Portfolio Sector Updates

Industrials - Henry Lewand
Healthcare - Connor Thatcher
Energy - Michael Frohwein
TMT - Luke Cummings
Discretionary & Staples - Mac Erb
Financials - Emmett O’Toole
Energy Sector

Chevron

- Down 2% since start of December
- Next quarterly results announcement expected to be good
  - Sold off poorly performing oil fields and have invested more in renewables

Exxon

- Down 4% since start of December
- Strong quarterly results this morning
  - Were up over 2% pre market
  - Oil production grew 4%
Healthcare

Metlife (MET): -2.8%

Medtronic (MDT): +10.9%

Pfizer (PFE): +18%

UnitedHealth (UNH): +18.1%

- Size of position 40,137.00
TMT Sector

Big Moves from Dec 1 - Feb 1

Ebay up 11.42%

- Q4 adjusted earnings and revenue up 20.3% & 6.3%, respectively

IBM up 7.27%

- Q4 revenue down 3% but IBM repurchased $2 billion in stock & continues to pay a solid dividend

Microsoft down 6.83%

- Q2 earnings and revenue growth was lower than expected

Earnings Highlights

Apple (up 7.97% following earnings)

- EPS rose 7.5% year over year beating estimates
- iPhone sales down 15% year over year

Amazon (down ~5.0% following earnings)

- EPS $6.04 vs $5.68 estimated
- $72.4 billion vs. $71.9 billion estimated
Amazon is up 28% since Christmas Eve

- Christmas Eve had marked the stocks lowest level since April.
- 4th Quarter Earnings beat but released relatively low guidance.

Expedia expected for earnings beat

- Quarterly earnings are expected to jump 26.2% year-to-year.

Budweiser bets big on Super Bowl

- Bought roughly 6 minutes of commercial air time.
- Estimated cost near $50 million

Coca-Cola continues small but positive run

- Completed buyout of dairy and juice company Chi ltd.
Industrials

Winners

Caterpillar (CAT) +3.7%
American Water Works (AWK) +4.4%
Boeing (BA) +8.6%
Union Pacific Corporation (UNP) +7.7%

Losers

Southern Copper Corp (SCCO) (-8.5%)
General Dynamic (GD) (-6.1%) (Poor Future Guidance)
Market Overview

- **S&P 500**
  - 2.28 % weekly increase

- **DJIA**
  - 1.74 % weekly increase
Government Shutdown

- Why, how, who, so what?
  - Border wall
  - Senate

- Effects
  - Market
  - Regulatory bed time
  - Federal websites
  - Federal workers
  - Burgers at the White House

- 3 week deal
Currencies

- US Dollar has continued to weaken, including this past week
  - Partial gov’t shutdown
  - Sharp decline in stocks
- WSJ dollar index fell 0.4% to 90.10 a week ago
- Expectations for the Fed to raise interest rates have driven the dollar higher this year
The Fed

- Background: creeping up from zero, critics
- Dec 19 rate hike - surprise to some
  - Trump not happy
  - Hold on raising rates
- “Negative” rate chart
Headlines

● Sears last minute bid to save company
● Facebook delivers strong earning report
● American Airlines and Apple Music
● Amazon & self driving trucks
● Tesla has a profitable quarter
● Apple reported its first holiday decline in sales in a long time
Crypto

- Bitcoin has had a terrible year
- Influx of money from traditional investors
  - Behaving more like a traditional asset?
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<table>
<thead>
<tr>
<th>Why should you care?</th>
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<tbody>
<tr>
<td><strong>$4,076,000</strong></td>
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<tr>
<td>Average household net worth</td>
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<tr>
<td><strong>$325,000</strong></td>
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<tr>
<td>Average personal income</td>
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<tr>
<td><strong>26%</strong></td>
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<tr>
<td>Hold c-suite titles</td>
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<td><strong>27%</strong></td>
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<td>Serve on a board of directors</td>
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<td><strong>$3,622,000</strong></td>
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<td>Average household investments</td>
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<td><strong>2 hours 9 minutes</strong></td>
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<td>Average time spent reading Barron's per week</td>
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<td><strong>99%</strong></td>
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<td>Report taking some type of action after reading Barron's</td>
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<td><strong>30%</strong></td>
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<td>Are financial advisors with team AUM of over $983 million on average</td>
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