



# Macro Ops Breakout Alerts

*No Dead Money  
June 12 2020*



# Past Alerts: Buy, Sell and Stop Signals

## **SELL TRIGGERS**

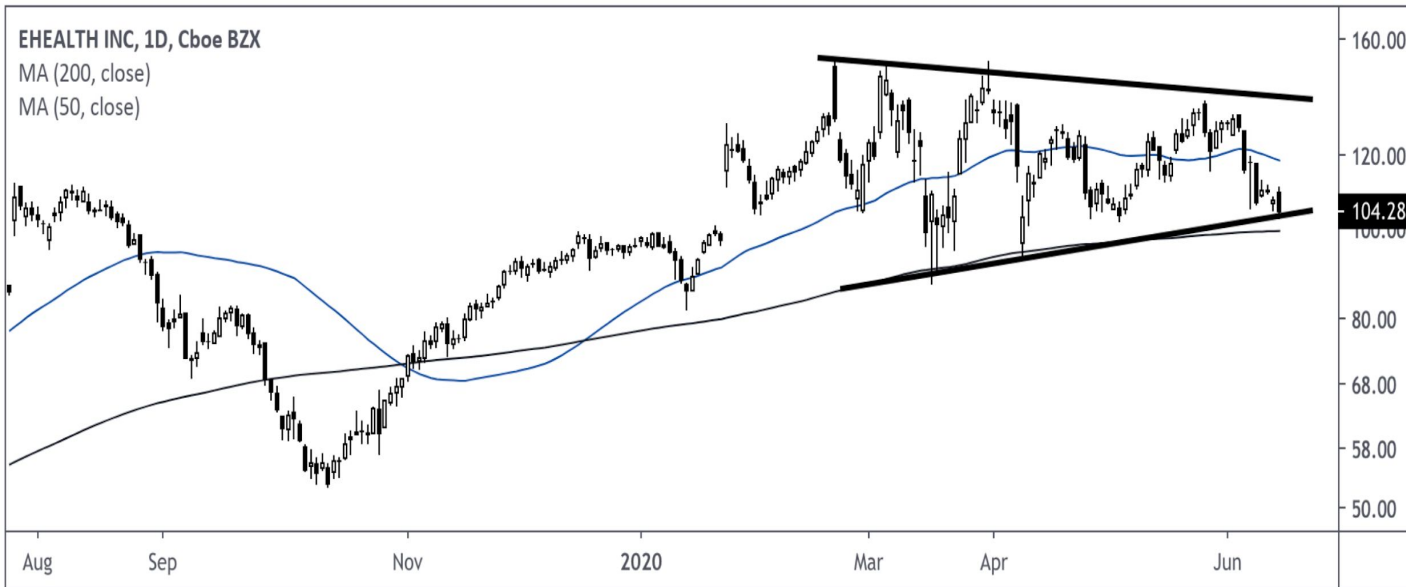
- **Orion Corporation (ORNAV)**
- **American National (ANAT)**

## **STOP-LOSS TRIGGERS**

- **Orion Energy (OESX)**
- **Pacific Textiles (1382.HK)**



# EHealth, Inc. (EHTH): Symmetrical Triangle



## Short Trade:

- 3% Entry: \$99.57
- 1.50% Entry: \$101.11
- Stop-Loss: \$119.79
- Profit Target: \$58.79
- Reward/Risk: 2.27x



# EHealth, Inc. (EHTH): Business Description

eHealth, Inc. provides private health insurance exchange services to individuals, families, and small businesses in the United States and China. The company operates through two segments, Medicare; and Individual, Family and Small Business.

Its e-commerce platforms organize and present health insurance information in various formats that enable individuals, families, and small businesses to research, analyze, compare, and purchase a range of health insurance plans. - TIKR.com



# EHealth, Inc. (EHTH): Fundamental Info

## Financials:

- Market Cap: \$2.75B
- Enterprise Value: \$2.57B
- EV/EBITDA: 19x
- EV/Unlev. FCF: 45x
- Gross Margins: 99.5%
- Operating Income Margin: 20%

## What We Like:

- Operates in an industry w/ long runway
- High Gross Margin
- Net Cash on balance sheet
- 16% ROE

## What We Don't Like:

- Current Ratio declining
- Days Sales Out. increasing
- High SG&A % of revenues



# Peloton (PTON): Rectangle Continuation



## Long Trade:

- 3% Entry: \$50.54
- 1.50% Entry: \$49.81
- Stop-Loss: \$45.01
- Profit Target: \$59.41
- Reward/Risk: 2.00x



# Peloton (PTON): Business Description

Peloton Interactive, Inc. provides interactive fitness products in North America. It offers connected fitness products, such as the Peloton Bike and the Peloton Tread, which include touchscreen that streams live and on-demand classes.

The company also provides connected fitness subscriptions for multiple household users, and access to all live and on-demand classes, as well as Peloton Digital app for connected fitness subscribers to provide access to its classes. It has approximately 1.4 million members. - TIKR.com



# Peloton (PTON): Fundamental Info

## Financials:

- Market Cap: \$13B
- Enterprise Value: \$12.11B
- EV/Sales: 4.90x
- Gross Margin: 42%
- ROCE: 57%
- FCF Margin: -14%

## What We Like:

- Growing revenues >100%/year
- Net cash on balance sheet
- Cult-like following
- Product = verb in people's vocab

## What We Don't Like:

- Currently loss-making & burning cash
- Increase in Days Sales Out.





# Square Enix Holding (9684.JP): Inverse H&S



## Long Trade:

- 3% Entry: \$5,881.30
- 1.50% Entry: \$5,795.65
- Stop-Loss: \$4,350.00
- Profit Target: \$11,465
- Reward/Risk: 3.92x



# Square Enix Holding (9684.JP): Business Description

Square Enix Holdings Co., Ltd. operates in the content and service businesses in Japan, North America, Europe, and rest of Asia. It operates through four segments: Digital Entertainment, Amusement, Publication, and Merchandising. The Digital Entertainment segment plans, develops, distributes, and operates digital entertainment content primarily in the form of games.

This segment offers digital entertainment content for various customer usage environments, including personal computers and smart devices, as well as consumer game consoles, such as handheld game machines. The Amusement segment is involved in the operation of amusement facilities.

This segment also engages in the planning, development, distribution, and rental of arcade game machines and related products for amusement facilities. The Publication segment publishes comic and game strategy books, as well as comic magazines. The Merchandising segment plans, produces, distributes, and licenses products, such as character goods and soundtracks.- [TIKR.com](https://www.tikr.com)



# Square Enix Holding (9684.JP): Fundamental Info

## Financials:

- Market Cap: \$6.05B
- Enterprise Value: \$4.9B
- EV/EBITDA: 10.43x
- Gross Margins: 48%
- FCF Margin: 2.1%

## What We Like:

- Durable 40%+ gross margins
- Double-digit operating margins
- Net cash on balance sheet
- Breakout would be to ATH

## What We Don't Like:

- Large negative change in inventory in 2019
- Rising SG&A costs
- Increase in Days Sales Out.



# Midea Group (000333.CH): Ascending Triangle



## Long Trade:

- 3% Entry: \$63.49
- 1.50% Entry: \$62.56
- Stop-Loss: \$52.50
- Profit Target: \$109.52
- Reward/Risk: 4.66x



# Midea Group (000333.HK): Business Description

Midea Group Co., Ltd., together with its subsidiaries, manufactures and sells home appliances, and robotic and automatic systems in China and internationally.

The company operates through four segments: Heating & Ventilation, as well as Air-Conditioner; Consumer Appliances; Robotics and Automatic Systems; and Others.

The company offers split, portable, and dehumidifier residential air conditioners (ACs); light commercial ACs, including cassette, duct, ceiling and floor, console, floor standing, and AHU; and commercial ACs, such as VRF and chiller, large split, rooftop packaged, FCU, AHU, and heat pump solutions.-



# Midea Group (000333.HK): Fundamental Info

## Financials:

- Market Cap: \$58.9B
- Enterprise Value: \$55.47B
- EV/EBIT: 14x
- EV/ Unlev FCF: 7.57x
- ROC: 16%

## What We Like:

- Net cash on balance sheet
- 15 consecutive years of 15%+ ROC
- Rising GP Margins + Falling SG&A
- 11.5% FCF Margin
- 32% of stock owned by company

## What We Don't Like:

- Lower net income margins
- Increase in Days Out. Inventory



# Poly Developments (6000048.CH): Rectangle



## Long Trade:

- 3% Entry: \$17.05
- 1.50% Entry: \$16.80
- Stop-Loss: \$15.06
- Profit Target: \$20.00
- Reward/Risk: 1.84x

## Short Trade:

- 3% Entry: \$13.33
- 1.50% Entry: \$13.53
- Stop-Loss: \$15.16
- Profit Target: \$11.44
- Reward/Risk: 1.29x



# Poly Developments (6000048.CH): Business Description

Poly Developments and Holdings Group Co., Ltd. develops, invests in, and operates real estate properties in China and internationally. The company develops residential and commercial office buildings, hotels, shopping centers, convention centers, sports venues, industrial parks, theme parks, and tourism and other projects.

It is also involved in the construction, agency, asset management, and other businesses; provision of engineering design, survey, supervision, and consulting services; and provision of property management services for residential properties, office properties, shopping malls, hotels, long-term rental apartments, conference exhibitions, special industries, etc.- TIKR.com





# Poly Developments (6000048.CH): Fundamental Info

## Financials:

- Market Cap: \$24B
- Enterprise Value: \$58.5B
- EV/EBITDA: 6.38x
- ROC: 9.7%
- Gross Margins: 34.5%
- FCF Margin: 10.2%

## What We Like:

- 15+ years of 30% GM
- 15+ years of positive EBIT
- Trading sub 7x EBITDA

## What We Don't Like:

- Massive cash burn from inventory & receivables each year
- 2.62x Net Debt / EBITDA





Contact Us:

Slack: [#Classical-Charting](#)

Email: [brandon@macro-ops.com](mailto:brandon@macro-ops.com)

