



Macro Ops Breakout Alerts

*No Dead Money
May 22 2020*



Past Alerts: Buy, Sell and Stop Signals

BUY TRIGGERS

- Cognex Corporation (CGNX)
- Spotify, Inc, (SPOT)
- Credit Acceptance Corp (CACC)
- Electronic Arts (EA)
- Sally Beauty Holdings (SBH)

SELL TRIGGERS

- John Deere & Co. (DE)

STOP LOSS TRIGGERS

- Charles Schwab (SCHW)
- Discover Financial Services (DFS)
- Campari (CPR)
- John Deere (DE)

TAKE PROFIT

- New York Times (NYT)
- Stitch Fix (SFIX)



Volvo (VOLV_A): Rectangle



Long Trade:

- 3% Entry: \$133.69
- 1.50% Entry: \$131.75
- Stop-Loss: \$123.80
- Profit Target: \$146.95
- Reward/Risk: 1.91x



Volvo (VOLV_A): Business Description

Volvo manufactures and sells trucks, buses, construction equipment, and marine and industrial engines in Europe, North America, South America, Asia, Africa, and Oceania.

The company offers trucks for long-haulage, construction, and distribution purposes under the Volvo, UD Trucks, Renault Trucks, Mack, Eicher, and Dongfeng brands; and city and intercity buses, coaches, and bus chassis under the Volvo, Prevest, Nova Bus, and UD Bus brands. - TIKR.com



Volvo (VOLV_A): Fundamental Info

Financials:

- Market Cap: \$26.7B
- Enterprise Value: \$38.2B
- EV/EBITDA: 11x
- ROE: 27.3%
- Net Debt/EBITDA: 1.81x
- Gross Margins: 23%

What We Like:

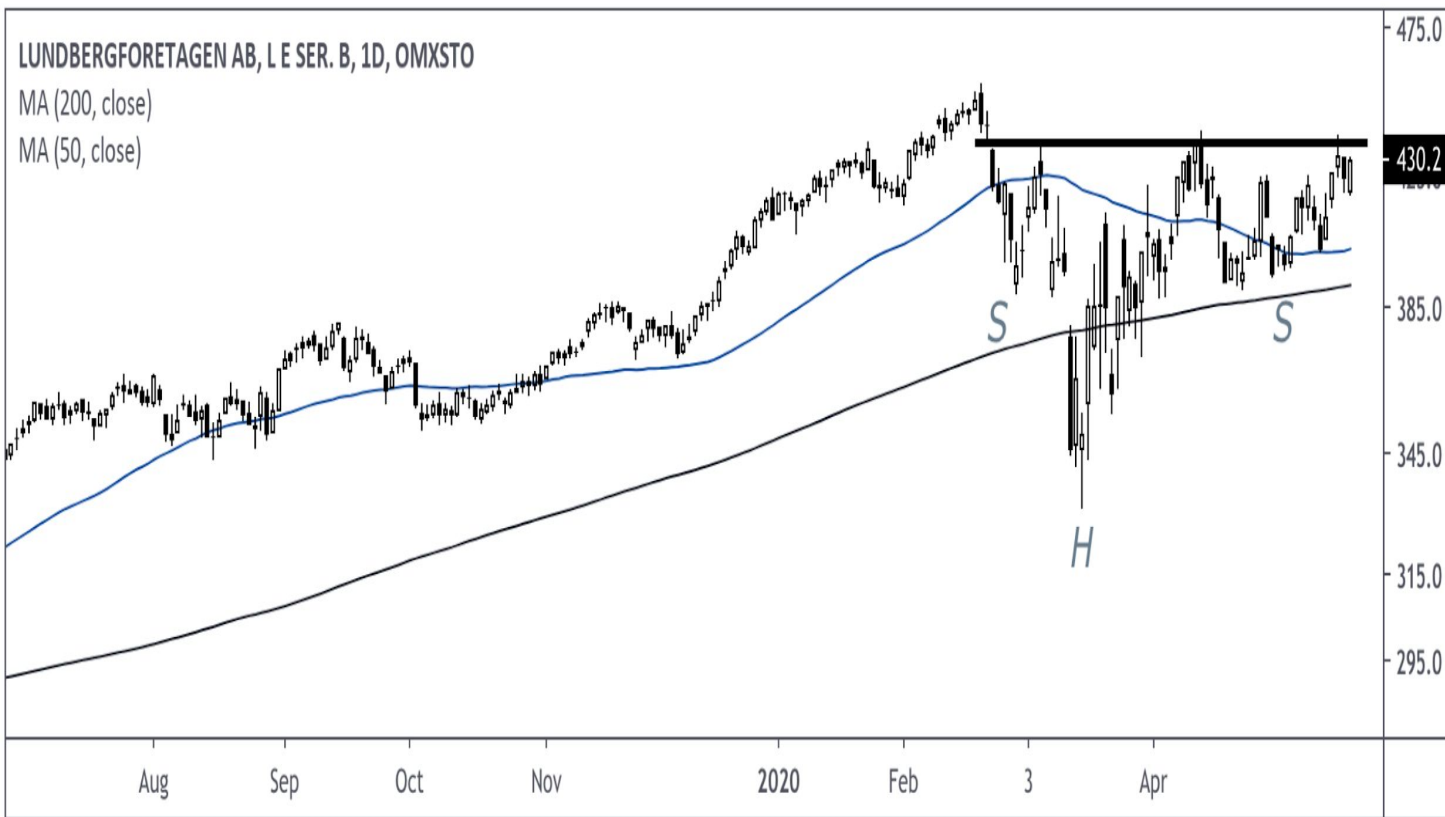
- Leading vehicle/truck manufacturer
- Strong balance sheet
- Growing EBIT margins

What We Don't Like:

- Cyclical business
- Lumpy FCF
- Auto manufacturer
- \$20B in pension liabilities



L E Lundbergföretagen AB (LUND_B): Inverse Head & Shoulders



Long Trade:

- 3% Entry: \$447.64
- 1.50% Entry: \$441.12
- Stop-Loss: \$418.20
- Profit Target: \$533.32
- Reward/Risk: 4.02x



LB Lund (LUND_B): Business Description

L E Lundbergföretagen AB (publ), through its subsidiaries, manufactures and sells printing paper, paperboard, and sawn timber products in Sweden and internationally. It operates through four segments: Lundberg's Real Estate Operations, Lundberg's Equity Management, Hufvudstaden, and Holmen.

The company offers printing paper for magazines, product catalogs, direct advertising, books, and newspapers; and solid board and folding boxboards primarily for use as consumer packaging materials for confectionary, perfume, pharmaceuticals, and cosmetics, as well as for graphic-design applications.-
TIKR.com



LB Lund (LUND_B): Fundamental Info

Financials:

- Market Cap: \$11.05B
- Enterprise Value: \$17.4B
- EV/EBITDA: 15.23x
- EBIT Margin: 34%
- ROE: 16.5%
- FCF Margin: 25%

What We Like:

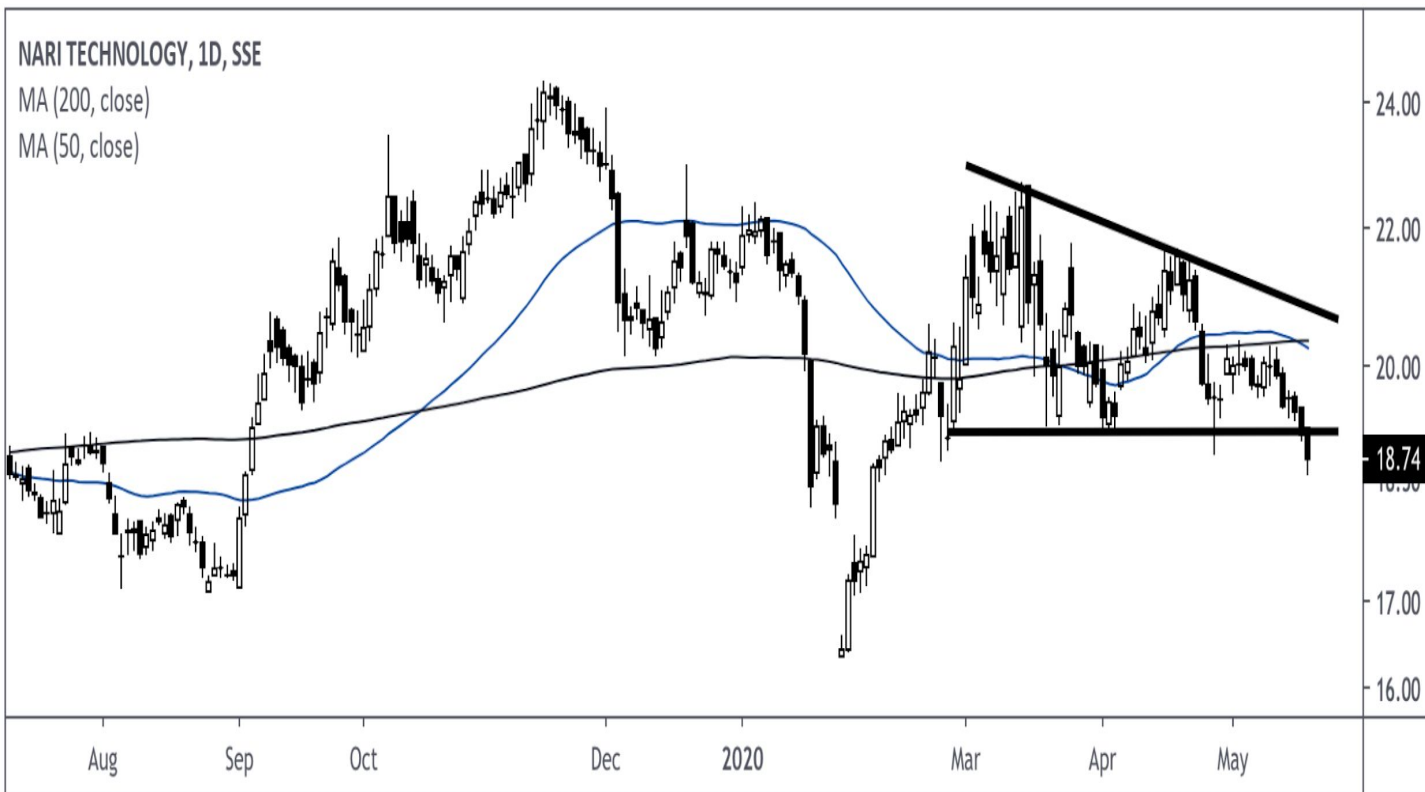
- 10YR 50% Avg. Gross Margin
- Negative WC Cycle
- \$5B in real estate assets
- High Family Insider Ownership

What We Don't Like:

- Lumpy FCF
- Asset-heavy business
- Consistent Asset Write-downs



Nari Technologies (600406): Descending Right Triangle



Short Trade:

- 3% Entry: \$18.56
- 1.50% Entry: \$18.84
- Stop-Loss: \$20.25
- Profit Target: \$15.62
- Reward/Risk: 2.29x



Nari Technologies (600406): Business Description

NARI Technology Co., Ltd., together with its subsidiaries, provides power and automation technology solutions in China and internationally. It offers smart substation automation, smart dispatching, smart distribution, and smart utilization solutions.

The company also provides SCADA/EMS/WAMS, renewable energy and power electronics, and industrial process control equipment. In addition, it provides software development, equipment research, project consultation, system integration, and EPC services in the smart power utilization field. - TIKR.com



Nari Technologies (600406): Fundamental Info

Financials:

- Market Cap: \$12.72B
- Enterprise Value: \$11.63B
- EV/EBITDA: 12.53x
- ROC: 15%
- FCF Margin: 19%

What We Like:

- Company owns 50% of stock
- Consistent top-line growth
- 28% Gross Margins
- Positive FCF 5YR Avg.
- Net Cash on Balance Sheet

What We Don't Like:

- Lower trending ROC & ROE
- Consistent share dilution



Sturm Ruger (RGR): Symmetrical Triangle



Long Trade:

- 3% Entry: \$68.59
- 1.50% Entry: \$67.59
- Stop-Loss: \$57.75
- Profit Target: \$106.88
- Reward/Risk: 3.99x



Sturm Ruger (RGR): Business Description

Sturm, Ruger & Company, Inc., together with its subsidiaries, designs, manufactures, and sells firearms under the Ruger name and trademark in the United States. It operates in two segments, Firearms and Castings. The company provides single-shot, autoloading, bolt-action, and sporting rifles; rimfire and centerfire autoloading pistols; single-action and double-action revolvers; and firearms accessories and replacement parts.

The company also manufactures and sells steel investment castings and metal injection molding (MIM) parts. It sells its firearm products through independent wholesale distributors principally to the commercial sporting market; and castings and MIM parts directly or through manufacturers' representatives.- TIKR.com



Sturm Ruger (RGR): Fundamental Info

Financials:

- Market Cap: \$1.05B
- Enterprise Value: \$870M
- EV/EBITDA: 7.44x
- ROE: 11.7%
- FCF Margin: 6%

What We Like:

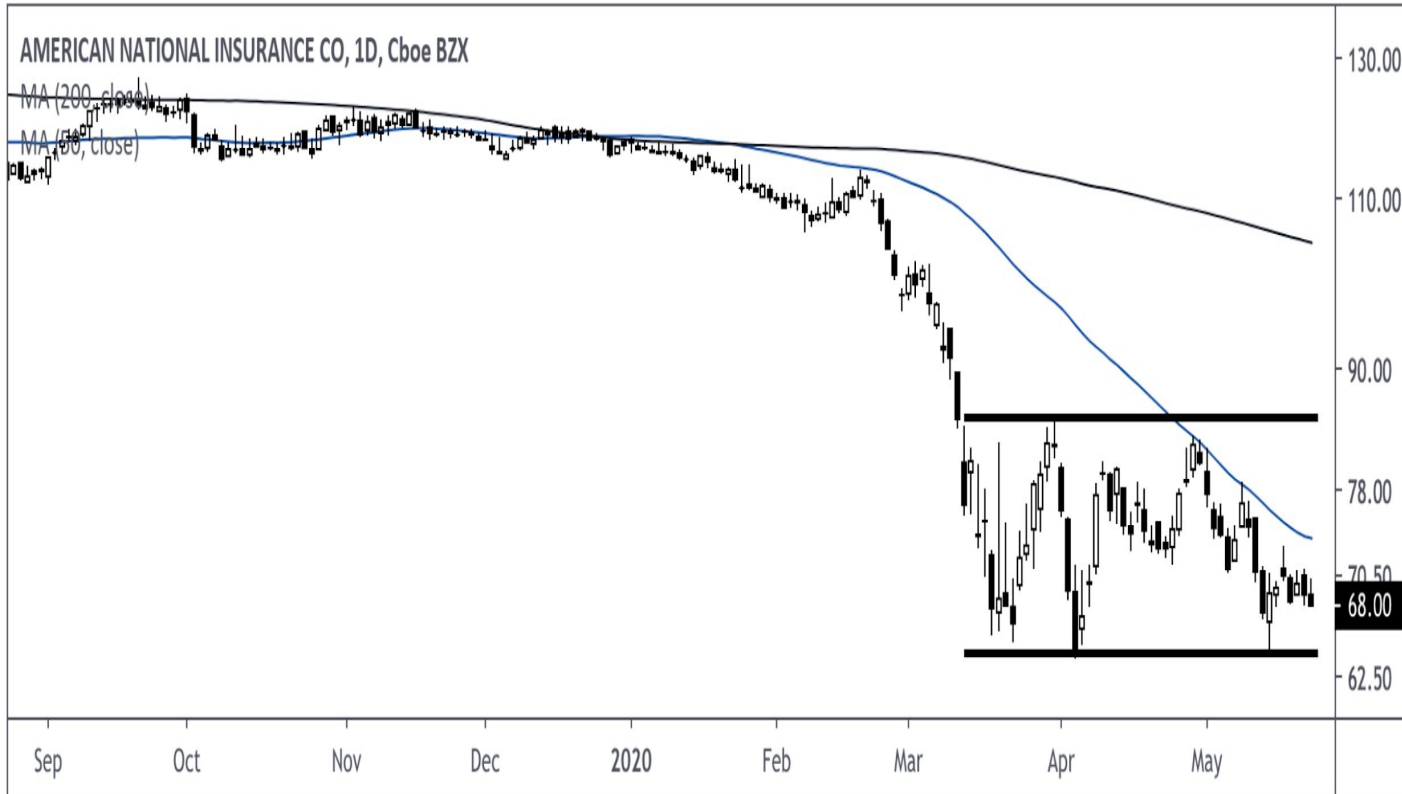
- Ren Tech owns 9% of stock
- >20% Gross Margins
- Leader in industry
- Generates consistent FCF

What We Don't Like:

- Lumpy earnings
- 3 straight years of revenue declines
- Down-trending EBIT margins



American National Life Ins. (ANAT): Rectangle



Long Trade:

- 3% Entry: \$87.91
- 1.50% Entry: \$86.63
- Stop-Loss: \$79.29
- Profit Target: \$107.59
- Reward/Risk: 2.86x

Short Trade:

- 3% Entry: \$62.36
- 1.50% Entry: \$63.33
- Stop-Loss: \$71.28
- Profit Target: \$43.33
- Reward/Risk: 2.51x



American National Life Ins. (ANAT): Business Description

Sturm, Ruger & Company, Inc., together with its subsidiaries, designs, manufactures, and sells firearms under the Ruger name and trademark in the United States. It operates in two segments, Firearms and Castings. The company provides single-shot, autoloading, bolt-action, and sporting rifles; rimfire and centerfire autoloading pistols; single-action and double-action revolvers; and firearms accessories and replacement parts.

The company also manufactures and sells steel investment castings and metal injection molding (MIM) parts. It sells its firearm products through independent wholesale distributors principally to the commercial sporting market; and castings and MIM parts directly or through manufacturers' representatives.- TIKR.com



American National (ANAT): Fundamental Info

Financials:

- Market Cap: \$1.83B
- Enterprise Value: \$1.67B
- P/Normalized E: 10x
- ROE: 11%
- FCF Margin: 11%

What We Like:

- Generates consistent insurance profits
- Growing Gross Margin
- Net Cash on Balance Sheet
- Moody owns 64%
- Trading at 70% discount to book

What We Don't Like:

- No insider ownership
- Competitive industry
- Equity investments distort E



Aesthetic Medical (AIH): Descending Right Triangle



Short Trade:

- 3% Entry: \$7.76
- 1.50% Entry: \$7.88
- Stop-Loss: \$8.54
- Profit Target: \$5.50
- Reward/Risk: 3.61x



Aesthetic Medical (AIH): Business Description

Aesthetic Medical International Holdings Group Limited provides aesthetic medical services. It offers surgical aesthetic treatments, such as eye and nose surgery, breast augmentation, and liposuction; and non-surgical aesthetic treatments comprising minimally invasive and energy-based treatments, including laser, ultrasound, and ultraviolet light treatments.

The company also provides general healthcare and other aesthetic medical services, such as internal medicine, urology, gynecology, and obstetrics treatment services, as well as dentistry, dermatology, and hair loss treatment services. [TIKR.com](https://www.tikr.com)



Aesthetic Medical (AIH): Fundamental Info

Financials:

- Market Cap: \$190M
- Enterprise Value: \$214M
- P/Normalized E: 15x
- ROC: -1.70%
- FCF Margin: 16%

What We Like:

- Doesn't have a lot of debt
- Top-line revenue growth

What We Don't Like:

- Share dilution
- Biz gets hit hard during recession
- Relies on discretionary spending
- Current earnings are entirely from one-off items, not core biz





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