



# Macro Ops Breakout Alerts

*No Dead Money  
July 31 2020*





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How To Interpret The Breakout Alerts: [Here](#)



# Past Alerts: Buy, Sell and Stop Signals

## BUY TRIGGERS

- **Arista Networks (ANET)**
- **Fulgent Technologies (FLGT)**
- **Avantor, Inc. (AVTR)**

## STOP-LOSS TRIGGERS

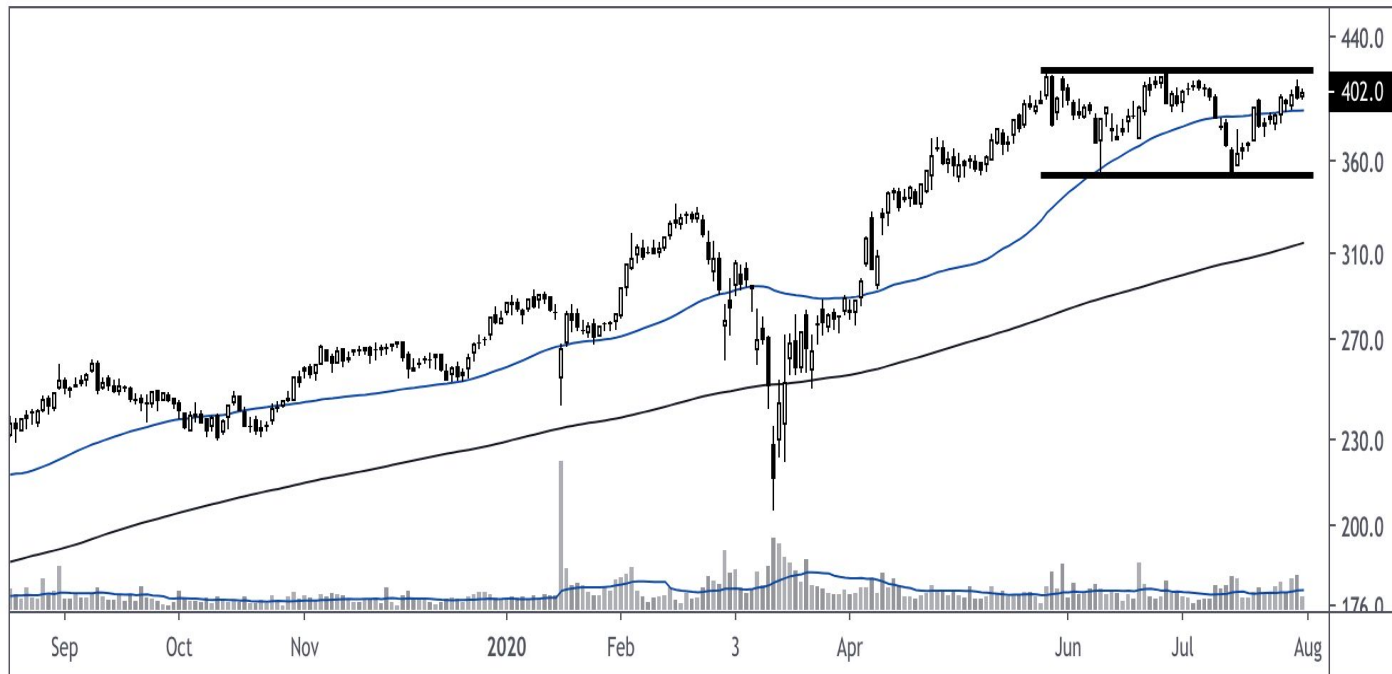
- **Nagaileen (7447)**



# CDPROJEKT (CDR.PL): Rectangle

rockvuecap published on TradingView.com, July 31, 2020 15:03:31 EDT

GPW\_DLY:CDR, 1D 402.0 ▲ +3.5 (+0.88%) O:399.6 H:404.8 L:398.1 C:402.0



## Long Trade:

- 3% Entry: \$429.92
- 1.50% Entry: \$423.66
- Stop-Loss: \$390.3
- Profit Target: \$481.80
- Reward/Risk: 1.74x



# CDPROJEKT (CDR.PL): Business Description

CD Projekt S.A., through its subsidiaries, engages in the development and digital distribution of videogames worldwide. It operates through two segments, CD PROJEKT RED and GOG.com.

The company's product portfolio comprises The Witcher; The Witcher 2: Assassins of Kings; The Witcher 3: Wild Hunt, Hearts of Stone games, and Blood and Wine; Thronebreaker: The Witcher Tales; Gwent: The Witcher Card game; and Cyberpunk 2077, as well as online multiplayer games. - TIKR.com



# CDPROJEKT (CDR.PL): Fundamental Info

## Financials:

- Market Cap: \$10.1B
- Enterprise Value: \$9.93B
- Gross Margins: 70%
- Operating Margins: 37.5%
- EV/EBIT: 17.05x
- P/FCF: 20x

## What We Like:

- Leading video game creator with crazy-sticky fanbase
- Consistent high-quality games
- Negative cash conversion cycle
- No debt
- Insiders own >20%
- High FCF generation

## What We Don't Like:

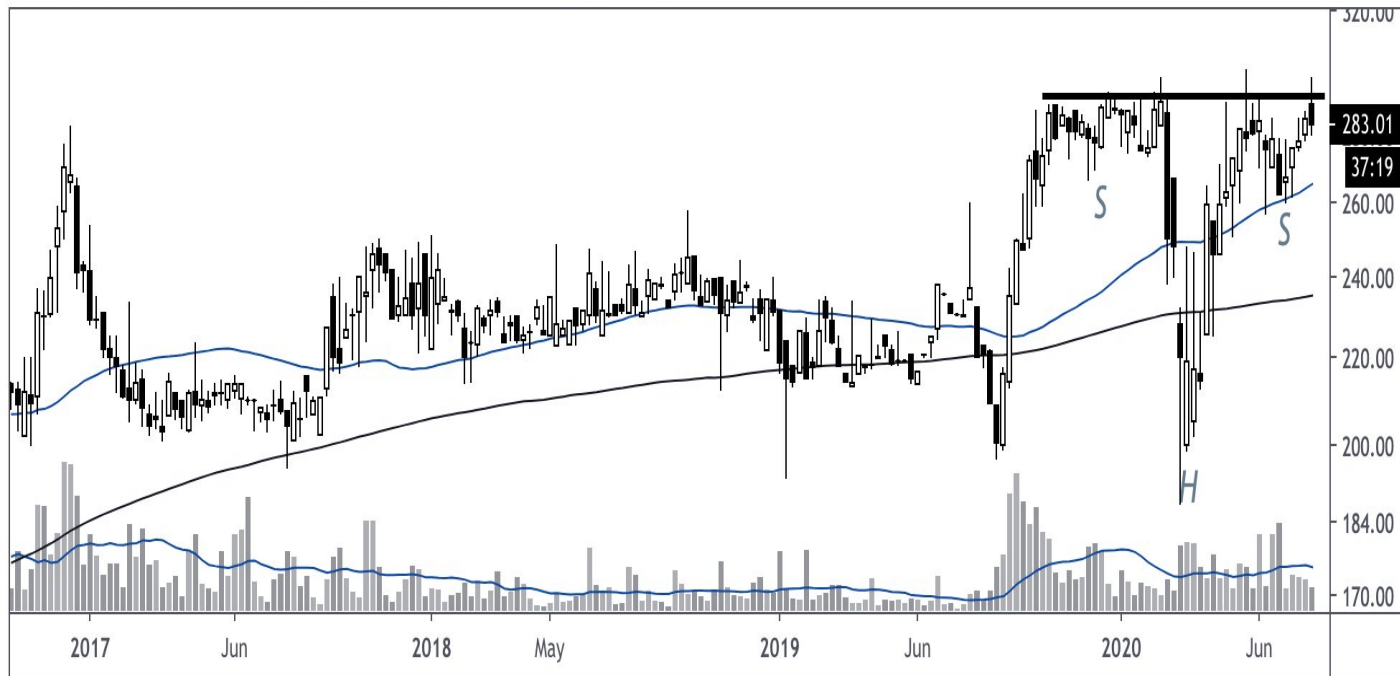
- Boom/bust game cycle



# Daily Journal Co (DJCO): Inverse Head & Shoulders

rockvuecap published on TradingView.com, July 31, 2020 15:22:41 EDT

BATS:DJCO, 1W 283.01 ▲ +3.13 (+1.12%) O:289.54 H:297.94 L:279.88 C:283.01



Long Trade:

- 3% Entry: \$300.65
- 1.50% Entry: \$296.27
- Stop-Loss: \$260.98
- Profit Target: \$386.07
- Reward/Risk: 2.54x



# Daily Journal Co (DJCO): Business Description

The company publishes 10 newspapers of general circulation. It also provides specialized information services; and serves as an advertising and newspaper representative for commercial and public notice advertising.

In addition, the company offers case management software systems and related products, including eCourt, eProsecutor, eDefender, and eProbation, which are browser-based case processing systems; eFile, a browser-based interface that allows attorneys and the general public to electronically file documents with the court using the Internet; and ePayIt, a service primarily for the online payment of traffic citations.- TIKR.com





# Daily Journal Co (DJCO): Fundamental Info

## Financials:

- Market Cap: \$396M
- Enterprise Value: \$285M
- Gross Margins: 23%
- Operating Margins: -7%
- EV/Sales: 5.53x
- 3YR Avg. Rev Growth: 5.66%

## What We Like:

- High insider ownership & Charlie Munger on board
- Current financials hide underlying change to SaaS model
- New durable, sticky software product

## What We Don't Like:

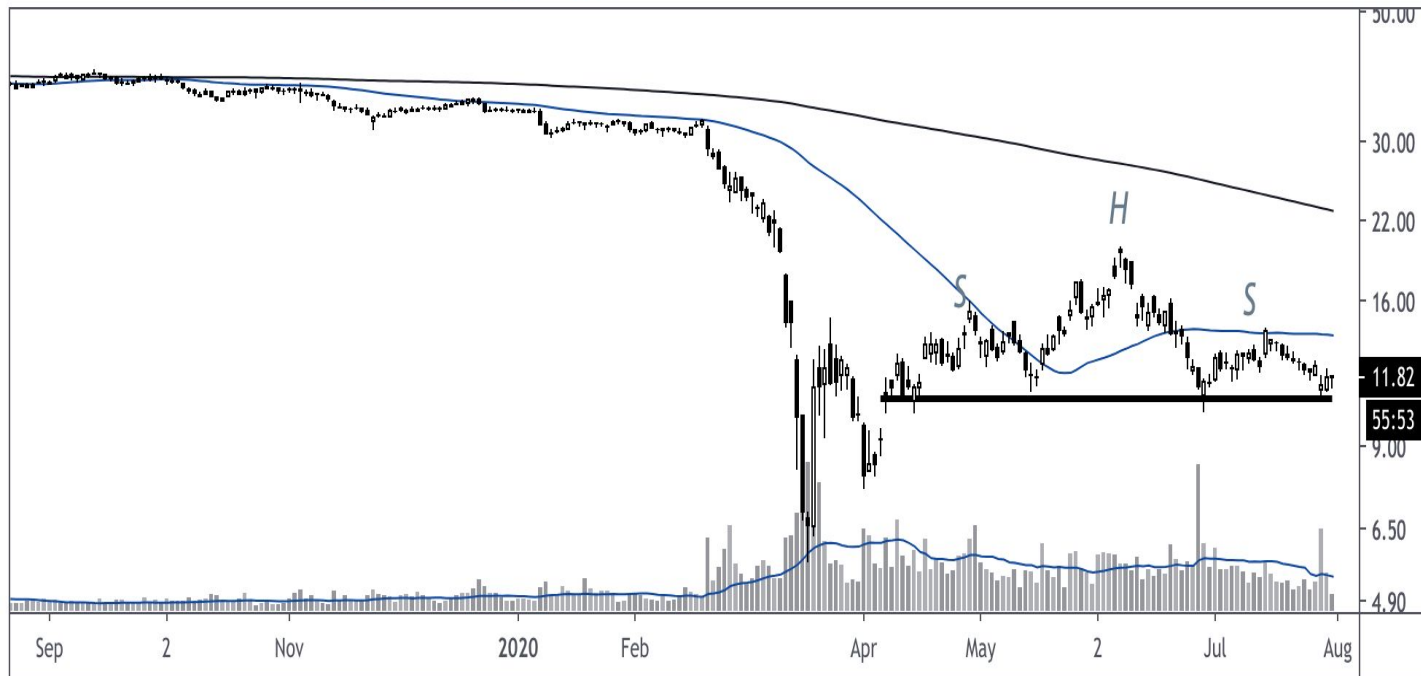
- Untested new business model
- Turnaround play



# Cinemark Holdings (CNK): Head & Shoulders

rockvuecap published on TradingView.com, July 31, 2020 15:04:07 EDT

BATS:CNK, 1D 11.82 ▼ -0.05 (-0.42%) O:11.91 H:11.91 L:11.35 C:11.82



Short Trade:

- 3% Entry: \$10.57
- 1.50% Entry: \$10.74
- Stop-Loss: \$14.32
- Profit Target: \$2.00
- Reward/Risk: 2.44x



# Cinemark Holdings (CNK): Business Description

Cinemark Holdings, Inc., together with its subsidiaries, engages in the motion picture exhibition business. As of February 10, 2020, it operated 548 theatres with 6,082 screens in 41 states of the United States, Brazil, and Argentina, as well as 13 other Latin American countries. - TIKR.com



# Cinemark Holdings (CNK): Fundamental Info

## Financials:

- Market Cap: \$1.45B
- Enterprise Value: \$4.45B
- Gross Margins: 49%
- Operating Margins: 12.4%
- NTM EV/EBIT: -11.52x
- ROC: 8.2%

## What We Like (Pro Short):

- Increasing cash conversion
- Lower ROC and EBIT margins
- Rising leverage (4x)
- Slowing top-line growth
- Relatively high cap-ex requirements

## What We Don't Like (Pro Long):

- Negative cash conversion



# Genimous Tech (000676.CH): Symmetrical Triangle

rockvuecap published on TradingView.com, July 31, 2020 15:04:43 EDT

SZSE\_DLY:000676, 1W 8.33 ▲ +0.23 (+2.84%) O:8.10 H:8.37 L:7.86 C:8.33



## Long Trade:

- 3% Entry: \$10.53
- 1.50% Entry: \$10.37
- Stop-Loss: \$9.13
- Profit Target: \$15.62
- Reward/Risk: 4.22x

## Short Trade:

- 3% Entry: \$7.12
- 1.50% Entry: \$7.23
- Stop-Loss: \$8.34
- Profit Target: \$1.94
- Reward/Risk: 4.77x



# Genimous Tech (000676.CH): Business Description

Genimous Technology Co., Ltd. engages in Internet media and digital marketing businesses in China and internationally. It offers mobile advertising trading platform; and integrated digital marketing, media strategy, communication strategy, media buying, socialized marketing, search engine marketing, traffic docking, and entertainment marketing services.

The company also develops App China, a local android-based application store, which connects users with developers; and cross-platform solutions that connects advertisers and software developers. - TIKR.com



# Genimous Tech (000676.CH): Fundamental Info

## Financials:

- Market Cap: \$1.55B
- Enterprise Value: \$1.41B
- Gross Margins: 11.7%
- Operating Margins: 4%
- EV/EBIT: 10.74x
- EV/Sales: 1.16x
- P/Norm. E: 16x

## What We Like:

- Insider ownership
- Net cash on balance sheet
- Low cap-ex

## What We Don't Like:

- Complicated business w/ many segments
- Slowing growth & compressing margins
- Low ROC (6%)



# Vatti Corporation (002035.CH): Symmetrical Triangle

rockvuecap published on TradingView.com, July 31, 2020 15:05:33 EDT

SZSE\_DLY:002035, 1W 10.38 ▼ -0.04 (-0.38%) O:10.44 H:10.57 L:10.13 C:10.38



## Long Trade:

- 3% Entry:
- 1.50% Entry:
- Stop-Loss:
- Profit Target:
- Reward/Risk:

## Short Trade:

- 3% Entry: \$9.62
- 1.50% Entry: \$9.77
- Stop-Loss: \$11.62
- Profit Target: \$1.99
- Reward/Risk: 4.21x





# Vatti Corporation (002035.CH): Business Description

Vatti Corporation Limited produces and sells household appliances in the People's Republic of China.

The company offers fitted kitchens, gas appliances, kitchen appliances, sanitary products, household electric appliances, stoves, lampblack machines, hobs, water heaters, steaming machines, ovens, disinfection cabinets, kitchen cabinets, cooker hoods, sterilizers, and cupboards.- TIKR.com



# Vatti Corporation (002035.CH): Fundamental Info

## Financials:

- Market Cap: \$1.24B
- Enterprise Value: \$983M
- Gross Margins: 48%
- Operating Margins: 13%
- EV/EBIT: 7.88x
- EV/FCF: 17,.42x
- 5YR Avg. Rev Growth: 9.72%

## What We Like:

- 23% ROC
- GM % up while SG&A % down
- Negative cash conversion cycle
- No debt on balance sheet
- 10% insider ownership

## What We Don't Like:

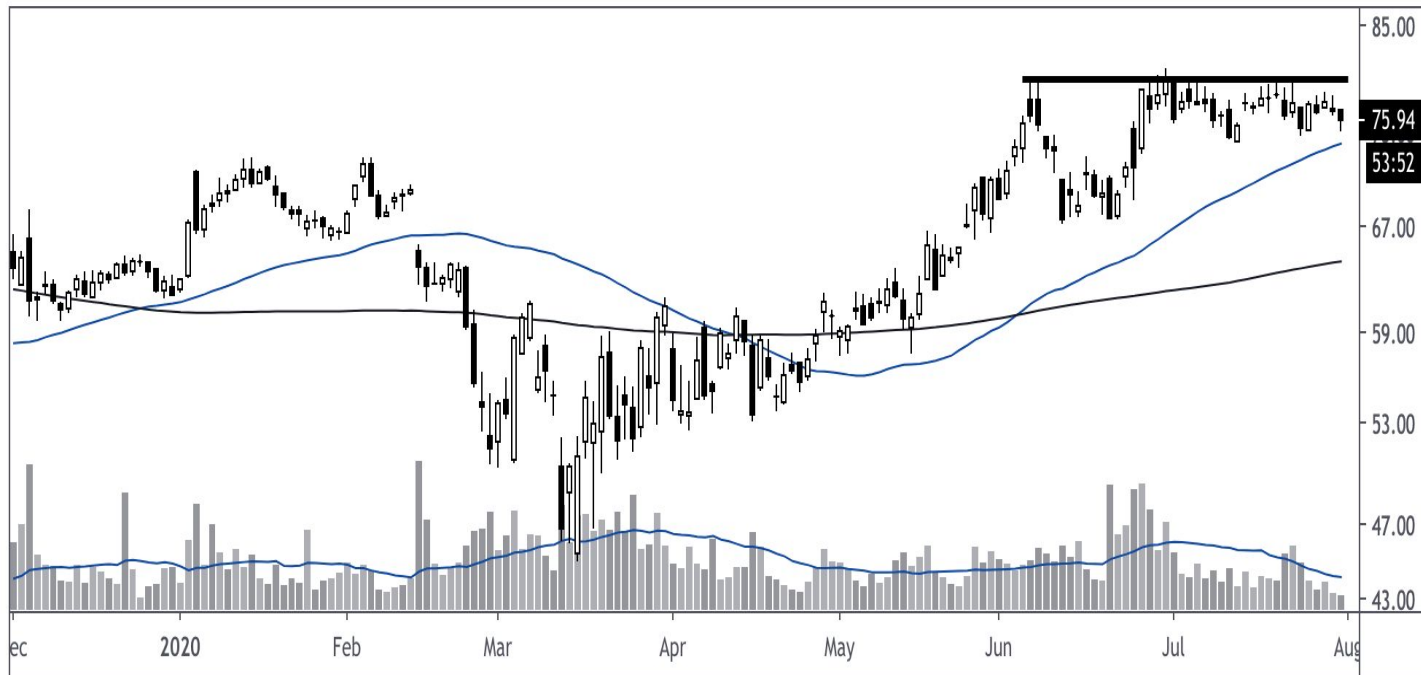
- Rising inventory levels (can't sell their product)
- A/R piling up on balance sheet



# Aerovironment (AVAV): Cup & Handle

rockvuecap published on TradingView.com, July 31, 2020 15:06:08 EDT

BATS:AVAV, 1D 75.94 ▼ -1.21 (-1.57%) O: 76.96 H: 77.05 L: 75.02 C: 75.94



Long Trade:

- 3% Entry: \$82.13
- 1.50% Entry: \$80.94
- Stop-Loss: \$74.65
- Profit Target: \$92.37
- Reward/Risk: 1.82x



# Aerovironment (AVAV): Business Description

AeroVironment, Inc. designs, develops, produces, supports, and operates a portfolio of products and services for government agencies and businesses. The company offers unmanned aircraft systems (UAS) and related services primarily to organizations within the U.S. Department of Defense and to international allied governments; and tactical missile systems and related services to organizations within the U.S. Government.

It also provides small UAS products, including spare equipment, alternative payload modules, batteries, chargers, repair services, and customer support.-  
TIKR.com



# Aerovironment (AVAV): Fundamental Info

## Financials:

- Market Cap: \$1.83B
- Enterprise Value: \$1.54B
- Gross Margins: 42%
- Operating Margins: 12.6%
- EV/EBIT: 30.25x
- EV/Sales: 3.82x
- Current Ratio: 7.53x

## What We Like:

- Fast-growing industry w/ long tailwinds
- 3YR 10%+ average revenue growth
- Reduction in SG&A = higher operating margins

## What We Don't Like:

- Large increase in A/R
- Increase DSO & Cash Conv.





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