



Macro Ops Breakout Alerts

*No Dead Money
May 29 2020*



Past Alerts: Buy, Sell and Stop Signals

BUY TRIGGERS

- Epiroc AB (EPI_A)
- Volvo AB (VOLV_B)
- Lundbergforetagen (LUND_B)

SELL TRIGGERS

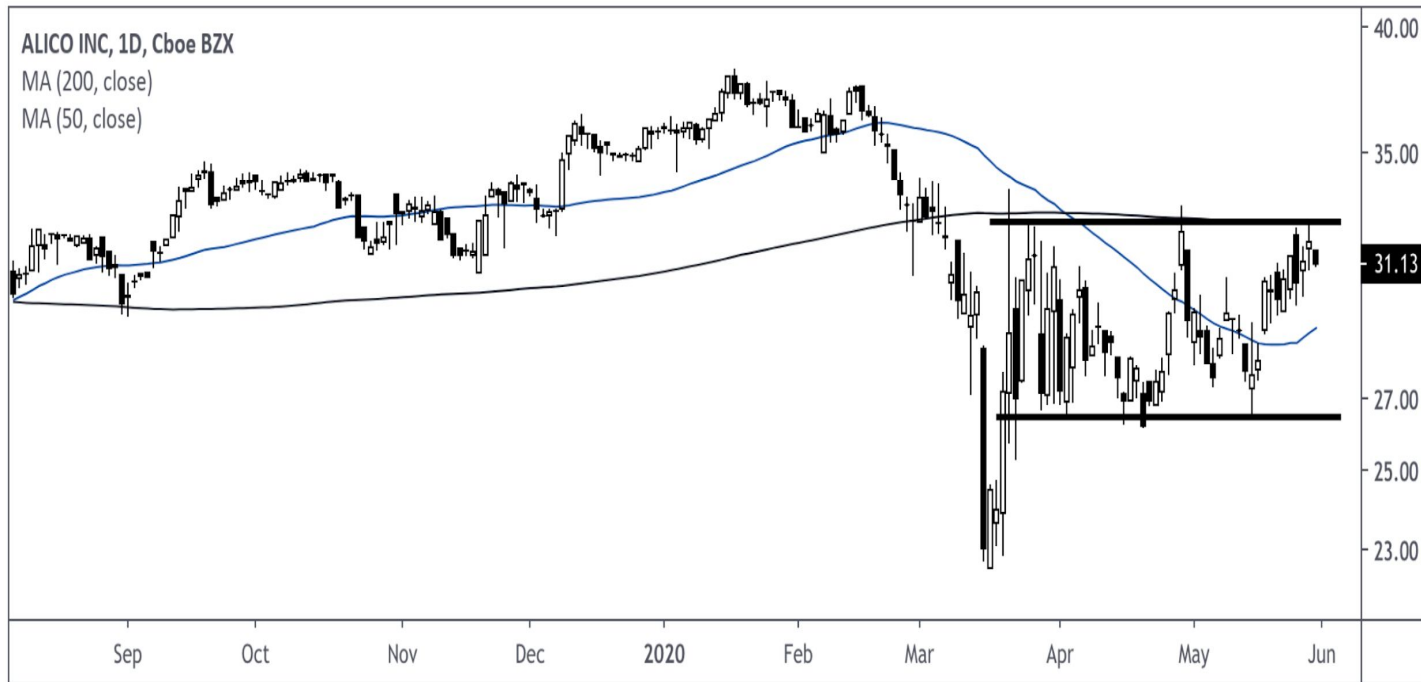
- Nari Technologies (600406)
- Pacific Textiles (1382.HK)

STOP LOSS TRIGGERS

- Grende (GRND3)



Alico, Inc. (ALCO): Rectangle



Long Trade:

- 3% Entry: \$33.54
- 1.50% Entry: \$33.05
- Stop-Loss: \$30.00
- Profit Target: \$39.17
- Reward/Risk: 2.00x



Alico, Inc. (ALCO): Business Description

The company operates in two segments, Alico Citrus, and Water Resources and Other Operations. The Alico Citrus segment cultivates citrus trees to produce citrus for delivery to the processed and fresh citrus markets.

The Water Resources and Other Operations segment is involved in the own and manage of land in Collier, Glades, and Hendry Counties; and leasing of land for recreational and grazing purposes, conservation, and mining activities. Alico, Inc. owns approximately 111,000 acres of land located in 8 counties in Florida, which include the Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands, and Polk. - TIKR.com



Alico, Inc. (ALCO): Fundamental Info

Financials:

- Market Cap: \$228M
- Enterprise Value: \$372M
- EV/EBITDA: 7x
- EV/Unlev. FCF: 9.14x
- Net Debt/EBITDA: 2.41x
- Gross Margins: 49%

What We Like:

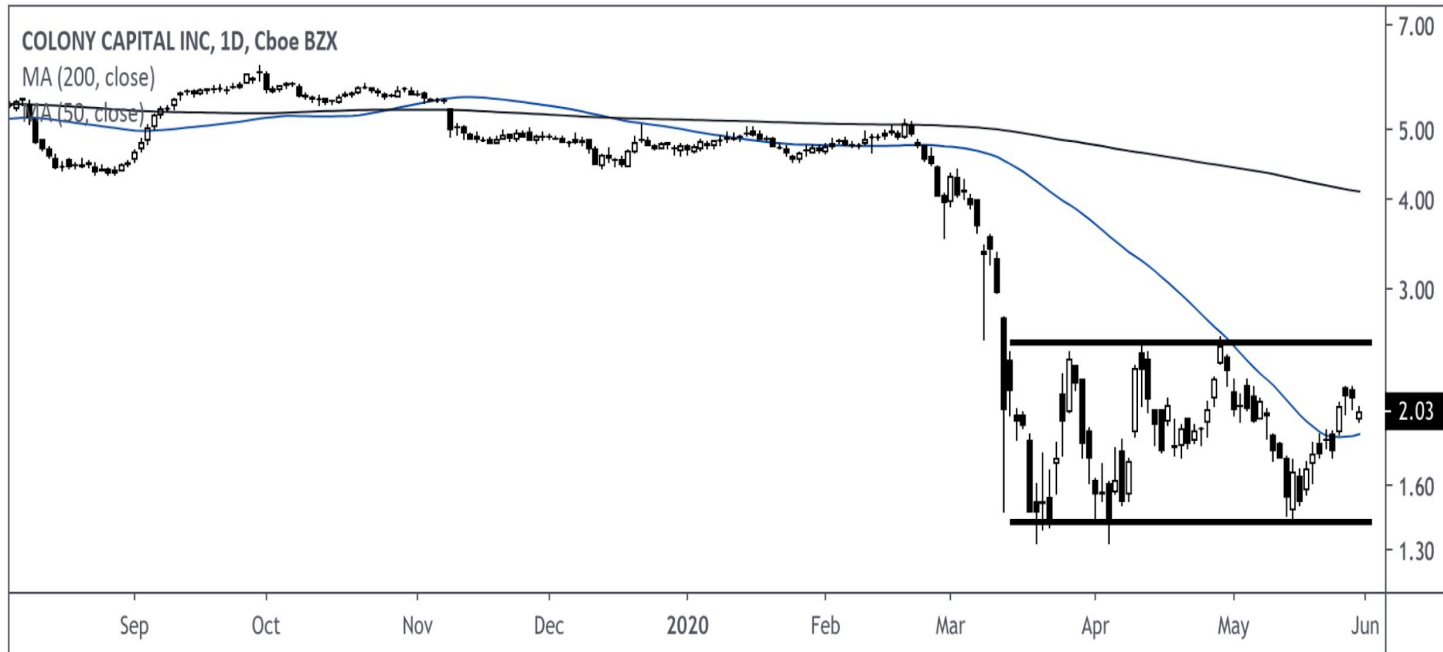
- Leading citrus fruit supplier in US
- Tropicana is largest customer with long history
- 110K acres of FL land
- Management has skin in game

What We Don't Like:

- Price taker (commodity)
- Customer concentration risk
- Import risk from Brazil



Colony Capital, Inc. (CLNY): Rectangle



Long Trade:

- 3% Entry: \$2.58
- 1.50% Entry: \$2.54
- Stop-Loss: \$2.19
- Profit Target: \$3.64
- Reward/Risk: 3.17x

Short Trade:

- 3% Entry: \$1.38
- 1.50% Entry: \$1.40
- Stop-Loss: \$1.69
- Profit Target: \$0.32
- Reward/Risk: 3.70x



Colony Capital (CLNY): Business Description

Colony Capital, Inc. (NYSE:CLNY) is a global investment firm with a focus on building the leading digital real estate provider and funding source for the occupancy, infrastructure, equity and credit needs of the world's mobile communications and data-driven companies.

The Company has assets under management of approximately \$49 billion composed of \$36 billion of capital managed on behalf of third-party institutional and retail investors and \$13 billion of investment interests on its own balance sheet. The Company owns and operates an investment management business with \$14 billion in digital real estate investments and \$22 billion in traditional commercial real estate debt and equity investments. -

TIKR.com



Colony Capital (CLNY): Fundamental Info

Financials:

- Market Cap: \$992M
- Enterprise Value: \$13.7B
- EV/EBITDA: 14.28x
- EBIT Margin: 41%
- ROE: -16%
- P/B: 0.20x

What We Like:

- Massive discount to book value
- Baupost Group is invested
- World's leading real estate investor

What We Don't Like:

- \$8B in net debt
- Hospitality is key investment segment
- COVID-19 uncertainty



Wedge Industrial (000534): Descending Triangle



Short Trade:

- 3% Entry: \$8.32
- 1.50% Entry: \$8.45
- Stop-Loss: \$8.92
- Profit Target: \$6.95
- Reward/Risk: 3.20x



Wedge Industries (000534): Business Description

Wedge Industrial Co., Ltd. invests in, develops, sells, and operates real estate properties in China. It also engages in power generation and steam heat supply activities.

The company was formerly known as Guangdong Wanze Industrial Co., Ltd. and changed its name to Wedge Industrial Co., Ltd. in May 2013. The company was founded in 1992 and is based in Shantou, China. - TIKR.com



Wedge Industries (000534): Fundamental Info

Financials:

- Market Cap: \$622M
- Enterprise Value: \$675M
- EV/EBIT: 36x
- ROC: 2.90%
- 3YR Avg. FCF: -\$30M

What We Like:

- Reduction in share count
- Pays a dividend
- EBIT covers interest expense 1.50x

What We Don't Like:

- Burning cash
- Lots of debt
- No room for error in lower earnings on debt payments



Pacific Textiles (1382.HK): Descending Triangle



Short Trade:

- 3% Entry: \$3.33
- 1.50% Entry: \$3.38
- Stop-Loss: \$3.66
- Profit Target: \$2.56
- Reward/Risk: 2.91x



Pacific Textiles (1382): Business Description

Pacific Textiles Holdings Limited, an investment holding company, engages in the manufacturing and trading of textile products.

The company is involved in the knitting, dyeing, printing, and finishing of fabrics. Its fabrics are used in a range of garments, including men's, women's, and children's clothing, as well as sportswear, swimwear, and inner-wear.

The company operates in the People's Republic of China, Vietnam, Hong Kong, the United States, Indonesia, Cambodia, Thailand, Sri Lanka, India, Haiti, Africa, and internationally. - TIKR.com



Pacific Textiles (1382): Fundamental Info

Financials:

- Market Cap: \$630M
- Enterprise Value: \$577M
- EV/EBITDA: 3.75x
- ROE: 26.3%
- FCF Margin: 10%

What We Like:

- Quantitatively cheap
- 10% FCF margin
- Consistently profitable
- No dilution

What We Don't Like:

- Increased cash conversion
- Increased inventory outstanding
- Increased sales outstanding.



Xilinx, Inc. (XLNX): Inverse Head & Shoulders



Long Trade:

- 3% Entry: \$95.05
- 1.50% Entry: \$93.66
- Stop-Loss: \$85.37
- Profit Target: \$117.78
- Reward/Risk: 2.91x



Xilinx, Inc. (XLNX): Business Description

Xilinx, Inc. designs and develops programmable devices and associated technologies worldwide.

The company offers integrated circuits (ICs) in the form of programmable logic devices (PLDs), such as programmable system on chips, and three dimensional ICs; adaptive compute acceleration platform; software design tools to program the PLDs; software development environments and embedded platforms; targeted reference designs; printed circuit boards; and intellectual property (IP) core licenses covering Ethernet, memory controllers, Interlaken, and peripheral component interconnect express interfaces, as well as domain-specific IP in the areas of embedded, digital signal processing and connectivity, and market-specific IP cores. - TIKR.com



Xilinx, Inc. (XLNX): Fundamental Info

Financials:

- Market Cap: \$22.13B
- Enterprise Value: \$21.17B
- P/Normalized E: 33.19x
- EV/EBIT: 30x
- FCF Margin: 28.6%

What We Like:

- FCF positive 10 straight years
- 60%+ Gross Margins
- 25% Operating Income Margins
- Decreasing Share Count
- Net Cash

What We Don't Like:

- Cyclical industry
- Loads of competition
- Increase cash conversion
- Increase Days Inventory



Rite Aid Corp (RAD): Symmetrical Triangle



Long Trade:

- 3% Entry: \$15.82
- 1.50% Entry: \$15.59
- Stop-Loss: \$13.55
- Profit Target: \$24.78
- Reward/Risk: 4.50x

Short Trade:

- 3% Entry: \$11.92
- 1.50% Entry: \$12.11
- Stop-Loss: \$14.02
- Profit Target: \$2.87
- Reward/Risk: 4.82x



Rite Aid Corp (RAD): Business Description

The company operates through two segments, Retail Pharmacy and Pharmacy Services.

The Retail Pharmacy segment sells prescription drugs and an assortment of other merchandise, including over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, food and beverages, greeting cards, seasonal merchandise, and other every day and convenience products. - TIKR.com



Rite Aid Corp (RAD): Fundamental Info

Financials:

- Market Cap: \$737M
- Enterprise Value: \$6.82B
- EV/EBITDA: 13.42x
- ROC: 3.5%
- FCF Margin: 2.7%

What We Like:

- 20% Gross Margins
- Leading brand name business

What We Don't Like:

- Share dilution
- Lumpy earnings
- Low operating margins
- High cap-ex w/ little FCF





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