semi (DLG GR) announced an end to talks to acquire the company. Globalstar (GSAT) terminated its merger pact with Thermo Acquisitions. Brookfield Infrastructure (BIP) will buy Enercare (ECI CN) for C\$29/sh in cash. Gastar Exploration (GST) whose falling share price accelerated in recent weeks on bankruptcy fears, have retained Perella Weinberg and Tudor Pickering as advisors on strategic alternatives for the company. Strayer Education (STRA) closed its merger with Capella Education (CPLA) and CPLA has delisted effective today. WMI Holdings (WMIH) completed the acquisition of Nationstar Mortgage (NSM) whose shares also delisted effective today. Campbell Soup (CPB) holder, Third Point, is pushing for a sale of the company according to a report in the NYP. Rio Tinto (RIO LN, RIO US) completed the sale of its remaining Queensland coal assets to a PE consortium for \$3.95bn. AIG (AIG) will sell 19.9% of DSA Re to Carlyle (CG). Reliance Steel (RS) acquired closely-held KMS Companies. Briggs & Stratton (BGG) bought assets from Hurricane, Inc. located in MI. Finally, DocuSign (DOCU) will buy SpringCM for \$220mm in cash. **In other news**, Bunge (BG) is reportedly in advanced talks to sell its sugar-trading and distribution business. According to reports, Tesla (TSLA) is considering Chinese funding for the construction of a \$5bn factory. Google (GOOGL) is planning to launch a China search engine. Entergy (ETR) will sell its Pilgrim and Palisades nuclear plants to Holtec Intl for decommissioning. Aeri (AERI) and DSM (DSM NA) expanded their ophthalmology pact. Theravance (TBPH) said its colitis and Crohn's study will advance to the next phase. Kroger (KR) launched a direct ship to customer e-commerce platform. Tallgrass Energy (TGE) announced plans to develop the Seahorse Pipeline linking Cushing to a St. James, LA refinery. American Midstream (AMID) closed the sale of its marine products terminals to a group of institutional investors, receiving a credit upgrade from Moody's in the process. Separately, AMID and the DKGP Energy Terminals-JV comprised of Delek (DK) and Green Plains (GPP) terminated the previously-announced sale of its refined products terminalling business due to overbearing federal regulations. TPG Pace Energy (TPGE) changed its name to "Magnolia Oil & Gas" and will trade under the ticker "MGY" effective today. Finally, Triumph Bancorp (TBK) will join the S&P Smallcap 600 prior to trading on Aug 6, replacing ABAX which is being acquired by ZTS.

Earnings: Sprint (S) raised its FY EBITDA guidance. ADP (ADP), Molson (TAP), Humana (HUM), Garmin (GRMN), Encana (ECA), Chesapeake (CHK) and AMC (AMC) beat earnings estimates, while Dominion (D) and Hanesbrands (HBI) missed. Companies reporting after the close include Square (SQ), Tesla (TSLA), T-Mobile (TMUS), Valvoline (VVV), Zynga (ZNGA), Apache (APA), Exact Sciences (EXAS), Gates (GTES), Lincoln (LNC), and Metlife (MET)

Analyst Actions: Dropbox (DBX), Vulcan Materials (VMC) and Papa John's (PZZA) raised to buy at Jefferies, Synaptics (SYNA) raised to buy at Craig-Hallum, AutoZone (AZO) and Tableau (DATA) raised to buy at DB, Huron Consulting

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(**HURN**) raised to buy at Benchmark, Horizon (**HRZN**) cut to sell at Compass Point, Aflac (**AFL**) raised to buy at Sandler O'Neill, Electronic Arts (**EA**) raised to buy at Argus

IPOs Expected to Price Today:

- **CWK** - Cushman & Wakefield 45M shares at \$16-\$18
- **SONO** - Sonos 13.9M shares at \$17-\$18

IPOs Priced Tuesday:

- **BNGO** - BioNano Genomics, Inc. 3.4M shares \$8-\$10; did not price. Revised size to 5.5M shares and range to \$5-\$6

Secondary/Note offerings:

- **NVUS** - Novus Therapeutics files common stock offering of indeterminate amount through Piper Jaffray
- **VTR** - Ventas enters \$1B ATM equity sales agreement BofA M/L, Citigroup, Credit Agricole, JPMorgan, Morgan Stanley, MUFG, RBC, UBS, and Wells Fargo
- **BXMT** - Blackstone Mortgage Trust 6.0M-share offering priced at \$32.60/sh through Citigroup, BofA Merrill Lynch, Barclays, JPMorgan, Morgan Stanley and Wells Fargo
- **VNOM** - Viper Energy Partners LP 9.0M-unit offering prices at \$31.25 per unit through UBS and Credit Suisse
- **AGNC** - AGNC investment Corp. 38.0M-share offering priced at \$18.90/sh through Citigroup, BofA Merrill Lynch, Credit Suisse, JPMorgan, Morgan Stanley and UBS
- **ULTI** - Ultimate Software registers 560K shares for holders related to its acquisition of PeopleDoc
- **ACIU** - AC Immune closes previously announced second subscription rights offering. ACIU announced second subscription rights offering to eligible shareholders to subscribe for 1.5M newly issued common shares at a price per common share of \$11.75, for gross proceeds of \$17.6M.
- **TXMD** - TherapeuticsMD announces \$65M secondary through Goldman Sachs and Cantor Fitzgerald; to offer concurrent \$20M registered direct offering
- **ACER** - Acer Therapeutics announces underwritten public offering of indeterminate amount through William Blair and Raymond James

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